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Official Committee Hansard

SENATE

FINANCE AND PUBLIC ADMINISTRATION
LEGISLATION COMMITTEE

Estimates

MONDAY, 23 MAY 2011

CANBERRA

BY AUTHORITY OF THE SENATE

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SENATE
FINANCE AND PUBLIC ADMINISTRATION LEGISLATION COMMITTEE

Monday, 23 May 2011

Senators in attendance: Senators Abetz, Bernardi, Birmingham, Bushby, Colbeck, Cormann, Faulkner, Ferguson, Fierravanti-Wells, Fifield, Forshaw, Humphries, Kroger, Ludlam, Marshall, Moore, Parry, Payne, Polley, Ryan, Siewert, Stephens, Trood

PARLIAMENTARY DEPARTMENTS

In Attendance

Senator the Hon John Hogg, President of the Senate

Department of the Senate:

Dr Rosemary Laing, Clerk of the Senate

Mr Richard Pye, Deputy Clerk of the Senate

Mr Chris Reid, Clerk Assistant (Committees)

Ms Bronwyn Notzon, Clerk Assistant (Procedure)

Ms Maureen Weeks, Clerk Assistant (Table Office)

Mr Brien Hallett, Usher of the Black Rod

Mr Joe d'Angelo, Chief Financial Officer

Mr Simon Harvey, Director Parliamentary Education Office

Department of Parliamentary Services

Departmental overview and major corporate issues

Mr Alan Thompson, Secretary

Mr David Kenny, Deputy Secretary

Ms Roxanne Missingham, Parliamentary Librarian

Ms Liz Bryant, Assistant Secretary, Projects Branch

Mr John Edwards, Senior Project Officer, Projects Branch

Ms Cindy Kenny, Acting Chief Finance Officer

Ms Kylie Scroope, Director, Art Services

Ms Judy Tahapehi, Director, Strategy and Communications

Program 1: Parliamentary Library services

Dr Dianne Heriot, Assistant Secretary, Research Branch

Ms Judy Hutchinson, Assistant Secretary, Information Access Branch

Program 2: Building and occupant services

Ms Bronwyn Graham, Assistant Secretary, Building Services Branch

Program 3: Infrastructure services

Ms Freda Hanley, Assistant Secretary, Infrastructure Services Branch

Program 4: Parliamentary records services

Ms Karen Greening, Assistant Secretary, Content Management Branch

Committee met at 09:00

CHAIR (Senator Polley): I declare open this meeting of the Senate Finance and Public Administration Legislation Committee. The Senate has referred to the committee the particulars of proposed expenditure for 2011-12 for the parliamentary departments and the portfolios of Prime Minister and Cabinet and of Finance and Deregulation. The committee may also examine the annual reports of the departments and agencies appearing before it. The

committee has fixed Friday, 8 July 2011 as the date by which answers to questions on notice are to be returned. 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 Department of Regional Australia, Regional Development and Local Government and of the Finance and Deregulation Portfolio will commence on Wednesday.

Under standing order 26 the committee must take all evidence in public session. This includes answers to questions on notice. Officers and senators are familiar with the rules of the Senate governing estimates hearings. If you need assistance, the secretariat has provided copies. I particularly draw the attention of witnesses to an order of the Senate of 13 May 2009 specifying the process by which a claim of public interest immunity shall be raised, which I now incorporate into *Hansard*.

The extract read as follows—

Public interest immunity claims

That the Senate—

- (a) notes that ministers and officers have continued to refuse to provide information to Senate committees without properly raising claims of public interest immunity as required by past resolutions of the Senate;
- (b) reaffirms the principles of past resolutions of the Senate by this order, to provide ministers and officers with guidance as to the proper process for raising public interest immunity claims and to consolidate those past resolutions of the Senate;
- (c) orders that the following operate as an order of continuing effect:
 - (1) If:
 - (a) a Senate committee, or a senator in the course of proceedings of a committee, requests information or a document from a Commonwealth department or agency; and
 - (b) an officer of the department or agency to whom the request is directed believes that it may not be in the public interest to disclose the information or document to the committee, the officer shall state to the committee the ground on which the officer believes that it may not be in the public interest to disclose the information or document to the committee, and specify the harm to the public interest that could result from the disclosure of the information or document.
 - (2) If, after receiving the officer's statement under paragraph (1), the committee or the senator requests the officer to refer the question of the disclosure of the information or document to a responsible minister, the officer shall refer that question to the minister.
 - (3) If a minister, on a reference by an officer under paragraph (2), concludes that it would not be in the public interest to disclose the information or document to the committee, the minister shall provide to the committee a statement of the ground for that conclusion, specifying the harm to the public interest that could result from the disclosure of the information or document.
 - (4) A minister, in a statement under paragraph (3), shall indicate whether the harm to the public interest that could result from the disclosure of the information or document to the committee could result only from the publication of the information or document by the committee, or could result, equally or in part, from the disclosure of the information or document to the committee as in camera evidence.
 - (5) If, after considering a statement by a minister provided under paragraph (3), the committee concludes that the statement does not sufficiently justify the withholding of the information or document from the committee, the committee shall report the matter to the Senate.

- (6) A decision by a committee not to report a matter to the Senate under paragraph (5) does not prevent a senator from raising the matter in the Senate in accordance with other procedures of the Senate.
- (7) A statement that information or a document is not published, or is confidential, or consists of advice to, or internal deliberations of, government, in the absence of specification of the harm to the public interest that could result from the disclosure of the information or document, is not a statement that meets the requirements of paragraph (1) or (4).
- (8) If a minister concludes that a statement under paragraph (3) should more appropriately be made by the head of an agency, by reason of the independence of that agency from ministerial direction or control, the minister shall inform the committee of that conclusion and the reason for that conclusion, and shall refer the matter to the head of the agency, who shall then be required to provide a statement in accordance with paragraph (3).

(Extract, Senate Standing Orders, pp 124-125)

Department of the Senate

[09:01]

CHAIR: I welcome the President of the Senate, Senator the Hon. John Hogg; Clerk of the Senate Dr Laing; and officers of the Department of the Senate. I thank the department for again providing the committee with updated information on Senate committee activities. Senator Hogg, do you wish to make an opening statement?

The PRESIDENT: No, thanks.

CHAIR: Dr Laing?

Dr Laing: No, thank you.

Senator FIFIELD: Dr Laing, recently I invested in two more copies of *Odgers*. It is never possible to have too many! I understand that at the time stocks were getting low. Are there plans for a reprint of *Odgers* or a new edition?

Dr Laing: I am very pleased to hear that you have purchased two new copies, Senator. It is almost time for a new edition, and you will be aware that every six months a supplement to what is currently the 12th edition is prepared, tabled and published. I am in the process of examining the 13th edition. I do not have a specific publication date in mind, but I am hoping that later in the year the 13th edition will be available. While stocks may be getting low—I am not sure that they are all that low—all of the content is, of course, available online free of charge to anybody who wishes to avail themselves of the intricacies and wonders of Senate practice and procedure.

Senator FIFIELD: Will it be available in an iPad app, for instance?

Dr Laing: We can look at that. We need to keep up, and we can certainly look at that.

Senator FIFIELD: I know you can download it into iBooks on an iPad, but I was just wondering if—

Dr Laing: Yes, it is a whole brave new world out there.

Senator FIFIELD: Indeed it is. Is there any new content in *Odgers* that you would be looking at—any exciting new innovations?

Dr Laing: I might put in footnotes.

Senator FIFIELD: I am giving you the opportunity to build up anticipation for the 13th edition.

Dr Laing: Yes. There will certainly be some new content because, as you would be aware, Senate practice is a constantly evolving theme.

Senator FIFIELD: I guess I meant new sections, as opposed to updated content of existing sections.

Dr Laing: No, I think the content will basically be an update. At this stage it has not struck me that we need to do a major recasting of the work. Such a recasting was done in the mid-1990s. The first six editions were based on the original work prepared by Jim Odgers, from 1953, and the seventh edition was a complete rewriting of that work. So we are still building on that structure for the time being.

Senator FIFIELD: Okay, thank you. We will look forward to that. I was just wondering, as a result of the exposure during the last estimates of the annotated standing orders, whether you have had a huge increase in sales.

Dr Laing: Alas, I have to tell you that I think the sales since the last estimates process will have been minimal!

Senator FIFIELD: That is deeply disappointing, Dr Laing.

Dr Laing: But could I say again, Senator, that the content is available online. Of course, the purpose of doing that work was not to create a best seller—not even I thought it would be a best seller!

Senator FIFIELD: To create more of a classic!

Dr Laing: Well, it was to record things that are too easily forgotten. When bodies such as the Senate look at changing their procedures I think it is very useful to have a handle on what has gone before.

Senator FIFIELD: In all seriousness, it is a good and important work of the Senate. One of the Department of the Senate's outcomes is public education and awareness of the function of the Senate. I know that there are parliamentary education programs for school children, but what do you do specifically to achieve that particular outcome?

Dr Laing: We have a range of programs that we undertake to broaden the awareness of the Senate and its work. We have a range of publications. We do activities here in Canberra, in terms of exhibitions in the public area, a public lecture program. The Parliamentary Education Office, as you mentioned, has a specific remit to look at educating our future citizens in their—

Senator FIFIELD: Do they fall under you or DPS?

Dr Laing: No, no: the Parliamentary Education Office is jointly funded by the two houses and staffed and administered by the Senate.

Senator FIFIELD: That was a very definite 'no, no' there!

Dr Laing: Well, we do content.

Senator FIFIELD: How do you actually measure that outcome? It is a difficult one to measure.

Dr Laing: Yes, it is very difficult to measure. I am not sure whether we have ever come up with satisfactory measures of this. We have continuing demand for our publications; we have continuing demand for our seminar programs, which is one I did not mention before. We have a number of different seminar programs that we provide, mainly for public sector audiences but also for some interested private sector groups—Introduction to the Senate, the Legislative Process, How Senate Committees Work. So we have a continuing demand and hunger for those programs. We have continuing attendances at our functions. I think if people stopped coming, and stopped accessing our publications, we would know that we needed to do something different. But measures like hits on websites. Not so much sales, because with information available online there is probably more access to our publications online than there is in hard copy. But those sorts of measures are ones that we take on board.

We also do evaluation exercises. We ask people, 'Are you getting what you want from these programs', and we use feedback like that. And, indeed, from you, Senator—we have recently done a survey of senators; it is a biennial thing that we do at two-year intervals. So, through informal feedback and through measures like hits, sales or attendances, we have some measure of effectiveness.

Senator FIFIELD: Do you compare, as part of measuring that outcome, how the Senate is faring versus the House in terms of awareness—or do they have it all over us, do you think?

Dr Laing: We do things differently. As you would know, I am not here to comment on what happens in the House, because they have their own administration. We certainly have a different approach, and we are always open to look at that approach and take on board new ideas.

Senator FIFIELD: Thank you. One of the important roles that your department provides is procedural advice to senators on a range of matters. In assisting senators in times of high demand, does the department ever find that it needs to use a priority system for giving procedural advice or assistance with drafting amendments or legislation? I know there are peaks and troughs in the work, but do you have some internal priority criteria to cope with periods of high demand?

Dr Laing: I do not think you could say there has ever been a formal method of prioritising because our aim is to make all senators as happy as possible in the time available. In some areas there will be a need to put things in a queue. For example, when I was Clerk Assistant (Procedure) for six years, drafting amendments and advising non-government senators, there was a need to prioritise things in terms of who needed what when because there was a lot of work, and that worked. The bill that a senator wants an amendment on is being debated now; they come in with the instructions—you may have had instructions from other senators from the previous week—but in order to provide satisfaction to everybody you do the immediately required job.

Senator FIFIELD: It is essentially what is most time critical to us, firstly?

Dr Laing: It is common sense.

Senator FIFIELD: With the change in the make-up of the Senate from 1 July, obviously we will have one party increase in number; will you be making any changes in your department or the practices of your department to cater for what may be changes in demand for advice?

Dr Laing: Nothing specifically because, remember, we have been there before.

Senator FIFIELD: Sure.

Dr Laing: We have had large third parties in the Senate.

Senator FIFIELD: I was just curious.

Dr Laing: Nothing has changed.

Senator FAULKNER: Perhaps it might be better that some of these questions be directed to the Black Rod. I appreciate they might not necessarily be precisely in the Clerk's area of immediate responsibility. With the changeover, that has been raised by Senator Fifield, it struck me that we were in perhaps not an unprecedented, but certainly close to an unprecedented, situation where the Senate will be in session in early July at the time of a changeover of senators—not necessarily in early July, but in early July when the composition of the Senate is changing. Could you indicate when or if this last occurred?

Dr Laing: Yes, in fact, being the Senate, most things have happened before. The last time that the Senate met in July for a changeover was in 1950. It was actually not uncommon up until that time for the changeover to occur, and for the Senate to meet in July. If the committee is interested, I have a little table that I could distribute, multiple copies—

Senator FAULKNER: You are so well prepared, Clerk.

Dr Laing: which indicates that there were 10 occasions up until 1950.

Senator FAULKNER: Do you think it is fair, Clerk, that I should say that I did indicate to you that I might ask this question, which might diminish your credibility in terms of preparation?

Dr Laing: I would not want to claim credit for such prescience and I do acknowledge that you did mention that you were interested in this subject. This table records 10 occasions between 1910 and 1950 when the Senate changeover occurred and the Senate met in July. There are a couple where it was a 30 June-1 July changeover, and several where it was still in early July—4 July, 6 July. In procedural terms, this is not an unprecedented situation.

Senator FAULKNER: It is just that it has not occurred for 61 years?

Dr Laing: In procedural terms, nothing has changed. What we need to do is to ensure that the Governor-General is available to attend the Senate on that day to swear in the new senators prior to electing a new President and Deputy President, and presenting the President to the Governor-General. All those procedural and ceremonial things are exactly the same. Logistically, of course, it is an entirely new story and we are in unprecedented territory.

Senator FAULKNER: I appreciate the logistics and I am aware of some of them. I can imagine some of the challenges that you and the Black Rod face in relation to that. Nevertheless, this is a situation that we can say the Senate has not faced for 61 years.

Dr Laing: That is true.

Senator FAULKNER: Albeit having been comparatively common practice prior to 1950.

Dr Laing: Pretty common, yes, that is true. If you think of developments since 1950, which was the first meeting of the increased size of the Senate and the House of Reps, in those days senators did not have dedicated staff and did not have dedicated offices. They did not have computers and they did not have the telecommunications equipment. We certainly

were not in this building with the suites that senators now have. It was a very different world back then and perhaps much simpler logistically than it is going to be this time.

Senator FAULKNER: This question is for either the Clerk or the Black Rod. Given the circumstances—accommodation issues particularly, and staff, the requirements of modern communication and the like—are we likely to have a shemozzle on our hands here in the first week of July? I know best efforts will go to ensure that we do not, but is this a risk?

Dr Laing: I certainly hope we will not have a shemozzle because we have been planning for this, and we hope that we are going to be able to take into account all the necessary factors. It is true that new senators will not be settled in their new offices by 4 July.

Senator FAULKNER: I know this, but for the record, how many new senators are there?

Dr Laing: There are 12 new senators.

Senator FAULKNER: Are any of them likely to have offices established in Parliament House by the first sitting week in July?

Dr Laing: It is possible, but you will know that with 12 new senators there are also 12 retiring senators, and it has long been the practice, certainly in this building, that retiring senators are not kicked out on 30 June. They have a period of a fortnight after the last sitting day in which to clear their offices. You will also know that the allocation of offices is done on the basis of seniority of senators. You will recall that recently we had a draw for the seniority list to determine who is where. I believe, Senator Faulkner, you are very near the top.

Senator FAULKNER: Why is there a draw?

Dr Laing: It is a ballot for some places. Where senators are elected at the same place on the ticket in a number of different states, a ballot occurs.

Senator FAULKNER: I am interested to hear that. We are into Senate trivia and esoterica which will be of interest to absolutely nobody, perhaps, except me and the Clerk, but I thought in that circumstance the population of the state gave that. For example, if you had to determine the places of a senator from New South Wales and a senator from Tasmania, it was on the size of their states. I understand the principles of Federation et cetera, but I thought the precedent was that that was how it had been established?

Mr Hallett: Perhaps I can assist, Senator. As the Clerk just stated, we have long had a seniority list. For continuing senators, basically those senators have moved up the list. The draw that the Clerk referred to deals with new senators and that is done in order of election. As you would be aware, the Electoral Commission provides the order in which senators are elected, so you might be the first elected in the state, the second and so on. The first two senators of the new 12 were quite clear, so they took positions I think it was 68 and 69. We then have a situation where we had a small number of senators who were elected in their respective states but in the third or fourth position. Since 1984 when the Electoral Act changed we have conducted a draw in the presence of the whips and we have asked the President to conduct that draw. That draw was conducted in March—

Senator FAULKNER: I do hope there were scrutineers!

Mr Hallett: It was conducted in front of the whips.

Senator FAULKNER: That would raise a lot of people's suspicions!

Mr Hallett: We have tried to be as transparent about this as possible, including the fact that any senator who wants the use of the revised seniority list I have provided it to them. Of course, all the whips have it as well.

Dr Laing: Senate officers were present at the draw too.

Senator FERGUSON: I was quite surprised to get a letter from the Black Rod saying I had until 11 July to remove all my goods from my office when having inquired at my office in Adelaide, which has far more junk in it than the one in Canberra, by the close of business on 30 June I have to be out and have handed in all the keys. I really wondering what is behind allowing an extra two weeks after the last sitting day for senators here to vacate their offices.

Senator FAULKNER: A courtesy, I suspect.

Senator FERGUSON: It is a courtesy but I think it is an unnecessary courtesy, quite frankly. I intend to leave here the day after the Senate rises. Otherwise somebody will become Deputy President and I do not want to be in the office stopping them from using that office when the Senate sits on 4 July. I am wondering whether you should seek some cooperation. If the Senate was sitting in August it would not matter. Because it is sitting on 4 July, I am sure if you wrote to many senators you would find their offices will be vacated. I can think of at least two that I know of that will be vacated. It might take Senator Forshaw a bit longer! I am suggesting that if perhaps you contacted the retiring senators you might make the changeover much easier than if you do not let people into the offices until the 11th. It is only a suggestion.

Dr Laing: I think that is the case, that departing senators will be out much sooner, but it is a matter of courtesy that we do not kick out retiring senators. We are already aware of your intentions, so that will help us plan incoming moves.

Senator FAULKNER: There are similar provisions for members who retire or are defeated in a House of Representatives election as well. This question might best be for you, Black Rod. Are you able to briefly indicate to us whether there are going to be any serious logistical issues faced by new senators when the Senate is sitting, and one assumes dealing from time to time at least during that week with matters controversial. In terms of some of the logistical challenges that might be faced, what sort of matters are you dealing with here and can you indicate to the committee that you have a level of confidence that disruption will be at a minimum?

Mr Hallett: Of course we will try to keep disruption to a minimum, which is one of the reasons we are trying to work at this methodically. We have written, as Senator Ferguson indicated, to those senators who are retiring. I am now in the process of contacting continuing senators to allocate suites according to seniority, and some of the senators around this table have already been contacted. We also are looking at planning for new senators and, in one sense, as the Clerk referred to, things like technology: we have been looking at the provision of things like laptops, phones and so on. We might have to use some temporary accommodation, whether it is possibly a party room at the courtesy of the whips or even a committee room. Those are discussions that I will be having with the whips in the following weeks, but the main task at the moment is settling in the continuing senators. As Senator Ferguson stated, he plans to be out before June 30. That helps our planning. I have one spare suite; obviously, we will use that. Where a senator indicates to me that he or she is able to leave by 30 June, we will use that as well.

Something I should put on the record is traditionally, when the Senate has not sat until August, we have used that opportunity to refurbish some empty suites. We will not be able to do that this time. We will have to look at another plan for that rolling maintenance and refurbishment that normally happens during the winter break.

Senator FORSHAW: Just on that, won't you be able to do that after that first week in July because there is then a break until August or something? Does that provide you with some time? I have been in the same office for some years and I would assume that things might need to be done.

Mr Hallett: That is correct, Senator. We believe we will have everyone settled in by August then—

Senator FORSHAW: When you said you would not be able to do any refurbishing, parliament comes back for a week in July and then there is I do not know how many weeks break but you do have a period of time then to do some refurbishing.

Mr Hallett: That is correct, Senator. What I was referring to as the major refurbishment, where for example, as you indicate, you may have been in a suite for a very long time. DPS—

Senator FORSHAW: It is still spotlessly clean.

Mr Hallett: I am sure it is. But DPS advises that on their cyclical rolling maintenance program it might be ready for a repaint or recarpet. We have traditionally used the winter break to do that. We have put that task at the end of the queue. The main task being, as Senator Faulkner alludes to, is settling in both continuing senators into their suites, which I am working on at the moment, and then looking at the new senators.

It is probably also worth mentioning that new senators are aware of this. The bulletin that current senators receive has a supplement for new senators. We have been keeping them up to date with the fact that this will be an issue. We have not used the shemozzle word but we do believe it is an issue that needs to be worked through. Where individual senators elect have spoken—

Senator FIFIELD: You have that.

Mr Hallett: That is right. Where individual senators elect have spoken to me as they are getting ready to come to Canberra in July, I am working this through with them as well.

Senator FAULKNER: What you can assure us, Mr Hallett, is a lot of effort and planning has gone into what is an unprecedented situation—something the Senate has not faced for 61 years with such a changeover.

Mr Hallett: Through you, Chair, we have been working on this for many months now.

Senator FIFIELD: I guess this is unprecedented in this building; it is unprecedented in the new Parliament House, isn't it?

Dr Laing: Certainly.

Senator FIFIELD: Dr Laing and Mr Hallett, was your advice sought by the government as to whether this was a good idea to have the parliament sitting in that week?

Dr Laing: No, Senator.

Senator FIFIELD: If your advice was—

Senator FAULKNER: That is a very interesting question. Would the Senate hierarchy have their advice sought about parliamentary sittings?

Dr Laing: Sometimes but, no, not in general terms. Our job is to serve and do what we can.

Senator FAULKNER: I thought your job was to serve; I just wanted to be absolutely certain.

Senator FIFIELD: If your advice had been sought—

Senator FAULKNER: This would not be a hypothetical question, would it? I rather thought with the if word commencing your sentence, it was possible.

Senator FIFIELD: If your advice had been sought, Dr Laing—or let me put it this way: if your advice is sought in the future on this scenario, what would it be?

Dr Laing: I prepare advice based on our experience, practice and precedent as I do with all advice. It may be that we will get through this without a shemozzle.

Senator FIFIELD: Would you prefer that this were not happening? Would you prefer that the Senate were coming back a little later?

Dr Laing: I do not have a preference. We are here to serve.

Senator FIFIELD: It may be that we will get through this without a shemozzle, but you say, 'I don't have a preference.' So you are relaxed about possible shemozzles?

Dr Laing: No, I have sleepless nights about possible shemozzles, but, given that—

Senator FIFIELD: That probably answers the question.

Dr Laing: Given that this is what we are faced with, we will—

Senator FIFIELD: So you are having sleepless nights about what may be?

Dr Laing: Occasionally.

Senator FIFIELD: Mr Hallett, can you assure the committee that new senators will not find themselves working from a table at Aussies?

Mr Hallett: Not at a table near Aussies. I will be having discussions with whips about possibly using the party rooms. We have different sorts of senators. We have senators from the major parties, but we also have some senators from minor parties. That is a discussion that I will be having with the whips. As I have already indicated, we have been in discussions with senators-elect at a range of levels—from the clerk and particularly myself—and we will work this through with them.

Senator FAULKNER: Black Rod or Clerk, after this are you planning to undertake an assessment of how these changeover issues have been handled and perhaps ensure that we get a clear indication of lessons learned for the future and the like? Are you thinking in advance that this might be useful? I am not suggesting that we hold up the 13th edition of *Odgers* to cover it off, Clerk, but I wonder whether you are considering in advance that it might be useful for the future to review how this works in this instance.

Dr Laing: It would be remiss of us not to undertake such an exercise. It is not material for *Odgers*; it is material for our procedural manuals in our offices. It is a very important event. We want it to go well, so we will be not only doing what we can to make it go well but will also be reviewing it afterwards to see what lessons we can learn.

Senator FIFIELD: Dr Laing, I think there is a lesson to be learnt, and that is that the government should have said no to the Greens when the Greens said they wanted to have parliament sitting so soon for their victory dance.

CHAIR: Is there a question, Senator Fifield?

Senator FIFIELD: No, I just thought that might be helpful for the committee.

Senator FAULKNER: We can treat that as a silly editorial comment.

Senator FIFIELD: I do not think it is silly, and I think you probably—

CHAIR: I will take the opportunity to remind senators that the proceedings are estimates where we ask questions rather than make statements.

Senator FIFIELD: I suspect that Senator Faulkner probably shares my view, but I will not verbal him. That would be unfair.

Senator FAULKNER: You really are paranoid.

Senator FIFIELD: Clerk, your report relating to committee activities makes clear that referrals to committees have increased in the new parliament. In addition to keeping those sorts of raw statistics of referrals—there was a steady increase in 2008-09 and 2010, and 2011 is looking healthy to date—do you keep any records or form views as to the reasons for an increase in referrals, other than the Senate has increased the number of referrals?

Dr Laing: That is the reason.

Senator FIFIELD: I know that is the reason, but you do not in any way look behind that, in terms of the reasons leading to that may continue and therefore we may need to alter our resourcing for the servicing of committees?

Dr Laing: Informally we would be conscious of the environment in the Senate at any time and therefore would be in a position to make some estimates of likely activity based on the situation in the Senate, but we certainly do not do anything in a formal sense. Could I make a correction to that document? I have just noticed that, on the first page of the document 'Senate committee activities', the last dot point says: 'Currently four select committees administered by the Senate are in operation—three Senate select committees and one joint select committee.' I think that should be now be 'two joint select committees'. So can I just make that correction please.

Senator FAULKNER: Which committees are we referring to?

Dr Laing: I am updating the number of select committees that we administer. We have three select committees and we now have two joint select committees. One, of course, is on problem gambling and the other is on the Christmas Island tragedy.

Senator FAULKNER: And with the joint select committees, is it still done on a one-for-one basis? As a joint select committee is established, the Department of the Senate and the Department of the House of Representatives effectively service these turn and turn about—that is still the procedure?

Dr Laing: Yes. We do take turn and turn about, generally. There might be some special circumstances that we take into account, but that would be a matter for negotiation between the two of us. But the principle is that we take it turn and turn about, whether it is a joint select, a new joint standing or a new joint statutory committee.

Senator KROGER: So that is funding and staffing?

Dr Laing: It is secretariat support. The house departments take it in turns to support a new joint committee. So in our case that would mean that we would provide a secretariat. Depending on the type of committee, we may seek additional funding if we need to.

Senator KROGER: In the case of the Joint Select Committee on Gambling Reform—and I notice that you have budgeted in 1.3 for that—is that shared with the House, or is that a cost that comes straight out of the Senate only?

Dr Laing: That is additional money for the Senate department. It is not shared with the House because it is funding to cover the Senate departmental costs—the costs of staffing and administrative support to the committee. It does not cover things like the cost of senators' and members' travel, which is separately appropriated. It is purely the administrative support costs for the Senate department. And that, I might point out, is new money that we have been able to get in this year's budget.

Senator KROGER: What was that again? Can you tell me what the total was over two years?

Dr Laing: Because that committee has been established over several years, it is actually \$1.355 million over three financial years. In this appropriation bill, we are getting not only the amount for 2011-12 but also back paid for the current financial year.

Senator KROGER: That just seems like a large amount. Is that consistent with the administrative costs of other committees?

Dr Laing: Yes it is. The largest proportion of support costs for any committee is the staffing costs and, yes, it looks like a lot. But when you break it down into numbers of staff, and things like administrative costs, printing, advertising and staff travel, it has been prepared on the benchmark for committee support.

Senator KROGER: Observing how hard you all work, Dr Laing, I take your word for it.

Senator MOORE: We have had a lot of discussions in a number of the Senate committees about the workloads and the impact on staffing, and certainly there have been many efforts made to respond to the various demands by chairs of committees. I am interested to know about the current process and the number of people who have been brought on on short contracts for work within the committee process. I know that in my own committee we have a number of people who have come back to work on it. I am interested to know whether there is a current pool of those people, how it is determined and whether it is something that happens on a regular basis.

Dr Laing: I think you may be referring to some of our retired staff—

Senator MOORE: I am referring to some of your retired staff.

Dr Laing: who come back on shorter contracts. We do have a number of very experienced staff who in retirement have indicated that they are happy to come back from time to time for defined projects, to assist. You will know that we have had quite a significant number of retirements over the past couple of years, and we are fortunate that several of those staff have indicated their willingness to assist when the need arises. I should add that most of the need is met by ongoing staff—the bulk of committee office staff are ongoing—and there are some non-ongoing. There are various reasons why they are non-ongoing. It might be that they have

come in for a year because someone is on maternity leave, for example. So a smaller proportion is non-ongoing and then, on top of that, we have a pool. It is not necessarily limited to retired staff, but it is just that these are people we know can do the job in a short amount of time, can come on board and get down to it straightaway, so we do tend to have reliance on that kind of shorter term contract to fill in gaps.

Senator MOORE: Is there a pool of those people?

Dr Laing: There is not a pool as such, in an official sense. We do make some use of things called temporary registers, where you advertise for people to sign up at a particular level who will be available to do work at that particular level. We make some use of those and certainly have done in the past. Our retired staff are really, I guess, part of that kind of arrangement.

Senator MOORE: It seems that particularly over the last 12 months there has been a greater workload. I checked the figures quite carefully. It is a subjective thing, I think; things come and go. But there has been a recent selection for the various positions within the committee secretariats—that is right, isn't it?

Dr Laing: Yes. We seem to have almost annual rounds of recruitment for secretaries, principal research officers, senior research officers, estimates officers and administrative officers. I guess we are at a point in our organisational history where we have experienced a significant turnover in staff. A lot of staff have retired. We currently have a lot of newer staff who have been on board for a lot less time than has been characteristic of the organisational profile in the past.

Senator MOORE: Having an annual process is in itself not a bad thing, I think, with that kind of work. Is there a current order of merit?

Dr Laing: Yes.

Senator MOORE: That will last for how long? What is your procedure on orders of merit?

Dr Laing: Ideally an order of merit will last for the 12 months that it is able to last for, but it is sometimes the case that we go through an order of merit and we exhaust it and have to do another process.

Senator MOORE: You also have a number of people working in these areas on various training programs and exchange programs. Can we get a list without names of the number of people who are working currently on things like the interagency development programs and their periods of work? Are they six months, 12 months? Those kinds of things would be useful.

Dr Laing: I will give you the details on notice, but effectively we have two staff on our WISE program, which is the Working in the Senate program. Those are staff at usually an EL1 level who come for up to 12 months. And then we are also participants in the graduate program, where graduate recruits to the Public Service spend around three months with us. We also have two of those graduate recruits.

Senator MOORE: And they move through the various secretariats?

Dr Laing: They can, yes.

Senator MOORE: In the last rounds of applications for things like the WISE program, has work within Parliament House and particularly in the Senate, from our point of view, continued to be an attractive option for people? Do you get large numbers of applications?

Dr Laing: I would have to say with the WISE program our numbers are not large, they have been larger in the past, and I think that is a sign of large turnover throughout the Public Service generally. But it is also a feature of the program that the home agencies pay the salaries of the people who come on this development program, and that may well be a deterrent in tight climates.

Senator MOORE: Sure. They also maintain the salary level they would have had in their home department—is that right? I know it is negotiated, basically, particularly with the range of salaries in the Public Service.

Dr Laing: I think so, but I will take that on notice. I would not want to mislead you.

Senator MOORE: I speak regularly with the Deputy Clerk about this, and I want to put on record my appreciation of the work that the officer has done in maintaining communication with the various chairs about processes, but I continue to be concerned about the workload of the secretariat staff and also with the process particularly at the end of the year when reporting dates come up. Reporting dates is not an issue for the Clerk's office at all; that is in the hands of the Senate, of course. But there seems to me to be a very high level of stress on the workers in those secretariats at the moment, and the workloads continue to be of concern. We share that, but I wanted to put that on record in these Senate estimates.

Dr Laing: There is a huge expectation on all of you. I sometimes wonder how senators make it through to the end of the year with the workload of committees.

Senator MOORE: We rely very strongly on your officers, Madam Clerk.

CHAIR: I have a follow-up question. Are there any vacancies within secretariat staff at the moment?

Dr Laing: Can we take that one on notice? At the moment we have a process calling for expressions of interest at the EL1 level for up to two people.

CHAIR: With the amount of work that is generated through references to the committees, whether they relate to legislation or are references to the reference committees, can you explain to the committee the process whereby secretariat staff from various committees are sharing the workload of others? Can you also give us an indicative amount of inquiries that are happening at the moment?

Dr Laing: Certainly. Can I just make a correction to an earlier answer. I said that we had two WISE officers. I am living in the past. We had two last year. We have one this year.

In terms of the workload, there are two ways that we characteristically respond. One is to move officers into a secretariat to work for that secretariat. The second way is more common with things like short-term referrals arising from, say, selection of bills processes where committees are referred multiple bills in a single report. In those cases it is common for secretariats with a lower workload at that time to help out by taking over a bill inquiry, say, and working to another committee. These are judgments made on the basis of what happens; they are judgments made in response to decisions of the Senate to refer matters to committees.

CHAIR: Would it be fair to say that there are some committees that might have three or four inquiries all going on at the same time? Would that be indicative of most committees?

Dr Laing: It may well be more than that. In my report to the committee, on the first page the third dot point goes to busy committees. During the last parliament some committees had up to 14 references at a time. In this current parliament the maximum at a time is 12 references. Most of those will be bills and are relatively short term, but it is an awful lot.

CHAIR: That is a lot even though it might be a bill. You have a limited amount of time to be able to bring down your report, and that in itself puts a lot of pressure on the secretariat to help prepare that report, and for the turnaround of that reference.

Dr Laing: That is right. And you will notice that, over the years, reports have tended to become a lot more compact and to be, I guess, a response to what can be done in the available time.

CHAIR: When you talked about bringing people in for a short term to assist, would that also be the process for dealing with what can be at times very complicated issues that are coming before a committee—whereby least of all senators would have the expertise in some of these areas? Could you have to bring people in with some expertise to assist with those reports?

Dr Laing: It may be the case, but our staff are generalists. The technical information that you need may come from briefings being arranged by the secretariat; it may on occasion come from additional staff members who have expertise in the area; it may come from the evidence that you get. There is a range of ways in which the committee process informs the members about the subject under inquiry to enable them to be in a position to analyse and make some conclusions.

CHAIR: Senator Moore said in relation to how chairs feel that we are always mindful. As you said, the secretariat are generalists but provide so much in terms of corporate knowledge and experience. Something that we are all mindful of is that we do not want to burn out that source of professionalism that we have got used to—and I think the Australian public deserve—when we are bringing down a report.

Dr Laing: I can only agree with you, Senator. But, of course, the biggest constraint on the committee process is the availability of senators and your time. It is not a Senate committee process unless senators are engaged at a fairly serious level in the work. It would not be the same process if the staff did it all.

CHAIR: We have had experience in our own committee that is here today. It is generally pretty hard to get everyone together. There are occasions when there may be only two senators going to a public hearing. It is not because there is a lack of interest; in fact, it is quite the opposite—it is about trying to share the workload around. Are there any further questions on that issue?

Senator MOORE: Madam Clerk, in terms of a couple of our committees—and it is not just the Community Affairs Committee—we have had a number of recent enquiries which have become very stressful in terms of the topic matter and the reaction of the community and those engaged which has led to some very traumatic experiences for secretariat staff. I just want to put on record some questions about the process that your office uses in supporting secretariats when you have situations of trauma with community members and engaged

personnel ringing through in a very demanding way, very emotionally and abusively to secretariat members. Mr Reid, I know you know about these things. Could you let us know what support you are able to give those staff and also the cost of that support?

Dr Laing: Can I ask Clerk Assistant (Committees), Chris Reid, take that one. Thank you.

Mr Reid: Madam Chair, we have put in a number of strategies to support staff specifically this year. In January we engaged an organisation to support specifically the Community Affairs Committee to deal with one particular inquiry—the forced adoption inquiry. Since then and in the past three or four weeks we also had an organisation brief the entire Department of the Senate staff who might be involved in related enquiries, that particular inquiry or anything else to do with receiving difficult phone calls. Since then we have held a workshop attended by 20 staff members. Demand for that suggests that we will put on another workshop to assist staff in dealing with difficult phone calls. Since then, in consultation with both the provider and with our own staff, we have put together some guidelines to assist staff in dealing with those difficult phone calls and have put it together and posted it on the intranet.

Senator MOORE: Mr Reid, in terms of the report that the Clerk has provided to us on the various costs of committees, would that work be included in the admin costs or is that out of another allocation of money in your area?

Dr Laing: That would be in addition to the figures given there; it would not be coming from the committee budgets. Could. I also add that we also provide for all staff a counselling service. It is a provider who is there who is contracted to the department to take calls or visits from staff with issues of any kind.

Senator MOORE: Right. When a committee has a particularly difficult process I know that we go back and discuss it with the committee itself and the senators talk about it. Where individual staff are—I hesitate to use the word, Chair—'targeted' by members of the community who are particularly concerned about an issue is there a process within the system that allows staff members to be moved in those cases?

Mr Reid: There is, Chair, both within the committee office or any of our standing committees or related committees—or, indeed, beyond that into other areas of the department. It happens also regularly to cope with a number of things. One would be the subject matter; one would be the technical component of the subject matter related to an inquiry; and of course the workload of that committee is one as well.

Senator MOORE: Okay. Just as a follow-on—and this is a question on notice—has there been any cases of workers compensation to people within the branch caused by the work in any of the committees?

Dr Laing: We don't think so, but we will take it on notice.

Senator MOORE: Thank you very much.

Senator FIFIELD: Dr Laing, in your note on Senate committee activities you also mentioned that there is a trial for accessibility of online material for vision impaired people. I am interested in a little more background about the trial. Who initiated the trial? I know Vision Australia are involved. Did they approach the Senate or was the Senate looking to undertake this sort of exercise?

Dr Laing: For some years we have been aware of some dissatisfaction in the vision impaired community about access issues. I think there have been some complaints. This trial is basically a response to some of those complaints.

Senator FIFIELD: Did the department receive any additional funding for the trial or is it being done within the department's resources?

Dr Laing: No, it is being done within existing resources.

Senator FIFIELD: What is the timeframe for the trial?

Dr Laing: I will ask Clerk Assistant (Committees) to respond to that one.

Senator FIFIELD: Is it related to a particular committee inquiry?

Mr Reid: It is related specifically to the koala inquiry, which reports in June.

Senator FIFIELD: What will happen? Obviously, you will evaluate the results of the trial.

Mr Reid: Indeed. At the moment we have had two batches of submissions sent to Vision Australia for conversion. That has since been done. The secretariat is also seeking feedback at the moment from interested groups about the quality and accessibility of those submissions. At the conclusion of the koalas inquiry a report will be prepared by that secretariat for the Clerk.

Senator FIFIELD: Clerk, the result of that will then be communicated in your next update?

Dr Laing: I shall do that, Senator.

Senator FIFIELD: That would be great. Thank you.

CHAIR: I have one question for the Black Rod's office in relation to the gifts that you have available to purchase depicting the Senate. They have proved to be very good gifts to give, particularly when you are going overseas. We have coasters through the gift shop that depict parliament house. Has any consideration been given to doing ones for the Senate?

Mr Hallett: We can look into that, Senator. The short answer is no, but obviously based on feedback such as what you have just given me we can look into that for you.

CHAIR: Great. Thank you. There being no further questions I thank Dr Laing and officers from the Department of the Senate. We now call forward officers from the Department of Parliamentary Services.

[10:00]

Department of Parliamentary Services

CHAIR: Welcome. Mr Thompson, do you have any opening comments?

Mr Thompson: I would like to deal with about four things, but all very briefly. No. 1 is about the budget that has now been tabled. We were very pleased that as part of the budget we did receive some extra funding, and that is in recognition of the extra workload in the House of Representatives and its committee system. That is some \$337,000 extra per annum. However, we are also subject to a rather higher efficiency dividend than is normal so the net effect of any increases is that we have some funding increase but it is well below CPI increases for the year. That is going to drive us to be very careful with our operating budget for the coming year. Moreover, we certainly expect 2011-12 to be a very busy parliamentary

year, somewhat akin to 2008-09. We have also increased and will continue to have a high focus on IT security for the year ahead. So, in terms of how we will operate in 2011-12 we believe we can provide a good service but we will need to be very frugal and we will need to reduce our staff through the year by around six full-time equivalents. We will do that predominantly through natural turnover, but we will be seeing some reduction in numbers.

If we look at some of the project and service improvement work that we have underway, there are four that I would like to highlight. Firstly, the relighting of the car parks is almost complete and amongst other benefits that is generating about 30 to 40 per cent energy saving in the lighting of the car parks even though they are now much better lit. The expansion of wireless IT connectivity to senators and members suites is almost complete and again that will benefit all parliamentarians. We have also finished an investigation into the use of iPads and similar devices to connect them into the parliamentary computing network. That is a matter that I am sure members will have some interest in. Finally, the Parliamentary Library is now busy creating ebooks – the very first was the Anzac Day kit for 2011, and now the various budget briefs are being produced in ebook format.

Some other things that will be continuing until 2011-12 will be further upgrades to physical security around the building and the continuation of the IT network renewal. You will see people working up and down the corridors replacing cabling and switch gear. We will start work this year on another two that I will mention. We will continue to modernise some of our very old kitchens. They are well past their use-by date. We will commence the process of automatic operation of some of the large doors in the building. It is quite a major process to get them all automated, but they are very heavy to use – certainly for people with a physical disability but even relatively lightweight able-bodied human beings find them very hard to get through. We will also be putting together a comprehensive package of measures to improve access to Parliament House for the disabled. I am happy to talk about that later. Finally in these opening remarks, I want to recognise the dedication of a lot of Parliamentary Service staff. We have been recognising that dedication with long-service pins—for 10 years, 15 years, 20 years or 25 years service. We do that in small ceremonies. The really thrilling thing is to recognise the pride that people have in working in this institution. I would like to record my thanks to all those staff. We are very happy to take questions.

CHAIR: Thank you for your opening comments.

Senator CORMANN: You did not say anything in your opening comments about the parliamentary budget office. Where are things with that given that there is an allocation in the budget to set it up as an independent, separate entity?

Mr Thompson: I did not, simply because the recommendations of the committee and the way the government has phrased its budget measures are that it would be a separate agency; it would not be within the Department of Parliamentary Services.

Senator CORMANN: It would be separate from Parliamentary Services as well.

Mr Thompson: Yes. We have been in dialogue with the finance department, who have carriage of it at the moment within government. They have advised me that they expect a government response to the Joint Select Committee on the PBO soon, and we will certainly cooperate with them in the process of developing enabling legislation and assisting with the

physical establishment of the office. But at this stage we understand it will be a separate agency.

Senator CORMANN: In discussions in the past, the suggestion was that it would be part of the broader setup of the Parliamentary Library, perhaps.

Mr Thompson: Yes, the original agreement between the parties of August-September last year was that it would be part of the library. We provided an initial submission to the joint select committee early this calendar year suggesting that was physically possible, and I continue with the view that it is physically very possible. Nevertheless, I think for a couple of reasons, I did provide a supplementary submission in February and suggested the committee give some thought to whether it might be a separate institution in the same way that it is separate in Washington and is also separate in the UK and the Netherlands.

Senator CORMANN: Who would it report to in those circumstances? What you are saying to me essentially is that I have to ask questions of the government and of Finance and Treasury to see how this is going to be set up. Given that it is supposed to be a budget office that serves the parliament and is supposed to be independent of government, that is not really entirely satisfactory, is it?

Mr Thompson: No, conceptually I envisage it as being the fourth parliamentary service department, accountable to the parliament, not to executive government.

Senator CORMANN: What you are saying is it would be accountable to the parliament; it just would not be part of your department.

Mr Thompson: That is right.

Senator CORMANN: It would be a totally new, separate department.

Mr Thompson: A totally new, separate, small department.

Senator CORMANN: Who within the current parliamentary department structure would be the best person to ask questions about it?

Mr Thompson: To be blunt, at this stage I think the two best people to ask are me and the Parliamentary Librarian.

Senator CORMANN: Then I will keep asking you questions.

Mr Thompson: We have put a lot of time and effort into it, so we are very happy to assist as we can.

Senator CORMANN: The government has allocated \$24.9 million over four years to establish it as an independent, separate office. Were you consulted on the costings in relation to that?

Mr Thompson: Our suggestion in our submissions was that there was a spectrum of budgets. We suggested the minimum budget for the office should be \$6 million per annum up to a figure of more than \$8 million per annum, very much driven by the extent of work that would be expected of the committee.

Senator CORMANN: Your minimum suggestion was \$6 million per annum. It looks to me as if the Gillard government went for your minimum suggestion. An allocation of \$8 million per annum would be an allocation of about \$32 million, \$6 million per annum is about

\$24 million. The allocation is \$24.9 million. By the sound of it, it is going to be a no-frills parliamentary budget office at the lower end of the scale.

Mr Thompson: I refer you back to the findings of the joint select committee on the Parliamentary Library. The figure that they suggested in their report, which I think was tabled in both chambers in late March, was \$6 million per year. The government appears to have picked up the figure that was in the joint select committee report and has adopted that figure.

Senator CORMANN: So how many staff would that \$24.9 million figure fund for the Parliamentary Budget Office?

Mr Thompson: It will all depend on the mix that the new budget office decides to have of in-house staff and contracted skills. If you look at some of those agencies in other countries, you see that they do tend to have a blend. As far as I can see, if it has a \$6 million budget, it could certainly have a staff of at least 20. But our view is that it also needs to have some capacity to hire in skills, because some of the subject matters that it would be asked to investigate would be very esoteric and you would need to hire in skills from outside to assist with some of those.

Senator CORMANN: So there would be some staff employed under the Public Service Act and then there would be some that would be contracted in on an as-needs basis. Is that what you are saying?

Mr Thompson: No. My view is that they should be employed under the Parliamentary Service Act.

Senator CORMANN: Okay.

Mr Thompson: That removes any ambiguity about accountability to executive government. It makes them very accountable to the parliament.

Senator CORMANN: When do you envisage advertising for positions would start?

Mr Thompson: The next step in this, I think, is for the government to table its response to the committee report. Thereafter, I envisage that enabling legislation would be required in the second half of this year. It remains to be seen exactly what form that might take, but one of the simplest ways of doing it would be to create a set of amendments to the Parliamentary Service Act. Already, we have a set of special provisions for the Parliamentary Library which essentially give full editorial independence to the librarian, and I would envisage a similar set of amendments to give the equivalent independence to the new Parliamentary Budget Office, albeit that they are part of the overall framework of parliamentary service, along with the two chamber departments and DPS.

Senator CORMANN: Do you have a time line for when you think appointments will start being made?

Mr Thompson: A number of these questions would be better directed to the finance department. They still have carriage of—

Senator CORMANN: Which takes me back to the original position—that it is rather unsatisfactory to ask a government agency, and a government, what will happen with another agency that is supposed to be independent from government.

Mr Thompson: Their advice to me over recent days is that they would be hoping for all of the legislation to be in place and appointments to have been initiated voluntarily so the new PBO could operate from early in 2012.

Senator CORMANN: Early 2012?

Mr Thompson: Yes.

Senator CORMANN: Okay. Now—

Mr Thompson: That is calendar 2012.

Senator CORMANN: Yes, so January-February 2012 is what we are talking about. Presumably, the PBO would be physically located in the parliament?

Mr Thompson: We have some good news there. I must say I gave advice to the committee that we were struggling to find a space for them. In recent weeks, we have looked very carefully again and we do believe we can provide a space in the building, and it would be a good choice.

Senator CORMANN: Where would that be?

Mr Thompson: At this stage, the Parliamentary Librarian and I believe we can provide space on one side of the Parliamentary Library.

Senator CORMANN: A corner desk in the Parliamentary Library?

Mr Thompson: No, no, not a corner desk—an excellent space within the Parliamentary Library.

Senator CORMANN: How many people could be accommodated in the space that you have identified in the Parliamentary Library?

Mr Thompson: Just to wind back a little bit, currently in the library space we have all of the Parliamentary Librarian's direct staff but we also have about 15 or 16 other officers from our Projects branch, and that includes our Art Services staff. We have developed some options for them to move out, and indeed some of them will move out in the next few weeks. So we will have about 15 to 16 staff leaving that area and then—

Senator CORMANN: So there will be space for about 15 or 16 staff in the Parliamentary Budget Office?

Mr Thompson: Initially, yes.

Senator CORMANN: And that is around the size that you envisage for the Parliamentary Budget Office?

Mr Thompson: That is our current thinking, yes. As a new development, I think it is the right location, because when a senator or member asks a question they will not always know whether the best agency to deal with it is the PBO or the research branch of the library; to have them physically very close to each other, I think, would be very beneficial.

Senator CORMANN: So that \$24.9 million presumably also involves the costs of fit-out and refurbishment to accommodate the PBO?

Mr Thompson: There will be some costs in reshaping exactly where some things are within the library, yes.

Senator CORMANN: As part of the costings advice you gave the government, did you provide costings on refurbishment and, essentially, fit-out costs for the Parliamentary Budget Office?

Mr Thompson: We provided some costings in our submissions, yes.

Senator CORMANN: How much of the \$24.9 million would be for refurbishment?

Mr Thompson: At the stage that we gave that advice we believed we would not need to spend a fair bit of money, measured in millions. Now, I believe, with the way in which we have been able to work out the reality of the number of project staff moving out of the library, our current estimate is that it will involve an expenditure of some hundreds of thousands to create that space.

Senator CORMANN: So that is a recent development? When you say 'a fair bit of money', what did you think it was going to be compared with the couple of hundred thousand that it is going to be?

Mr Thompson: Back in February—and we were moving very quickly because the whole concept was very new—we believed that to create that space elsewhere in the building would cost about \$3 million.

Senator CORMANN: So would the budget costings of \$24.9 million be on the basis of including a \$3 million fit-out in a separate location?

Mr Thompson: I do not know. I am not privy to how the year 1 figure was put together.

Senator CORMANN: In terms of the way the Parliamentary Budget Office would operate, would it have full access to all Treasury and Finance data in order to be able to do its work?

Mr Thompson: Again, I would need to refer you to the joint select committee report and the government response. Our view in DPS—and I think the Librarian and I would share this—is that it is very, very important for the new PBO to have excellent access to Treasury and Department of Finance figures. Just how that is done in reality is, I think, a matter that remains to be finalised.

Senator CORMANN: Still it will be worked out in the fullness of time.

Mr Thompson: The select committee report recommended it be done through, I think it was called, a heads of agreement or—

Ms Missingham: A memorandum of understanding.

Mr Thompson: a memorandum of understanding, yes.

Senator CORMANN: Presumably you would have at least the same access to data as the Auditor General.

Mr Thompson: That was our recommendation.

Senator CORMANN: Yes, but you do not know yet; you do not have an assurance yet that that would be the case.

Mr Thompson: As I said, the legislation has yet to be enacted where some of that would be enshrined.

Senator CORMANN: Have you been giving some thought to turnaround times? How would it work in practice? On members and senators seeking advice from the Parliamentary Budget Office, what are going to be the sorts of performance benchmarks we are looking at?

Mr Thompson: Again, that is a matter that remains to be fully developed, not least because a number of the comparable overseas agencies have a work program that is very much driven by parliamentary committees rather than by individual members and senators. Getting the right balance between the workload driven by committees, which might in our case be the Joint Committee on Public Accounts and Audit or other committees, and the workload driven at the request of individual members needs to be developed fully.

Senator CORMANN: But non-government parties would be entitled to use the Parliamentary Budget Office to cost policies?

Mr Thompson: Yes, that is the way it is envisaged in the select committee report.

Senator CORMANN: But the Parliamentary Budget Office would not of course be required to report to government about the work it does for non-government parties?

Mr Thompson: Hence our position that it should be part of the parliamentary service and accountable to the parliament.

Senator CORMANN: Would the Parliamentary Budget Office be subject to audit under the Financial Management and Accountability Act?

Mr Thompson: I think so, and that is no different from the way we are accountable. The Auditor-General checks our finances and those of the two chamber departments.

Senator CORMANN: But, essentially, your expectation is that it will be fully operational from the beginning of 2012.

Mr Thompson: That will depend on whether the legislation can be enacted and on the appointment process, at least for the most senior staff initiated.

Senator CORMANN: But it will not have any reporting to any minister whatsoever; it would be envisaged to be entirely part of the parliamentary process internally?

Mr Thompson: That is obviously subject to development of legislation, which does mean it is part of the parliamentary service rather than the Public Service.

Senator CORMANN: Have you been given an indication of whether all of the recommendations of the joint select committee about the way that the parliamentary budget office is supposed to be set up have been accepted?

Mr Thompson: The only indication we have so far are some preliminary comments of Minister Wong which came out just after the budget.

Senator CORMANN: And what were they?

Ms Missingham: The joint press release from the Minister for Finance and Deregulation and the Treasurer had an attachment which had preliminary comments against the recommendations of the parliamentary budget office. I can circulate it.

Senator CORMANN: I have a copy of that. So essentially the answer is that you do not know.

Ms Missingham: We know what has been put on the public record. The government's response is likely to be handed down formally in late June. As Alan has suggested, processes

will be underway to develop the parliamentary budget office. From the Parliamentary Library's point of view, we have a relationship that is not just as the research branch, because the whole of the library provides answers to questions. We have policies, practices and training which we are willing to provide to the new parliamentary budget office to assist them in handling individual inquiries. So we are ready to assist.

Senator CORMANN: Thank you very much.

Senator FIFIELD: Mr Thompson, you mentioned in your opening remarks some work that the department had taken to improve disability access. Could you take us through that?

Mr Thompson: When this building was established in 1988 it was, I think, fully compliant with all relevant law at that stage. Obviously, since that time there has been a significant strengthening of the requirements for access for people with various forms of disability, and over the last few years we have undertaken significant work to improve disability access, including the building in of hearing loops and the like. We are well aware, though, that there are still some shortcomings in the building. They do include those very heavy, cumbersome doors in the linkways and the main entrances. They include other, similar problems in the car parks.

They also include the inability of people to access all of the webcasts. In that general area there are upcoming requirements for us to have so-called closed captioning on all broadcast proceedings that we webcast. We are putting together a total package to deal with all of those things. We are doing some preliminary work this year on power actuated doors in some places, but we are putting together a total package to try to pick up all of those shortcomings.

Senator FIFIELD: And what is the time frame for that package coming together? I guess you will have to seek budget funding for that work.

Mr Thompson: At this stage we believe it will require extra budget funding, partly for capital to finish off things like doors and so on but definitely for operational funding, because the notion of closed captioning on the screen chews up quite a lot of money. We do not know the final figure, but the preliminary figure is some \$3 million per year to run the captions across the bottom. Other parliaments have gone down that path, and in those places it is important, but there is no escaping the fact that it is a significant extra cost.

Senator FIFIELD: Indeed. I assume the department is engaging external consultants to assist with this work.

Mr Thompson: Yes, we are.

Senator FIFIELD: Would you be able to take on notice a list of the organisations that have been consulted—the disability organisations as well as those groups that have been consulted in preparing this package of measures?

Mr Thompson: Yes, we can. At this stage we have, amongst other things, employed a firm of architects that has a lot of connection with the building to assist us with carefully checking out the whole building on the physical side. My recollection is that there is a firm that has been giving us advice on the closed captioning as well.

Ms Missingham: It is about the code and requirements, and the code is being built with consultation, but we have used people like CRS Australia rather than individual groups to assist us with understanding where we need to meet that code.

Senator FIFIELD: Thank you. I guess there is the code and then there is practice. Practice may be different from the code itself, and that is why it is important to consult widely with groups: while you may meet the letter of the code, there may be other things which are useful and sensible to do beyond that. I am aware that you have been receiving some advice from Graeme Innes, the Disability Discrimination Commissioner. He wrote to you and copied me in on a letter about his experience in the car park, where there was a chicane of barriers which were there for security purposes. Mr Innes spent some time in the basement—for colleagues, Mr Innes is blind—trying to navigate the course there. This might provide an opportunity for you, Mr Thompson, to share with the committee what action has been taken in response to Mr Innes bringing this matter to your attention.

Mr Thompson: I am very happy to respond to that. The committee will recall that about 12 months ago we reconfigured the car park. We took a lot of care to make sure that we still had taxi ranks in accessible locations and so on. One issue that we had not dealt with well enough at that stage was people with sight impairment making their way from the taxi rank through to the physical entry to the building. Mr Innes alerted us to that, and we have now put down tactile strips from where people would alight from a taxi all the way through to security point 1 in the basement. That has been in place for some weeks now.

Senator FIFIELD: And you have communicated that back to Mr Innes?

Mr Thompson: I believe so. I might have to check on that.

Senator FIFIELD: If you could, that would be helpful. Have there been any other changes as a result of Mr Innes's letter and phone call to you?

Mr Thompson: We have been in the process of finishing off the detail design of installing a security wall in the car park, and we have taken his concerns into account in the detail design of that final wall that will go in there. So it is in the planning stage at this stage.

Senator FIFIELD: Thank you.

Senator MOORE: Could you give us a time frame for Senator Fifield's question? I think you went on to another form of discussion, but I do not think I heard a time frame for that package you were discussing.

Mr Thompson: The security wall—

Senator MOORE: Not that one. I meant previously: the whole range of things. Senator Fifield asked for a time frame, and then it went on to another series of questions.

Mr Thompson: I think you are right. Our plan is to submit a budget bid late this calendar year, so that would be for next budget.

Senator MOORE: Does that pick up any issues around hearing loops? You would remember that we had an inquiry about the hearing support capacity in this building, and there were suggestions amongst all the other issues. Is that being picked up?

Mr Thompson: As much as we can we want to pick up all of the issues.

Senator MOORE: Thank you.

Senator FIFIELD: Before that work was undertaken in the car park, were any disability consultants engaged?

Mr Thompson: My recollection is that preliminary advice was obtained from a consultant; but in the end, as I acknowledged, we realised that there was one component not dealt with well. So we have now installed those tactile strips from where the taxis drop people off through to security point 1.

Senator FIFIELD: Thank you for that.

Mr Kenny: We did engage consultants and the consulting company was CRS Australia who did a comprehensive review of accessibility issues within the building. As a result of that review we have developed a very comprehensive list of recommendations and actions to be taken. Those actions will very much form a large driving part of the budget submission that Alan has referred to in the second half of this year.

Senator FIFIELD: Thank you for that.

Proceedings suspended from 10:30 to 10:45

CHAIR: I welcome our witnesses back before us. Senator Fifield you had the call.

Senator FIFIELD: Could I ask whether the committee could be provided with a copy of the CRS work that is being undertaken on accessibility issues?

Mr Thompson: I believe we could provide the earlier report into that—the April 2009 report.

Senator FIFIELD: If there are any other documents that relate to accessibility in the building, consultants reports that you have commissioned or are to hand since that date, that would also be useful.

Mr Thompson: We should be able to do that.

Senator FIFIELD: Thank you very much for that. I think Senator Kroger has a follow-up question.

Senator KROGER: Does that consideration also apply for those parents with children who may require closer access?

Mr Thompson: I do not think there has been anything done in those reports. What we have done in the last three weeks is to provide the parents with much closer parking in the public car park. We have now set aside 10 spaces there reserved for people who are clients of the Capital Hill Early Childhood Centre. The informal feedback I have had from the parents who are using those spaces is extremely positive. It is much better for them to get their children out of the car there and walk through what we call security point 1 rather than come up from, say, the Senate car park.

Senator KROGER: Have there been any requests that there be access for parents for the car park below the Senate or in any of the designated areas?

Mr Thompson: If you go back quite a few months ago the parents, particularly those using the Senate car park, were concerned about the distance over to the childcare centre. Also there were some details of the parking right down at the bottom of the Senate car park they were unhappy about. This decision, which has been supported by the Presiding Officers, to set aside the 10 spaces in the public car park on the east side has dealt with a lot of those concerns.

Senator KROGER: Thank you very much.

Senator FIFIELD: Mr Thomson, I realise this question probably crosses both your department and the Department of the Senate with the Black Rod. There have been some details in the newspaper recently about the \$11 million furniture makeover for Parliament House. I think the justification is to ensure that there are consistent design features across furniture. Does DPS have a role in this particular proposed work?

Mr Thompson: We have a limited role, primarily because we are using the same style guide that we are advised the Senate and the House of Reps are using. We are in the process at the moment of acquiring a limited amount of different furniture for our staff, notably for staff who are moving into the new accommodation just beyond the staff dining room. We are acquiring about 65 desk sets for there. They will cost us around \$3,400 each. Also, we have been reconfiguring some of the Hansard spaces. Again, we will acquire desk sets for there for a similar outlay per desk set. We do not have any other overall program for renewing all of our furniture. It is only where we are doing refurbishments and we are aware that the existing furniture is out of date in various ways. Mostly it is to do with ergonomics. That is the reason we are going to the new model, but also partly because some of this new furniture fits in more compact spaces which have been established by an arm of the department of finance.

Senator FIFIELD: What are the ergonomic issues with the current furniture?

Mr Thompson: I will ask others to comment, but certainly with the ones I have seen there have been problems with height for keyboards. That has been a significant one. I will ask Mr Kenny and Ms Missingham to comment on what they have witnessed as well.

Mr Kenny: Obviously where an ergonomic assessment indicates that there are deficiencies with the office equipment we need to take that into account in setting up a workplace. Within Hansard we had an OH&S review done a couple of years ago which identified significant deficiencies in a number of ways, noting that Hansard staff are very desk and keyboard intense in doing their work. Hansard is also one of the areas where we have higher than we would like—higher than we are comfortable with—levels of injury, so there is an issue of safety as well. That is the refurb work. As Alan said, the other furniture that we are buying is new furniture for new accommodation where previously there was nothing. We were involved in working with the chamber departments in establishing the style guide, the intention being that if we had a common approach to furniture it would be cheaper and sensible, but we may go to independent purchases.

Senator FIFIELD: Thank you for that. Is DPS on the Parliament House Accommodation Review Steering Committee?

Mr Kenny: What is the context of that?

Senator FIFIELD: I understand that there is, or there has been, a group called the Parliament House Accommodation Review Steering Committee.

Mr Kenny: Over the years there has been a significant number of accommodation reviews—

Senator FIFIELD: There has been a number. So there is no ongoing Parliament House accommodation review—

Mr Kenny: I do not think so. I think there have been as many as 10 or 11 over the years of this building, but I do not think it is ongoing, although it is probably fair to say that we do fairly frequently make assessments of available space and see if we can use it more wisely.

Senator FIFIELD: The bulk of the questions are really for the Black Rod, so I will put those on notice. I think Senator Humphries had an area that he wanted to pursue in general questions.

Senator HUMPHRIES: I just want to ask about a couple of issues to do with staff in DPS. I read with concern the article in the *Canberra Times*, under the heading 'Parliament bullying claims logged'. Mr Thompson, you expressed some concern about the fact that there were five staff in the last financial year who left their positions complaining about bullying within areas under your administration. Could you explain to us how you understand that those issues arose and what the department has done to deal with any systemic matters arising out of those complaints.

Mr Thompson: I am very happy to start the answer. I may ask Ms Missingham to help me a bit as well at the end because she, apart from being a librarian, also looks after our HR function, which is very important to this.

Senator FAULKNER: Does that mean that Parliamentary Librarian is not a full-time job?

Mr Thompson: No, it is very full-time. We rationalised our SES numbers some two years ago. We reduced our SES numbers by one, and a number of senior officers, including me, picked up direct reports that we had not had previously.

Senator FAULKNER: You just said that the Parliamentary Librarian had additional responsibilities. What are they?

Mr Thompson: The only one she has had over the last 18 months has been HR.

Senator FAULKNER: What does that involve? Since when have we not had a full-time Parliamentary Librarian here? That is against all the commitments that have been given year in, year out; this is the first I have ever heard of it. I do not know whether any of the other committee members have heard of it. No, there are shakes of the head all round. So can you tell us about it before we get onto bullying. I am very interested in bullying too, I might add.

Mr Thompson: The context of this is that when I arrived we had a certain number of SES officers. We were very conscious of our budget outlook. It has basically been the same number of dollars for 11 years. Each year DPS and its predecessor organisations have been making do with a bit less real purchasing power. Two-and-a-bit years ago we worked out a way we could run the place effectively with one less SES officer. That officer left to go and work on the upcoming CHOGM in Perth. Since that officer left we divided up the corporate functions across a range of SES officers. The chief finance officer took on some additional responsibilities, I took on some additional responsibilities and the librarian took on some additional responsibilities.

Senator FAULKNER: Mr President, you would be aware of commitments that were given at the time of the amalgamation of the departments—the old Joint House Department and the Department of the Parliamentary Library and DPRS. As far as I am aware, there has never been any suggestion that we would not have a full-time Parliamentary Librarian.

The PRESIDENT: I think that was before my time in this role, so I would need to go back and look at the commitments that were given. I will take that on notice and get back to you. I suspect it was before my time so I want to familiarise myself with what actual undertakings were made.

Senator FAULKNER: So, we have established that we do not have a full-time Parliamentary Librarian.

Mr Thompson: I think I need to finish the story. We have now taken yet another step. We have had yet another retirement and I am reconfiguring the place again, just filling a position called 'assistant secretary corporate'. With the reduced number of SES, once that position is filled, Ms Missingham will no longer be burdened by the HR function.

Senator FAULKNER: She should never have been burdened with it in the first place. I find it quite extraordinary that we have found out today that there is not a full-time Parliamentary Librarian in this building. Anyway, I do not want to interrupt Senator Humphries because I am also very interested in the questions he will be asking about bullying in your department.

Mr Thompson: In any workplace there are always concerns about whether people feel as though they are being bullied. I certainly take those concerns very seriously. We expect the line managers, assisted by our HR people, to thoroughly investigate any allegations of bullying. In the end, once they are fully investigated, some of those are very real and we would then initiate a process to ensure that the bullying ceased and action taken with regard to any officer who was deemed to have bullied—and this could be a lateral set of behaviours, it could be from a superior downwards, and it has occasionally been subordinate upwards. In fact, one of those cases you mentioned was exactly that. I only learnt about it after the event when the senior officer left. So it is not just downwards each time. The other point I will make, though, is that oftentimes—not every time—when we investigate, the reality is that somebody believes they are being bullied when all that is happening is they are receiving fair and reasonable feedback about attendance or work performance or whatever. There is quite an elaborate set of advice in one of the Public Service Commission documents about what bullying is and what bullying is not. The individual who feels they have been bullied need to understand whether it has been real bullying or it is the reasonable feedback that one might receive from a supervisor. We do every time seek to be fair to the supervisor or the other party, whoever that is, in sorting out whether bullying has really occurred or whether it is a perception.

Ms Missingham: Just to put it in context, we have a very strong policy and set of practices aimed to prevent bullying and harassment. We have a contact officer network. We run a lot of training on managing for respect in the workplace, plus we run bullying and harassment courses—not how to do it but how to prevent it. We have been doing that for the past six years, very actively.

Senator HUMPHRIES: That is good to see. But what this report seems to suggest is that the five employees who complained about bullying identified this problem as they were exiting employment in DPS. Are you aware if any of these five employees in fact complained about bullying before they exited employment?

Mr Thompson: I am not aware of any who had said that before they left. One, as I said, I was very surprised to learn about the case that it was about bullying upwards.

Senator HUMPHRIES: Doesn't it disturb you, though, that people only made these complaints as they were leaving employment when perhaps they felt safe to make such complaints? Is the system robust enough to allow a person who feels they are being bullied to

properly bring that to the attention of superior officers and ensure that it is acted upon, not simply swept under the carpet?

Mr Thompson: I am concerned about all bullying. We have an active program to attempt to get people to come forward if they do believe they have been subject to bullying and we normally then manage that through our HR people as a disinterested third party to try to get to the bottom of the real situation for for each one. If those cases we only learned about it at the end, I apologise for that, but nevertheless we do actively tried to prevent bullying and deal with it in the here and now rather than waiting until somebody leaves.

Senator HUMPHRIES: All right. In this present financial year, how many allegations of bullying have been made with respect to ongoing staff of your department?

Ms Missingham: Other than the exit interviews, I am not aware of any. We will doublecheck.

Senator HUMPHRIES: Okay. Can you give us information with respect to this financial year and the previous two financial years?

Ms Missingham: Certainly.

Senator HUMPHRIES: You said in the article, Mr Thompson, that you believe a counter to this is so-called Parliamentary Service Values—that word so-called is your word, not mine. You say that there is a spectrum of things that people can be expected to do and 'we aim to induction and other courses to maintain a pretty high level of awareness that these are the things that are expected'. In terms of induction, there is a component of induction that deals with bullying, is there?

Ms Missingham: There is a component of the induction course that deals with the code of conduct and the values. The context is what behaviour is expected in the workplace, and that is the context that would talk about bullying and harassment.

Senator HUMPHRIES: okay.

Mr Thompson: Senator, I might say that don't think we would actually have a heading—we have a good induction program. I do not think we would have a heading about bullying. We have a heading about the Parliamentary Service Values, and they go not just to bullying; they go to things like honesty and personal integrity. We would be encouraging all of our staff to adopt all of those values, not just the ones that relate to bullying.

Senator HUMPHRIES: okay. I look forward to those figures on the bullying complaints. Just follow up the issue raised by Senator Faulkner, what proportion of your time, Ms Missingham, would be spent on your HR role at the moment as opposed to your Parliamentary Librarian role?

Ms Missingham: Just to give it a bit of context, when I took over this activity I still continued to do pretty much a full Parliamentary Librarian workload and this would be probably no more than half a day a week.

Senator FAULKNER: Has it been reported to the committee that oversights the Parliamentary Library that you have been doing that work?

Ms Missingham: I think it was recorded in the last resource agreement that went to the Joint Standing Committee on the Parliamentary Library, but I have not raised it other than in the resource agreement.

Senator FAULKNER: So they are aware of it?

Ms Missingham: I have certainly reported it to them in the resource agreement, but I have not spoken to them separately.

Senator FAULKNER: So if they read the resource agreement, which you would hope that parliamentarians would do, they might be aware of it.

Ms Missingham: Yes.

Senator HUMPHRIES: I also have some questions about the employment of parliamentary security officers. I assume that might come under program 2, or is it best asked here?

CHAIR: Yes, it would.

Senator MOORE: Mr Thompson, I want to follow up a bit more on the structure. In the responses you made, you said that your HR people go through the processes and induction and also go through the investigation processes if there are any claims of any kind of problem. You have said that Ms Missingham is now the head of HR. How many HR people are there in the area?

Mr Thompson: We had quite a large group, but we did go into an agreement with the Department of the House of Representatives to look after the payroll function so that has been outsourced to the House of Representatives. Roxanne, what is the number now?

Ms Missingham: The total headcount is 14. The average staffing level is 12.68.

Senator MOORE: And of those people, how many are involved in the behavioural management role? The kind of work involved with induction, support, grievance management. Do you have any who are identified in that kind of way?

Ms Missingham: We have a learning and development team.

Senator MOORE: And that does training as well as—

Ms Missingham: They are responsible for the induction training and the other courses that we run, including managing for respect in the workplace. We have an occupational health and safety team of—

Senator FAULKNER: Did any of these instances of bullying that have been referred to in this hearing, particularly in questions by Senator Humphries, involve individuals in the Parliamentary Library, of that section of DPS?

Ms Missingham: No.

Senator FAULKNER: What would your protocol be if that were the case? Is there a special protocol if there is given that you head up HR and the Parliamentary Library? Or have you just found out today?

Ms Missingham: There is a Department of Parliamentary Services practices policy and all the staff are employed under our guidelines and policies and practices. The referral process is through HR to the relevant senior executive service member, which would normally be the person who is the branch head, which would normally be the assistant secretary of research or the assistant secretary of information access within the library if there was a reported allegation of bullying.

Senator MOORE: That follows on from Senator Faulkner's question though that if there were a complaint within the library, with you being senior executive service, how would that circle work?

Ms Missingham: It would be the same circle as if there was—as there will be shortly—a head of corporate that was responsible for HR services and other corporate functions.

Senator MOORE: So once again differentiating the functions.

Ms Missingham: Yes.

Senator MOORE: So we will go back to having an independent head of corporate for whom part of their responsibility will be all the personnel management issues.

Ms Missingham: Yes.

Senator MOORE: Mr Thompson, you said that would be imminent?

Mr Thompson: Sorry, Senator?

Senator MOORE: Your next round of restructure, which will recreate a head of corporate?

Mr Thompson: We will have a head of corporate, yes. We have been interviewing and we hope to make an announcement soon.

Senator MOORE: Right, so in the second half of this calendar year.

Mr Thompson: Yes.

Senator MOORE: And then that will go back and—

Mr Thompson: The other thing that operates quite well is that we have a senior officer directly responsible for HR, and a lot of these personnel issues are dealt with directly by that officer. Roxanne's role is about overseeing that. She is the person to whom our head of HR reports, but the day-to-day issues are run by that very capable senior officer.

Senator MOORE: One of the 12.6?

Mr Thompson: Yes, one of the 12.6.

Senator MOORE: I refer to Senator Humphries' questions. I am always very reluctant to use newspaper quotes for any range of questioning, although it seems very common to do so in these Senate estimates. Five issues were raised. When those five issues were raised in the media and you were asked to comment, had there been internal investigations of the five issues that were mentioned in the newspaper before that newspaper event? Were you taken by surprise?

Mr Thompson: No. I knew of them. I and, I believe, the rest of us were aware of those—but acknowledging that they were people who were leaving, okay?

Senator MOORE: Sure.

Mr Thompson: I think that in each case we had sought to investigate the circumstances behind the allegation. What I do not recall is the extent to which some of them were very real concerns about bullying as distinct from that other category which I have mentioned—

Senator MOORE: Miscommunication about standard practice?

Mr Thompson: That is right.

Senator MOORE: But each of those cases had been known, through an exit interview process—which is the standard public service process. Then you go back and have a look at what occurred. But action was taken in each of those cases to follow up within the sections about whether there was any veracity in the process? And was that done internally, by one of the 12.6?

Ms Missingham: It would be done internally. I think the answer to the question in writing that we gave to the last meeting of this committee was that, where individuals were named, follow-up action was taken. Where someone alleged there was bullying but would not disclose any details or names, it was not—I mean, while we would talk to the workplace to ensure that appropriate behaviour was happening per se, then there was no follow-up action that could be directly done relating to a person or an issue.

Senator MOORE: You have both mentioned that within the DPS there is a process for talking with staff, and induction. Has there been any kind of specialist feedback as a result of people reading those media statements who are still working in the unit? That is very upsetting—to see your workplace mentioned in the media with that kind of heading. Has there been any resultant process of calling the staff together and reinforcing the issues around the process? I would be really interested, Mr Thompson, to know if the word 'bullying' does appear in the copious induction notes. I would hope it does—because, under the public service guidelines, there has been an added concentration on this area—and that it is not just lost within general respectful behaviours, because sometimes the word 'bullying' gets lost and I do not think it should. Can we find out, firstly, whether the word 'bullying' is actually mentioned in your materials and, secondly, whether there has been any ongoing process within the area with the professional help that is available in the public service at the moment to work with all staff, after that very upsetting process of finding your workplace named in the media?

Mr Thompson: We can provide some additional information about that.

Senator MOORE: That would be very useful.

Mr Thompson: We take good relations in the workplace very, very seriously. We aim to have very open communication within the department. I spend a lot of my time—as do David and Roxanne—moving around the building, talking to people at all levels, in an endeavour to enhance communication and prevent unfortunate behaviours occurring.

Senator FAULKNER: Well, from what I have heard it is not working very well, Mr Thompson; that is all I can say.

CHAIR: Thank you. Are there any further general questions?

Senator FAULKNER: Yes, I have some general questions, but not on this. But my view, Chair—

Ms Missingham: Can I just comment that, when we get back to you in detail about that, I will double-check about the library and whether that was included.

Senator FAULKNER: I would certainly appreciate that, because it was unknown to me and other committee members that we had a part-time Parliamentary Librarian. I find that very, very disappointing indeed to learn, and I believe it is contrary to a range of commitments that were sought and won about the independence and the task of the Parliamentary Library and the Librarian and the focus that they would have. But, Chair, I

hope that this committee takes this issue of bullying in the Department of Parliamentary Services very seriously. I, for one, am just flagging that I intend to monitor it extremely closely in the period ahead. My general questions go to the issue of questions on notice. Mr Thompson, who prepares the answers to the questions on notice that are provided to this committee?

Mr Thompson: Generally the initial drafts are all prepared by the relevant line managers.

Senator FAULKNER: What is the approval process for them? Do they go to you, or to Mr Kenny or a senior officer in DPS before they go to the President?

Mr Thompson: They generally come through respective branch managers and I will vet them before they are sent off to the President, and then they are sent to the committee.

Senator FAULKNER: Do you formally sign them off before they go?

Mr Thompson: Yes.

Senator FAULKNER: Then they go to the President and after the President's agreement they are submitted: is that how it works?

Mr Thompson: That is right.

Senator FAULKNER: Mr President, do you receive supporting documentation for the draft answers to questions on notice that you receive, or do you just receive a question and answer?

Senator Hogg: I believe I receive the question on notice.

Senator FAULKNER: And the supporting brief?

Senator Hogg: Yes, I think there is a brief and we look at the brief. Obviously they are prepared by senior people, and we accept on face value the information or the advice that is given to us.

Senator FAULKNER: I am interested in the answers to the questions on notice that I received in relation to a couple of questions I asked in the last round in relation to billiard tables. I want to draw your attention to and ask some questions about question 27. The question was:

Could you provide copies of the heritage assessment and the valuation of these to the committee, please?

—amongst other things. Did I receive the heritage assessment or not? It certainly was not in the material that was provided to me.

Mr Thompson: The heritage assessment is essentially the handwritten note on attachment B.

Senator FAULKNER: You cannot be serious, Mr Thompson. Are you suggesting that a bracket around five items, and not the sixth item, 'Given tables purchased by PHCA around 1989 and are about 20 yrs old, thus no heritage value'. I cannot read the signature of the disposal delegate. That is the heritage assessment, is it?

Mr Thompson: You asked for the written heritage assessment. Yes, that was it.

Senator FAULKNER: I see. When was that note written?

Mr Thompson: I cannot tell you.

Senator FAULKNER: I really want to know, Mr Thompson. When was that note written? I assume it was written prior to my asking the question and prior to the sale of the tables, but it is not dated. This heritage assessment is not even dated. It is literally a pen-script annotation on a computer printout. Do you really think that I should accept that that is a heritage assessment, Mr Thompson?

Mr Thompson: Senator—

Senator FAULKNER: An undated, pen script annotation by an individual—I do not know who the individual is and I am not being critical of the individual—called disposal delegate. You are telling me that that is a heritage assessment.

Mr Thompson: Senator, we have provided the documents. A lot of this goes back a long way. We also had a discussion.

Senator FAULKNER: When was that undated pen script annotation written?

Mr Thompson: I cannot tell you.

Senator FAULKNER: You would have of course a record of when that printout spitted out of the printer, wouldn't you?

Mr Thompson: We would have that, yes.

Senator FAULKNER: Can I ask you to try and provide when that pen script annotation was written and the date of that document before officers leave the table, please?

Mr Thompson: I can ask officers.

Senator FAULKNER: I would appreciate that very much because I have got a lot of follow-up questions I intend to ask about these matters, so thank you very much for that—best efforts, I hope, from officials to provide that. Just to be clear on the broad issue—and I will come back to this when we deal with the precise matters before the committee—I do not want to ask too many of my questions in general questions but can I ask this? I believe Parliament House does not have any heritage listing—that is correct, isn't it?

Mr Thompson: That is right at this stage,.

Senator FAULKNER: What do you mean 'at this stage'? Are you trying to get it heritage listed?

Mr Thompson: No. The reason I am phrasing it that way is that there has been some interest out of the environment department in the heritage status of this building. Our reading of the legislation is that it is a building responsible to the two presiding officers who are not caught up in the environment department's legislation. We are at the moment developing our own heritage plan for the building but we do not believe it is subject to the heritage processes.

Senator FAULKNER: So you are developing a heritage plan. How long has that been in development?

Mr Thompson: The current plan?

Senator FAULKNER: The current plan. How long have you been developing a heritage plan for Parliament House?

Mr Thompson: We started six months ago or thereabouts. I would not want to be pinned down for the day but thereabouts.

Senator FAULKNER: Has that ever been submitted to the department environment.

Mr Thompson: Not that plan, no.

Senator FAULKNER: I do not understand what 'not that plan' means. Are there previous plans; are there iterations of the plan?

Mr Thompson: There was a version of a plan, which was in existence in 2007-08 and a version of that was sent to the environment department. When I arrived I sought some further legal advice as to whether Parliament House is subject to the heritage requirement under the Environment Protection and Biodiversity Conservation Act or not and, in the end, that advice, which came from Blake Dawson and the Government Solicitor was: no, it is not subject to those heritage provisions. We then initiated our own plan, which we kicked off about six months ago.

Senator FAULKNER: When you said a version, how many versions of the plan have there been?

Mr Thompson: I am only aware of two but I have only been here three years. The one we are now developing is shaped around the officers of parliament and particularly the officers of DPS to having a genuine and major commitment to being stewards of this building on behalf of the parliamentarians but then reporting our obligations through to the presiding officers rather than through to the environment department.

Senator FAULKNER: So you are aware of two versions. Can you take on notice for me how many versions in fact there have been?

Mr Thompson: We can do that.

Senator FAULKNER: I would appreciate that. Has this all been done internally?

Mr Thompson: The current version has been done by one of our officers, who has very good qualifications in heritage, yes. I think the previous version did have some external input.

Senator FAULKNER: All right. So, what, some sort of external consultant?

Mr Thompson: I believe so.

Senator FAULKNER: Who was that?

Mr Thompson: I could not advise you now, Senator. We can find out. This is a document that was in existence three years ago, and I just cannot recall the detail.

Senator FAULKNER: Well, I assume it is still in existence.

Mr Thompson: Yes, it is. It had already been developed three years ago.

Senator FAULKNER: I would appreciate understanding what sorts of resources have gone into this, both internal and external. Are you able to help me with that now or will I need to also place that on notice?

Mr Thompson: I do not have the name of the consultant in my head right now, Senator. We will see if we can get it before we finish this hearing.

Senator FAULKNER: I would like to know the name of the consultant and the cost of the consultancy, please, and I would also like to know the amount of internal resources that have been involved in this. You were also going to find out for me how many versions of the heritage plan there are. I do have other questions I want to ask in relation to heritage matters, but I am happy to do that as we deal with the various agency elements, as they come before us.

[11:26]

CHAIR: Are there any further general questions? If not, I intend to move on to program 1, Library services. Senator Marshall.

Senator MARSHALL: Yes, I have a question on the library. How many people with legal qualifications does the library employ?

Ms Missingham: We certainly do have some people with legal qualifications, in our Law and Bills Digest section. I cannot tell you how many; I would have to get back to you on that detail.

Senator MARSHALL: Well, when you say some, is it one or two, or is it a significant percentage?

Ms Missingham: The whole section is about 15 people, and I would think the majority of them would have a legal qualification.

Senator MARSHALL: So you actually have a legal section in the library?

Ms Missingham: We have a Law and Bills Digest section in the Research Branch.

Senator MARSHALL: Okay. In terms of the provision of services to parliamentarians, the library cannot provide anything that remotely goes to an opinion or advice to assist parliamentarians. So I am just wondering: what do people with legal qualifications actually do in the library?

Ms Missingham: You see a lot of the work that they do in the form of the *Bills Digests*, which are published to give an independent piece of analysis on legislation before parliament. We do about 200 of those a year, between 180 and 200. While a number of them are written by people in other areas of the library, the majority of them are the responsibility of individual officers in the Law and Bills Digest section. They also provide some legal policy advice to answer individual questions from members and senators, but we do not give legal opinions.

Senator MARSHALL: Or anything that might remotely constitute a legal opinion. So what did you say they do for parliamentarians?

Ms Missingham: The *Bills Digests*.

Senator MARSHALL: No, apart from that. Could you take that on notice for me—

Ms Missingham: Certainly.

Senator MARSHALL: and tell me how many people in your legal department are actually engaged in *Bills Digests* and what percentage of their time that entails; and how many people are involved in other activities outside of the *Bills Digests* and what that entails.

Ms Missingham: I can give you some information on that, but every person in the Law and Bills Digest section does a considerable amount of work on the *Bills Digests*.

Senator MARSHALL: Okay. So, apart from the *Bills Digests*, what else does your legal department do?

Ms Missingham: The other service that we offer, consistent with the rest of the Research Branch, is answering individual client inquiries about policy issues. Total library answers come to 14,000 to 15,000 individual client inquiries a year. But I can take that on notice and get you some more information on that.

Senator MARSHALL: All right. Can you describe for me the sort of policy issue that a legal person might be able to give an answer to that does not cross the line into either legal advice or legal opinion?

Ms Missingham: A lot of the questions will be about legislation before the parliament and it will be about perhaps constitutional or other policy implications that relate to other pieces of legislation, or it will be about a general issue where the government or a private member—

Senator MARSHALL: But what sense would that advice take if it is not giving a legal opinion?

Ms Missingham: It is because we are giving individual client advice to a senator or a member, not what would constitute a legal opinion from a legal company or, say, the Australian Government Solicitor's office.

Senator MARSHALL: No, but senators ask for advice, they do not ask for opinions. My experience with the Library is that that information cannot be given because while I am asking for advice it is suggested by the Library that that is in fact an opinion so it cannot be given.

Ms Missingham: There are probably two different issues there.

Senator MARSHALL: I am trying to work out what they are because I do not see the difference.

Ms Missingham: We provide advice and not what would constitute a legal opinion because in order to give a legal opinion we would have to ensure that people have practice certificates and that we have appropriate insurance. So under our legislation we provide information, analysis and advice. We do not have legal opinions and we do not have that sort of protection for legal opinions. In terms of the confidentiality of clients—

Senator MARSHALL: Let us concentrate on this for the minute. What is the difference between opinion and advice?

Ms Missingham: My understanding is that a legal opinion requires a practising certificate and requires appropriate insurance and a number of other aspects that you will get, for example, if a question is asked of a private law company or from the Australian Government Solicitor.

Senator MARSHALL: So what is the restriction on responding to senators' requests for advice, if they are not seeking an opinion?

Ms Missingham: We provide advice on issues and we provide advice particularly on issues that are before the parliament, but that advice does not constitute what would be called a formal legal opinion.

Senator MARSHALL: What sort of advice, though? I am still failing to come to grips with the difference between opinion and advice, apart from the legal definition you have mentioned about having the appropriate insurance and practising certificates et cetera. What advice would you provide?

Ms Missingham: I might get Dianne Heriot, the assistant secretary of the research branch, here as well to assist. But if you look at our Bills Digests, for example—

Senator MARSHALL: Let us leave the Bills Digests to one side.

Ms Missingham: That is an example of the sorts of advice we provide. Someone will ask us about a piece of legislation, for example heritage legislation—

Senator MARSHALL: And what would they ask in the sense of that? Would they ask whether it is legal or not?

Ms Missingham: They will ask a range of questions. Sometimes they will say, 'Are there any constitutional issues with this piece of legislation?'

Senator MARSHALL: And what would you say to that? Would you give advice on that or would you give them an opinion on that?

Ms Missingham: We would give them advice on that and not a legal opinion.

Senator MARSHALL: But it probably results in the same thing, doesn't it?

Ms Missingham: I believe they are two different things.

Senator MARSHALL: If a senator asks you for legal advice, why can't you give that advice, instead of saying, 'No, what you are really asking for is a legal opinion?'

Ms Missingham: We will give information, analysis and advice from the Parliamentary Library's resources. But we do not give a legal opinion.

Senator MARSHALL: My experience is that I cannot get advice that I have asked for. Anyway, you have brought someone to the table that might help clarify it.

Ms Missingham: I think I would say that our standard feedback policy is, 'If you are unable to seek advice as a legal opinion I would encourage you to tell me about that aspect.' We certainly are committed to providing advice to senators and members and their staff, but not legal opinions.

Senator MARSHALL: I have never sought a legal opinion. I have sought some advice, though, but it has been refused to be given, or I have not been assisted at all.

Ms Missingham: There are probably two different aspects. There may have been some confusion and I would encourage you to come and have a conversation with me about the difference between legal opinion and advice. It could be that there was some confused communication. But the other area is that we will also give advice and in terms of giving that advice our limitation is that we will give advice on material that is published or publishable. That is probably a different aspect to a legal opinion, which can be given on a document that is not published or publishable.

Senator MARSHALL: So you cannot get advice on current legislation?

Ms Missingham: Legislation is published in terms of the bill.

Senator MARSHALL: We will accept your offer and see if we can get some advice from the Library.

Ms Missingham: Thank you.

CHAIR: Are there any further questions on the Library?

Senator KROGER: Following up from previous estimates, I noted that the cost of putting together the press clippings file was \$185,000. Is that right?

Ms Missingham: I think that the Department of the Senate has that information. We have the press clipping service from the Parliamentary Library. Those are the press clippings that are loaded to—

Senator KROGER: Sure. So you cannot qualify that.

Ms Missingham: ParlInfo Search. We are now putting out a daily press release file for senators, which is available on the intranet.

Senator KROGER: But you put together the press clippings?

Ms Missingham: We have always put press clippings into a file and made it available—in terms of a large file on the automated system.

Senator KROGER: The press clippings that you put together are on the basis of the newspapers that come in by a particular point in time in the morning or what you are accessing online—is that right?

Ms Missingham: We get a daily file from Media Monitors and from that we select 400 to 500 individual newspaper clippings which we put on the ParlInfo Search system automatically. We now produce—and we have done for about the last three weeks—a senators' file, which is a single file of material relevant to the Senate. We worked in conjunction with the Department of the Senate to do that and updated the profile. You still get the hard copy from the Department of the Senate, but we have a digital one available from the Library's website as well.

Senator KROGER: Which clippings go in that every day?

Ms Missingham: We have what is called a profile on our system and it has, for example, the names of every senator. It also has a number of subject terms, including the Senate. So, if the Senate is talked about in a newspaper article or a Senate inquiry, that will go into the press clippings files. We are using roughly the same profile—that is, the same number of terms—that is used by the Senate for their individual clippings service.

Senator KROGER: So using, for example, the day after the budget was brought down, how do you determine what press clippings would go in that?

Ms Missingham: We have a number of weighted terms and we will put the major articles into that sort of file. We also have a separate file of all of the clippings that relate to the budget. That is updated automatically and the link for that is available to senators and members through our intranet page.

Senator KROGER: What do you classify as a major article, then?

Ms Missingham: In terms of the general Senate file that we are producing now, it has, as I said, the names of all senators' and members' references to the Senate and a couple of key issues. In terms of the budget, where those articles mention senators, they will be in the Senate newspaper clip file. Where they are major opinion pieces, they will go in as well. It is quite a complicated algorithm that selects the material. Part of our challenge is to have enough material that is relevant but not too much so that it is not 500 articles. That is too much to read.

Senator KROGER: The day after the budget there were, by your definition, some articles that one could arguably call major articles that were not included in the press clippings. In fact, I was quite surprised at the fairly minimalist approach that was taken the day after the

budget. In relation to the articles that were written in connection to the budget, I saw that there were some—I am coming from Victoria here—from the *Australian*, the *Age*, the *Financial Review* and the *Herald Sun*. There were 225 budget related articles but, of those, only 12 per cent made it into the press clippings. There were some 28 that made it in. Of those only 12 per cent made it into the press clippings. There were some 28, I think, that I had that made it in. In relation to the Victorian newspapers, the *Herald Sun* and the *Age*, there were a couple of what you might define as major articles that were not there but one that was of a smaller, different nature was. Hence my questions as to how you actually determine what goes in and what does not. If it were on the basis even that some of them do the wraparound budget report then one article came out of that. Of the full budget report of one of the papers only one article was included. It did not seem to be reflective of the general commentaries, editorials and so on that were written for that day.

Ms Missingham: I think you are talking about the printed set of newspaper clippings that comes from the Department of the Senate.

Senator KROGER: Yes.

Ms Missingham: We do not produce that newspaper clipping service, the Department of the Senate does.

Senator KROGER: But you provide them with—

Ms Missingham: No, they are still running a separate service. The one that is available on the intranet or through the Senators' and Members' Services Portal is a separate set, so I think you are probably talking about the Senate's one. I would encourage you, if you have any feedback about the one that the Library is now offering, to talk to us because we have the ability to change that profile.

Senator KROGER: So that one is not available online with all inclusions or once again edited inclusions.

Ms Missingham: The Library offers two online services, actually three, but I will talk about two here. The one that is available for senators is the senators newspaper clips and it is roughly similar to the one that you currently get in print form from the Department of the Senate. We have been working very closely with them so that we have this service which will probably ultimately replace the one that they currently have. That has been available for about three weeks and you can look at it through the senators' and members' portal. It is a calendar and you just click on the day. It is only available online. We are not producing a print set from that.

Senator KROGER: So the intent is for that to take over what Senate services are currently providing.

Ms Missingham: That is our long-term intention.

Senator KROGER: Is there a time frame in relation to that?

Ms Missingham: You would have to ask the Department of the Senate about that.

Senator KROGER: You have not had discussions about—

Ms Missingham: We have not had discussions about the date, but we have had a lot of discussions about the service. The second service that I thought I would mention is that the Library has on its budget analysis page for senators and members a link to every article that is

in the collection that we put online of articles from newspapers that we get from Media Monitors. All budget articles are accessible through there. You can search them by newspaper or by issue once you have that set up. It is partly because of exactly the issue that you are talking about—sometimes it is very hard to differentiate an important article from an unimportant article, so we take all the articles on the budget from the major papers and make those accessible.

Senator KROGER: Are we looking at it being a possibility that the services will be merged? It seems ridiculous that there is a duplication and I would imagine duplication of costs involved. Are we looking at that happening in the near future?

Ms Missingham: At the moment the discussions are about it happening as soon as can be done but that is in the hands of the Department of the Senate.

Senator KROGER: I look forward to that.

Senator MARSHALL: Just following up from my previous questions can you tell me what actually constitutes a published document?

Ms Missingham: A published document is, for example an annual report of a department or a budget statement. For us published does not just mean something is on the internet. We have had a definition of published for a number of years that is possibly a little bit vague, but equivalent to the definition, roughly, which is in the Copyright Act of a published document.

Senator MARSHALL: Would you be able to provide to the committee the definition that you use for a published document at some point?

Ms Missingham: Certainly.

Senator FAULKNER: Is the head of the economics section of the Library still a vacant position?

Ms Missingham: We have someone acting in that position and we are in the process of advertising that position.

Senator FAULKNER: How long has that not been filled now?

Ms Missingham: The person who was in that position retired at the end of January or early February this year. Then, because we were unsure of what impact the Parliamentary Budget Office might have on that position, we acted a very experienced officer in that position, and he is still acting. We had the recommendations of the Parliamentary Budget Office joint select committee and then we waited for the budget to make sure we understood what might be the implications in terms of government commitments. We have now started the paperwork to advertise that position fully because we think we will still need it.

Senator FAULKNER: When would you expect that to be filled?

Ms Missingham: Certainly within the next two to three months. That would be roughly what it takes us to fill a senior position.

Senator FAULKNER: Thank you for that. On the PBO, given Senator Cormann's earlier questions, Mr Thompson, are you aware that the recommendations of the Joint Select Committee on the Parliamentary Budget Office unusually, often for joint select committees, were unanimous recommendations?

Mr Thompson: Yes, I was. Perhaps I should have mentioned that a bit more affirmatively when I was giving evidence before.

Senator FAULKNER: I do not think you were asked that question. Really because of Senator Cormann's questioning I thought it might be useful for that to be on the record, given some of Senator Cormann's colleagues such as Mr Pyne, who was the deputy chair, Senator Joyce, who of course is the Leader of the National Party in the Senate, were also members of that committee amongst many other eminent members and senators. In relation to the Parliamentary Library, where are we up to with the indexing? Could you give us a quick status report about whether we have an indexing backlog or not?

Ms Missingham: We do have an indexing backlog. That built-up last year when we had a number of positions that we found difficult to fill. We restructured the area. We have filled those positions and are now starting to work on the indexing backlog. I should say that all of the journal articles and material in that backlog are fully searchable by author, title, source and words in the article. It is the indexing backlog that built up last year that we are starting to reduce.

Senator FAULKNER: Would you be able to make a comment on any impact on library services that this has?

Ms Missingham: It means that the articles are not searchable by subject headings from the Library's thesaurus when they are in the backlog for indexing. I am not aware of it having a significant impact on the work of the Library in the advice that we provide the individual members, senators and their staff.

Senator FAULKNER: What does the pattern look like? Is it getting better or worse?

Ms Missingham: It is getting slightly better. We have implemented a new system, which is easier to handle the material. We have filled the two positions that we have had vacant. In the last couple of months, it has got slightly better and we have sat down and looked very seriously at some strategies to make it reduce much more significantly in the coming months.

Senator FAULKNER: How often do you take out stats on this?

Ms Missingham: Every month. We look at it every single month very seriously.

Senator FAULKNER: Sure. That has been a longstanding practice now, hasn't it?

Ms Missingham: Yes.

Senator FAULKNER: So you not only have current stats but you have a pattern?

Ms Missingham: Yes.

Senator FAULKNER: Can you take on notice to provide the current statistics at the last time you took out statistics—I do not want you to create special statistics—and perhaps you might give us some historical information, say for six months. That should be a pretty easy thing to do, shouldn't it?

Ms Missingham: We have just updated the statistics and we have several years worth in the pattern that we monitor. So we can give you the last six months information and information up-to-date to the end of last month.

Senator FAULKNER: How commonplace is planking in the library these days?

Ms Missingham: We do have a staff member who lay on a chair, and lay on a table very safely. I think it contributed to the good mental health of the library for us to do that.

Senator FAULKNER: Excellent. Thank you.

[11:51]

CHAIR: Anything further on libraries? Program 1? Program 1.2—information access services? Program 2— building and occupant services? Okay, we will move to Program 2.1— security services.

Senator HUMPHRIES: What is the present staffing establishment for parliamentary security officers?

Ms Graham: From memory—and I would like to confirm these figures with my staff—we have about 100 basic level security staff who work full time. They are supported during sitting weeks by a part-time workforce of about 42. On top of that we have about another 12 people working in our security control rooms. It may be a little fewer than that—these are estimates. I will provide you with the specifics separately. We also have a number of team leaders who look after individual teams of security officers—about 12.

Senator HUMPHRIES: These are the people who wear the white uniforms?

Ms Graham: Yes, the white uniforms. They are separate from the AFP.

Senator HUMPHRIES: They are not the people who patrol the perimeters of the building, who are directly AFP?

Ms Graham: No, the AFP is separate to those numbers.

Senator HUMPHRIES: I was aware a couple of years ago of some downsizing of that workforce in line with what was assessed to be a better way of handling security in the building. What did that end up producing by way of redundancies or reduced establishment of full- or part-time security officers?

Ms Graham: I will take on notice the specific breakdown between full time and part time. My recollection is that we reduced by around 20 positions.

Senator HUMPHRIES: We have 142 staff now, full and part time. So was that roughly 160 down to 140?

Ms Graham: If indeed the number of where we are now is 140, that would be correct. I think we were around 174 and we reduced about 20 positions from that.

Senator HUMPHRIES: I have noticed what appear to be quite a large number of new staff in those positions. I take it that the ones who wear the grey epaulette are trainee security officers. Do you know how many new staff we have taken on since the beginning of the calendar year?

Ms Graham: I am not sure about from the beginning of the calendar year; I know we brought in 10 new casuals in April, and we are currently in the process of recruiting some part-time staff. Those are the people who assist us on sitting days. We are looking for about, I believe, another 16 in that employment category.

Senator HUMPHRIES: It is also my impression that these staff are younger than existing security officers. Is that true, and is that an intentional strategy on the part of DPS?

Ms Graham: I do not have any specific information as to the age of the people who are being recruited. I can tell you a bit about the recruitment process. I do know that we have some younger people coming through those processes and, equally, some people who are older, middle-aged and the like. About three years ago we changed our recruitment processes to conduct a more rigorous assessment. Rather than a doing a traditional Public Service interview, we bring people in for a day and conduct some team exercises focussing on communication style, ability to work with others and the like. If people pass that assessment, they progress to a physical assessment which is married to the physical requirements of the position. If they pass that assessment, we then make an offer of employment.

Senator HUMPHRIES: My central question here is: have the new staff who have come on recently been filling vacancies in existing positions or has, to some extent, the reduction in staffing which occurred a couple of years ago been reversed and an increase in the number of positions been created?

Ms Graham: The recruitment that is happening is to fill existing positions. I think it is fair to say that the full-time positions have a very low turnover rate, and we are happy with that. The part-time positions are more difficult to fill, because it is sessional work, by its nature. A lot of the people who are attracted to the security business are looking for full-time work. So, generally, we are seeking to fill vacancies in that particular employment category. I think the new faces that we see are a sign of our desire to fill those vacancies in the part-time ranks.

We have also recently, deliberately, gone out to increase our casual numbers. We previously have worked on the basis of around 15 to 20 casual staff as a good number to balance our full-time and part-time workforce. We decided for a very short-term period to increase those numbers to about 25, and that is to help us through the hump of finding and securing people in those part-time ranks.

Senator HUMPHRIES: Are there any vacancies that are presently unfilled in that cohort?

Ms Graham: I understand there are 16 part-time vacancies, and we have a selection process in train now. We are looking to finalise that with commencement of training for those individuals in mid-June.

Senator HUMPHRIES: We were talking earlier about bullying allegations. Were any of the five people who left employment in the last financial year in the area of the parliamentary security officers?

Ms Graham: I understand that one of the five cases was a casual PSS officer. That particular incident was reported to me immediately on receiving the exit interview survey. I know that that particular individual did not name anyone specifically—did not make any specific allegations of bullying. That individual's comments were very generic. I took that very seriously. I met with the director of HR at the time, and we decided on a course of action in terms of how we should deal with that. I think it is fair to say that we felt those claims of general bullying allegations were a result of that individual being performance managed.

Senator MOORE: That is the process that you described earlier: as the lead in your section it came back through you and you were responsible for the handling of it, with the advice of HR?

Ms Graham: Yes

Senator MOORE: That is the system at work.

Ms Graham: That is certainly the system that was in place at the time and that is the exact same response I would take today if indeed the same events were to occur.

Senator MOORE: It is the current system until we have the new HR person. The line management will not change but a new level will be there, rather than going back to Ms Missingham.

Ms Graham: Yes.

Senator PARRY: Last estimates, you may recall, Mr Thompson, that I asked some questions about security measures and cost savings with having a single entry point at the Senate and House of Representatives doors. I am just wondering whether there has been any review or consideration of a central line with maybe additional staff or two scanners, rather than coming through two separate points.

Mr Thompson: We are actively planning to reconfigure both the Senate entrance and the House of Reps entrance to create two channels, one for people exiting and one for those entering—very similar to what we have at security point 1. That will deal with the current occasional confusion that happens at Senate and Reps entrances. That has been the principal work that we have been doing in recent times.

Mr Kenny: That is the principal work, plus another aspect of it is to make it more secure against incidents such as where somebody tried to run up the stairs and rush through the entrance. John can give more detail on that. Before I ask him to do that, the issue of whether we can reconfigure it so that we need less PSS people there—is that what you are asking about?

Senator PARRY: I particularly asked, 'Are there cost savings?' Whether that is a measure of staff or rostering or how that works, I am interested in if there can be cost savings by having a single point.

Mr Kenny: That is not the original intention, but obviously once we finish the construction work and there are more possibilities as to how people can be properly and safely screened and allowed access into the building, again safely but as quickly as possible, then in the normal course of managing we would look at whether it would provide us with opportunities to do things more efficiently. As Alan said at the very start of our presence here today, we continue to face budgetary pressures into the future and so finding ways to do things more cheaply is something that is always in front of us. But I will ask John to give you more background on the work.

Mr Edwards: At the moment on both the entry points—that is, the House of Representatives and the Senate—we have almost completed the design. There is a major rework in each case to get a better flow in and out. Particularly there are issues on the Senate side with the large press contingent that often move in and out with all of their equipment.

In terms of whether we open the existing security points plus the main entry doors where the senators and members have priority access, that is a question more for the Usher of the Black Rod and the Serjeant-at-Arms; it is a policy decision for each of the parliamentary departments. But the new arrangements that we will be putting in place will certainly ease the congestion at each of those points, and I guess it could facilitate only opening one point for the most part. Certainly that would be a decision for the two chamber departments to make and not parliamentary services.

Senator PARRY: Thank you. My second point, and it may be in your area, Mr Edwards, is the remote door keycard access? There are some points are going to be made more remote, or electronic access—any progress there. Do you have an update on that?

Mr Thompson: It is still on our work program, but we have not made much progress on that particular one yet.

Senator PARRY: Going back to the first issue, is there a cost figure for the realignment of the doorways, if I can put it that way?

Mr Edwards: The cost estimates that we have from the about 50 per cent design is a total of about \$900,000—that is, construction and DPS costs—for both entries. What will be involved in each of those is a strengthening of the outer doors and electronically controlling them so they can be controlled, particularly in the quiet hours, by the guards on duty, but also rearranging the furniture such that we get a better flow. In terms of functionality, it will have the same walk-through metal detector X-ray equipment and so on. We are planning to put security doors on the inside of each of those points to stop the possibility of someone running through.

Senator PARRY: One final question: any change in policy in relation to access without screening of pass holders?

Mr Thompson: No.

Senator FAULKNER: I come back to my questions on notice from the last estimates round about these billiard tables. I indicate again there is no self-interest as I have never played billiards in my life and never intend to.

Senator FIFIELD: Are we following the programs now? I thought we were following the programs.

CHAIR: We are following the programs and we are talking about security services and building occupant services.

Senator FAULKNER: Isn't this building occupant services?

CHAIR: Facility services.

Senator FIFIELD: I have questions on facilities. Have we left security services?

CHAIR: There are no further questions on security, so we will come back to you after Senator Faulkner.

Senator MOORE: Mr Kenny, in the past I have asked questions about the level of security and I am on record with my concerns. But, on the proposals that were described by Mr Edwards and how it is going to work, is it possible, when it is agreed through the appropriate levels, to see a diagram or have a briefing about the change before we arrive at the beginning of a new sitting and find everything changed?

Mr Thompson: Absolutely. We would envisage coming up with a schematic plan.

Senator MOORE: That would be very useful.

Mr Thompson: I think the appropriate forum would be to ask the Usher to arrange an appropriate meeting to brief senators which we could come along to.

Senator MOORE: I think it would be very useful to have a briefing about extra doors, extra layers and all that kind of stuff. Could we ask for that before we have the changes implemented.

Mr Thompson: Sure.

Senator FAULKNER: Do we now know when that pen-script annotation was written?

Mr Thompson: David Kenny has been doing some extra investigation because I have been at the table. I will ask David to provide you with what information we can find.

Mr Kenny: I am trying to track through various pieces of paper. The printout was an excerpt from an Old Parliament House construction authority asset register that was handed over to the Joint House Department, I presume, but I think we can assume it was a predecessor to DPS.

Senator FAULKNER: It certainly looks like it from the typeface.

Mr Kenny: That report was produced in 1989.

Senator FAULKNER: But when was the pen-script annotation made?

Mr Kenny: I have had a conversation with the officer whose signature it is and he told me his recollection is that it was annotated earlier this year.

Senator FAULKNER: Earlier this year?

Senator FIFIELD: That includes yesterday, doesn't it?

Mr Kenny: Yes.

Senator FAULKNER: It would not have been done yesterday because these documents were provided a couple of weeks ago.

Mr Kenny: Yes, I was responding to Senator Fifield.

Senator FAULKNER: I heard that, but 'earlier this year'. Do you know the date of the last estimates round?

Mr Kenny: I can find out very easily.

Senator FAULKNER: I can tell you, it was 21 February 2011.

Mr Kenny: I need to have a further conversation with the officer.

Senator FAULKNER: You sure do.

Mr Kenny: I know that, but I do not want to answer any question put by this committee until I am absolutely sure.

Senator FAULKNER: Let us be clear about this, given my concerns about the way DPS operates; there is no criticism of that person. I cannot even read the signature. I have no idea who the person is and do not care too much, except in one sense that I will come back to. I just want to know the date.

Mr Kenny: I understand. What I am saying is that I need to have a further conversation with the officer to make sure of his recollection.

Senator FAULKNER: You are aware of the evidence that was provided in the last estimates round on Monday, 21 February, aren't you? I said to Ms Konig—she is not here today?

Mr Thompson: Ms Konig has retired.

Senator FAULKNER: Oh, really? Okay. I said:

You are very confident about the heritage assessment that was made.

Ms Konig—Yes.

Senator FAULKNER—Could you provide copies of the heritage assessment and the valuation of these to the committee, please?

Ms Konig—I can.

And that is what I received.

Mr Kenny: I recall the general conversation.

Senator FAULKNER: But of course I did not receive a heritage assessment at all, did I? I just received an undated pen-script annotation that we now know was written on a piece of paper sometime earlier this year.

Mr Kenny: Yes.

Senator FAULKNER: It does not look very good, does it?

Mr Kenny: I have undertaken to have a further conversation with the officer about his recollection, and I will do that very shortly.

Senator FAULKNER: Fine. I do not know who the officer is. I could ask you that question. I do not want this to be misunderstood: I am not critical of the officer; I have no reason to be. But can you tell me: does the officer have heritage expertise?

Mr Kenny: I do not know.

Senator FAULKNER: You do not know?

Mr Kenny: I do not know.

Senator FAULKNER: Well, who would know, Mr Kenny? Is there someone who can help me?

Mr Kenny: I can find out, but I do not know right now.

Senator FAULKNER: You provide these answers to questions on notice. A senator asks a question about a heritage assessment. What the senator gets is a pen-script annotation, one square inch, undated—and that is the heritage assessment. I now want to know not who the officer was but whether this is the person who has heritage qualifications.

Mr Thompson: We are not in a position to answer that question.

Senator FAULKNER: I do not know why you are not. You must know who the people are who are responsible in DPS for doing the heritage work. You are running DPS.

Mr Kenny: The officer who was in charge of this—let's call it—issue was Judy Konig who was the CFO, and she is no longer here. That is why it has taken us a little bit longer to get specific answers to specific questions. If Judy were here it would be easier.

Senator FAULKNER: Who is Judy?

Mr Kenny: Judy Konig is the officer—

Senator FAULKNER: Okay. She has retired, has she?

Mr Kenny: She has retired.

Senator FAULKNER: Well, it would be easier if she had not retired but she has, so I assume someone else is undertaking her responsibilities. Who would that be?

Mr Kenny: That is Cindy Kenny. But Cindy was not involved in the preparation of it. Alan said earlier that the questions on notice are drafted in various parts of the department. My understanding is that Judy was the one who was looking after preparing this answer. So the corporate memory of it is not available as readily as if Judy were here.

Senator FAULKNER: Yes, but what we do know is: on 21 February I was given a commitment that I would get a heritage assessment. The heritage assessment consists of a pen-script annotation—literally just a few words; I can count the number of words if you would like: just a handful of words—on a sheet of paper, undated and written earlier this year. Who owned these billiard tables before they were sold? Can you tell me that?

Mr Thompson: They were the property of DPS.

Senator FAULKNER: So DPS owned them?

Mr Thompson: Yes.

Senator FAULKNER: You are perfectly confident that DPS had the authority to dispose of these billiard tables?

Mr Thompson: If I go back in history, at one stage there were six of them in the building. There were two, we understand, that had come up from Old Parliament House, plus some newer ones. The two that came up from Old Parliament House were refurbished around 1988 and then were returned back to Old Parliament House in 1999 and 2001. So they are back down the hill in the Museum of Australian Democracy. We have got evidence of that from their chief finance officer. That leaves us with the four newer ones which were bequeathed to us from—

Senator FAULKNER: It ought not be too hard to trace them. These things are half the size of this room, for God's sake!

Mr Kenny: The document I referred to was a very large list of assets that were transferred from the construction authority to let's call it DPS back in 1989, so in that sense we are absolutely confident that they are our assets.

Senator FAULKNER: You also answered the question on notice No. 25 about the original cost of the billiard tables. Two of the tables cost \$5,800. Are you able to tell me whether the two that were flogged off were the \$5,800 ones or not? Can you tell me that? Have we got the tracker dogs on these billiard tables to be able to tell me which two billiard tables originally cost \$5,800; forget what their current value is? Which is which?

Mr Kenny: From our asset register details, the two that were sold were the two that were the higher value.

Senator FAULKNER: Right, so they were the \$5,800 value tables?

Mr Kenny: Yes.

Senator FAULKNER: Why did you sell the higher value tables, just out of interest, and not two of the other ones? And how did you sell them?

Mr Kenny: They were advertised on the internet.

Senator FAULKNER: I see. Who by?

Senator FIFIELD: EBay?

Senator FAULKNER: It will be something like that, Senator.

Mr Kenny: From memory it was from an auction site that is quite commonly used. We will get the name of the internet site.

Senator FAULKNER: I would appreciate the name of the auction site, thanks very much.

Mr Thompson: The other very important point about why those two were disposed of is that we still have a billiard room with the two tables up in level 2 on the House of Representatives side and we certainly would not have wanted to take those out. It was simply the two that were occupying that very underutilised staff space that we were seeking to dispose of.

Senator FAULKNER: I know that. But if you are shovelling these tables around, it would not stop you putting the more expensive ones up the top and flogging off the cheaper ones, would it? But you didn't.

Mr Thompson: The ones up the top are perfectly functional. I have had a good look at them and they are working very well.

Senator FAULKNER: I have not had a very good look at them and I do not intend to have a good look at them, but I intend to get to the bottom of this. That is something I can tell you. I do intend to get to the bottom of it and I really do not appreciate the unhelpful answers to questions on notice I received. If I had received full and frank answers, I probably would not be going through this now. But the more questions I ask, the more worried I become about the processes that are involved.

We have had a 'heritage assessment'—and I am putting in inverted commas just for *Hansard*—undertaken by an officer of DPS. That is correct, isn't it?

Mr Kenny: Yes.

Senator FAULKNER: We have had a heritage assessment which is by the 'disposal delegate'. Do disposal delegates normally do heritage assessment? It gives a particular spin to your approach to heritage, doesn't it?

Mr Thompson: Our expectation is that officers like this officer will check to assess whether there is heritage. We are not driven by revenue or anything like that; we are simply trying to create the space and then achieve a reasonable return to the Australian taxpayer.

Senator FAULKNER: The signature of whoever this person is is not written 'heritage expert'; it is 'disposal delegate'. The heritage assessment is about a 16-word, pen script annotation signed by the disposal delegate!

Are you having a lend of me, Mr Thompson?

Mr Thompson: Definitely not, Senator, no.

Senator FAULKNER: Well, does the disposal delegate have heritage qualifications?

Mr Thompson: We will have to check on that, but I think it is important to reflect on the discussion that occurred at this table in February and the discussion that—

Senator FAULKNER: I am reflecting on that, Mr Thompson, and that is why I am asking these questions.

Mr Thompson: And my recollection after or during the session we had here was that Ms Konig did make contact with the Museum of Australian Democracy people—the Old Parliament House people—to check that the original tables were indeed back down the hill there and that the tables we had here in this building were not the original heritage tables.

Senator FAULKNER: Yes, but now we know that you have sold off two tables that were valued back in, what, 1989, at \$5,800—is that correct?

Mr Thompson: That is the figure, yes.

Senator FAULKNER: And what did you sell them for?

Mr Kenny: From memory, one was \$2,500 and the second was a bit higher. We answered that question in February, and so we can get that answer back for you.

Senator FAULKNER: But what you did not say in February was that it was the two most expensive tables that were sold. I was not given that information or even that impression.

Mr Kenny: I think it is important to note that the figure of \$5,000 was from 1989, and the valuation that was used to set the price in the sale was 20-plus years later. The tables that were sold were not in the public area but certainly in an area where they were more likely to be used by any person with a building pass. So I do not think I would be comfortable stating—if I were asked to do so—that they were still the most valued, because they were probably the most used and therefore, arguably, not as valuable as the ones upstairs.

Senator FAULKNER: I will accept that evidence as an interesting comment, Mr Kenny, because what is it based on? Where is the heritage assessment?

Mr Kenny: I am talking only about possible wear and tear.

Senator FAULKNER: In cricketing parlance, what you are doing is slashing outside the off stump. You have no idea whether what you just said is true or not—none at all.

Mr Kenny: Sorry, Senator; what I said was that they were the ones that were the most used—

Senator FAULKNER: You said that they were in the area where they might have been used more, but we do not know what condition they were in because no assessment was done, was it?

Mr Kenny: We know what they were valued at.

Senator FAULKNER: What were they valued at?

Mr Kenny: I told you that the price they were sold for, from memory, was about \$2,500 for one and a bit higher for the other—

Senator FAULKNER: Yes, I know that.

Mr Kenny: My much clearer recollection is that the valuation that we advised last February was \$1,500.

Senator FAULKNER: In 1989, they were valued at \$5,800. They then decreased to \$1,500. Who undertook that valuation? What expert undertook that valuation—the same sort of expert that undertook the heritage assessment?

Mr Kenny: Again, we can specifically take that on notice, but I do know that the Australian Valuation Office from time to time provide us with valuations of plant and equipment, including in this building. I do not know how recently—

Senator FAULKNER: Is your evidence then that the Australian Valuation Office undertook the valuation?

Mr Kenny: No, I am saying that we will take that on notice because I do not know precisely who did it and I also do not know whether the valuation is done annually or less frequently.

Senator FAULKNER: The two tables, I assume, were shipped out of the building and sent to an auction house—is that right?

Mr Kenny: I do not think they were shipped until after they were sold.

Mr Thompson: They are very hard to move.

Senator FAULKNER: I accept that. When were they moved?

Mr Kenny: Sorry—we are still trying to clarify the name of the site where they were sold.

Senator FAULKNER: Yes, I know you are, and I appreciate that. I will come back to that after the luncheon break, so you will have an hour to find it. You could also find over the luncheon break when the tables left the building. I assume they have left the building. Have they?

Mr Thompson: Yes.

Senator FAULKNER: I would like to know when they left and where they went.

Mr Thompson: You are asking about why we sold off the dearer ones. I would make the point again that the two tables that are up in the House of Representatives side, at the top, are in very good condition. I looked around them carefully. I actually come from a family that used to rehabilitate billiard tables. So they are in good nick. The cost of moving those out and then moving the other ones up there would far outweigh any difference in revenue you might get. They are big and they are expensive to move and there would be no logic from the taxpayer's viewpoint in getting rid of those ones, and they are in very good condition.

Senator FAULKNER: I do not know what the logic is from the taxpayer's viewpoint. I am trying to work out some logic at this Senate committee and, at the moment, everything I have heard is pretty illogical. But I will get to the bottom of it, Mr Thompson—I promise you. It would have been a lot easier if the questions I had asked at the previous estimate round were answered accurately and in full, but they were not. So let's find out. There are a lot more questions I want to ask. Have the relevant officials ready at the table. I want to talk to you about all the fittings there—not just the billiard tables but the cabinets on the walls, the light fittings and the carpets. I want to talk about a range of heritage issues in relation to this building, but in relation to these billiard tables I want to get to the bottom of it. I also want to ask you—you might find out over the break—who actually bought the things. Let us know that too, if you have the information available. I will come back to that after the luncheon break.

Senator FIFIELD: Just in light of the time, I might just note that it is certainly not the opposition's intention to see this committee spend the entire day on the Department of Parliamentary Services. Without reflecting on the merits of colleagues' questions, which are valid, nevertheless the convention at estimates committees, as agreed between the parties, is that it is primarily an opposition forum. That has not been the case this morning. We are

getting close to that convention not being observed. I think that it is appropriate that that be noted for the balance of the day.

Senator FAULKNER: I take the view that these committees are important for all senators, be they opposition, government or crossbench senators. I did flag with Senator Fifield before the hearing that most of my questions this week will be in this area, but I will try and wrap my questioning up pretty quickly after lunch. That is why I am flagging with the officials the areas that I quickly want to explore. We will not be able to deal with it all at this hearing, Senator Fifield. That is true. So, while we are at it, I want to ask some questions about light fittings and I want to ask some questions about outdoor furniture. I do not need to do it all today, but I am flagging with the officials that that is what I will do. I do actually accept broadly the point that Senator Fifield makes. I do not want to dominate this questioning and I do not believe I have, but I will try and wrap up my questioning quickly after lunch.

Senator FIFIELD: We could listen to you all day—we would enjoy it, Senator Faulkner—but we will resist that temptation.

CHAIR: The committee will stand adjourned until 1.30 pm and we will come back to the Department of Parliamentary Services. I am sure that there are a lot of senators who still have queries in relation to the programs.

Proceedings suspended from 12:30 to 13:30

CHAIR: Senator Fifield, I believe you had the call.

Senator FIFIELD: Mr Thompson, I believe the Department of Parliamentary Services participated in Earth Hour again this year?

Mr Thompson: We did on behalf of Parliament House.

Senator FIFIELD: I appreciate that it is auspicing the event on behalf of the parliament. I noticed that in information circular 2011/13, which gave details of Earth Hour, it said: 'Staircases and the lift between the forecourt and the underground car park will be blocked off.' Can you tell me why the staircases and the lift between the forecourt and the underground car park were blocked off?

Mr Thompson: Perhaps I might have to ask Ms Tahapehi to help me with this. Judy is our director of strategy and she oversaw the actual event.

Ms Tahapehi: Those stairs right next to the lift were closed because we didn't have adequate lighting there but there was lighting at the stairs further down in the car park.

Senator FIFIELD: Why wasn't there adequate lighting?

Ms Tahapehi: It is not a standard feature when we have the lights turned off.

Senator FIFIELD: So there wasn't adequate lighting in the stairwell because the lights were switched off for Earth Hour.

Ms Tahapehi: Yes. So we actually closed them off with barricades, and the AFP assist people to use the stairs further down in the car park which means they can come up into the forecourt area.

Senator FIFIELD: Isn't the purpose of lighting in stairwells so you can use the stairs?

Ms Tahapehi: Correct.

Senator Kroger: Particularly common in an emergency—

Senator FIFIELD: I am trying to wrap my head around this. So they had to be blocked off because the parliament was participating in Earth Hour, and because the parliament was participating in Earth Hour you couldn't have lights in the stairwell therefore it was blocked.

Ms Tahapehi: In that stairwell just coming up—the closest stairwell at the front of the building, correct.

Senator FIFIELD: I must say it does strike me as faintly absurd—if participating in something like Earth Hour means switching lights off in stairwells so they cannot be used, that seems to me to be a little dopey.

Mr Thompson: I think the starting point is that the Earth Hour event actually happens at a very quiet time in terms of the activity of this building. It is Saturday evening between—

Ms Tahapehi: Eight until nine.

Mr Thompson: When there are very few visitors and those other two staircases further down in the car park were still available.

Senator FIFIELD: I appreciate that, but it is an unusual building and people work unusual hours, depending on what they have on. How many stairwells were closed?

Ms Tahapehi: Only the two.

Senator FIFIELD: How many lifts? Were there any lifts that were closed?

Ms Tahapehi: Only the one.

Senator FIFIELD: So two stairwells and one lift weren't accessible because of participation in Earth Hour. Does Earth Hour actually save the parliament money or does Earth Hour actually cost money? If the parliament wasn't participating in Earth Hour, would it cost less or more?

Mr Thompson: My suspicion is that it costs us money at the margin. We certainly save on some electricity, but at the same time it does cost us something in labour to activate the various switches to turn things off. We're part of it along with a number of other large corporates around Australia for the symbolic significance of it, but I think you would have to be realistic that the saving in electricity would be offset by labour costs.

Senator FIFIELD: I do not know the nature of the lighting at Parliament House. Do the lights require a particular boost of power to switch on? I know there are some forms of lighting whereby the kick-starting of the lights in the first place can require more energy than in the several hours that follow.

Mr Thompson: No, I do not believe that is the case. Some of our lighting here warms up slowly, so, from the moment you flick the switch, it takes some time for them to come to full incandescence, but I do not believe there are any that chew up more kilowatts as they come up to full power.

Senator FIFIELD: But Earth Hour probably does cost slightly more than it would cost to not do it?

Mr Thompson: It would be very close.

Senator FIFIELD: For the symbolism, despite the potential inconvenience to people stumbling around stairways in the dark.

Mr Thompson: I think it would be fair to say that, if Earth Hour was occurring right in the middle of a busy period, we would not contemplate doing it, but it is a Saturday night event.

Senator KROGER: Mr Thompson, as you may recall, the Senate was sitting that week and there was a strong possibility that we would sit through to the Saturday. The timing of the business of the Senate was not known upfront. What would have happened if the Senate had returned to sit on the Saturday?

Mr Thompson: It would depend on how long the Senate was sitting on the Saturday. If it had continued to sit on Saturday evening, I think we would not have participated in Earth Hour.

Senator KROGER: Was there a discussion about what would have happened in that event? Those of us who were here did not know whether we were rising on Friday or Saturday. I would be interested to know whether there were any discussions that took place in view of the possibility of the Senate actually sitting on the Saturday.

Ms Tahapehi: Yes. We had worked with the Department of the Senate, and they had made it very clear to us that there was a possibility that the sitting might go on longer. For us, the logistics of doing this program are quite simple. Our security officers, the AFP and the officers who hold responsibility over our building management system are the ones who switch the lights off, so it was only a case of having to inform three sets of people if we were not going to proceed. It was made very clear that, if the Senate was to continue sitting, we would pull out of Earth Hour.

Mr Thompson: What I do recall about that day—and you are right, Senator; a lot of us did not know exactly what the business would be—is that we went through quite a range of contingency plans, including for catering and the like. My recollection is that the Earth Hour exercise was part of a list of things that we would have to adjust if the Senate sat longer.

Senator KROGER: Thanks, Mr Thompson. This may well have been answered before, but who actually made the decision that Parliament House would shut down and participate in Earth Hour—this act of great symbolism?

Mr Thompson: My understanding is that it started in April 2007. Exactly who took the decision back then is something I am not aware of.

Senator KROGER: My colleague did quite rightly correct me—the alleged great symbolism of this. So the decision was made—

Mr Thompson: A decision was taken back in 2007. David Kenny may know the answer. For this year, we did seek agreement from the Presiding Officers to carry on with it, but the initial decision to engage with this process was made in 2007. Can you recall who it was, David?

Mr Kenny: I cannot recall whether or not the Presiding Officers agreed to or made the decision. We can go back to our records and find out how that happened. I would be surprised if we had gone down that path without getting agreement—very surprised.

Senator KROGER: It would be very interesting to know who made the decision that we should participate in Earth Hour originally, what the process is to determine whether we continue to participate each year, whether it is a worthwhile event and on what basis that

assessment is made. Is it purely a political stunt, or are we making that decision on some reasonable basis?

Mr Kenny: We will take that on notice. I presume it is a request to see what the original 2007 decision-making process was. We will provide that.

Senator KROGER: Also, if you cannot advise us now, can you advise on notice what the process was that determined the decision to participate in Earth Hour this year? Who signs off and who makes that judgment call?

Senator Hogg: I can tell you. It would have been the Presiding Officers who signed off this year on a brief that had been received from DPS.

Senator KROGER: So who initiates the request for you to undertake a brief which is then provided to the Presiding Officers?

Mr Thompson: It was the strategy group, which is led by Judy. But I must say that the other important part of it, which would weigh heavily on me—certainly it did this year—was to look at who else around Australia and around the world was participating and the nature of the entities. Clearly there were quite a lot of government entities around Australia and, equally, there was a large number of the large corporates participating. That was certainly a significant part of my judgment about whether this should continue. If that changes one of these years, then I think that would alter our view very dramatically, but at the moment it is an initiative that seems to have a lot of support among both a lot of government agencies and the larger private sector bodies around Australia and elsewhere in the world.

Senator KROGER: Thanks, Mr Thompson.

Senator FAULKNER: I think it was last year, or perhaps it was a couple of years ago, that at this event there was some very unfair criticism of ministers in the government at the time because some lights were left on in the executive wing. This was a problem, and I had the experience myself, because in some of the offices—I assume they are the outside offices—you were unable to turn the dam things off. You might recall this, Mr Thompson.

Mr Thompson: Yes.

Senator FAULKNER: Inevitably, the ministers who occupied the offices got bucketed even though it was absolutely impossible to turn the lights off.

Senator FIFIELD: Such as the climate change minister, I recall.

Senator FAULKNER: Yes, I think that is true. I think that at that stage it was my colleague Penny Wong, and the criticism was very unfair. I was in a similar situation myself, but obviously no one cared to focus on the fact that I could not turn some of the lights off in the offices.

Senator FIFIELD: That would have been taken as read in your case!

Senator FAULKNER: Perhaps it was of no interest whether my lights were on or off, but the point of the question is: has that been able to be addressed or is that really just a building characteristic that we are going to have to live with forever?

Ms Missingham: That is still an issue. We have to have those lights on for security purposes. We do not have specific lights outside those areas of where those officers are, so those lights would have again been on this year.

Senator FAULKNER: So, for the record, regardless of who is occupying the offices of the executive wing—it does not matter who forms the government or who forms the ministry—ministers in or occupants of those offices are simply unable to turn off the lights in that part of the building. That is correct?

Ms Missingham: That is correct.

Mr Kenny: Just while we are talking about a specific instance, there were also some wiring defects which meant that lights that should have been off were left on.

Senator FIFIELD: Dear oh dear! Lights that should have been off were on!

Mr Kenny: But that was a mistake within the building configuration.

Senator FIFIELD: Thank you. With the Parliament House flagpole, the protocol is that a flag flown at night should be illuminated. I assume that the illumination of the Parliament House flag was maintained during Earth Hour.

Ms Missingham: I do not know. I will have to sneak off and leave this to someone else! I do not know the answer to that one; I would have to find out.

Mr Kenny: There is also an issue of—I will not say it is of aircraft safety—rules relating to high objects being lit as distinct from flag being lit.

Senator FIFIELD: True, they tend to be red flashing lights on the top of buildings and things. If you could check and come back to us while we are still in session—

Ms Tahapehi: I will attempt to.

Senator FIFIELD: that would be great. Thank you very much

Senator PARRY: If the parliament or the presiding officer was approached to have all the lights on to celebrate technology of electricity, would that be considered in all seriousness? I know there is a movement that wants to celebrate electricity and the modern marvels of mankind by illuminating. Would that be considered; would that be given equal billing?

The PRESIDENT: I am sure I would be quite prepared to look at any brief that came before me. If it were reasonable and deemed to be something that would benefit the parliament either in its perception or in the way in which it is viewed by the public, yes.

Senator PARRY: Would it follow Mr Thompson's criterion of depending on worldwide acceptance as to who would participate or who would not?

The PRESIDENT: We would need to see the brief as we always do on these things.

Senator PARRY: Thank you.

Senator FAULKNER: I am sure it would get the consideration it deserves.

Senator FIFIELD: Just moving on to a different area: at the last estimates, DPS confirmed that it was providing the Intercontinental Hotel Group with a subsidy to the tune of, I think, about \$800,000 to maintain the operation of the Parliament House cafeteria. Officers indicated that there were ongoing steps to try and reduce that amount. Can you give us an update on that?

Mr Thompson: Again, I will ask Bronwyn Graham to join us at the front table. Since we last met, we have taken some further measures to assist IHG with the overall efficiency and some revenue generating initiatives, including a slight increase in price. It is still very

competitive with the other cafeterias in this general part of Canberra. Those measures have been in place but perhaps if I ask Bronwyn to give you a sense of where the finances would be heading, let us say, for the next year.

Ms Graham: I will give you a bit of an update on where we are at this financial year. At the last estimates hearing our forecast projections for this financial year was an end result of about \$800,000. I think at the time I mentioned that was about a \$200,000 improvement on previous years. Our current estimates are better than that: we are projecting an end-of-year cost of \$700,000 in recovering the losses of that operation.

We are currently in negotiations with IHG to finalise terms for a subsequent second year. Both parties are seeking to include in those arrangements some further improvements to the financial result at the end of the year. It is probably too early for me to talk about what they might be specifically as we are still in negotiations.

Senator FIFIELD: But making progress and an improvement of \$100,000 or so to the \$700,000 subsidy.

Ms Graham: Yes. It is a slow operation to identify, implement and realise improvements whilst maintaining services. It would be very easy for us to come up with a model today that would substantially reduce the costs to DPS but, equally, that would not have commensurate benefit to the level of service that is being provided. So it is about incremental improvement and improvements that we can sustain over the longer term.

Senator FIFIELD: Thank you for that. I think Senator Kroger has some questions on facilities.

Senator PARRY: Just to follow up on Senator Fifield's question: has any modelling been done in relation to the parliament taking over all catering in-house; and, if so, if that modelling has been done, would it be cost-effective or not—or more cost-effective?

Mr Thompson: We did that modelling about a year and a half ago. We did not table a report to this committee but we did table it to the Joint House committee. The answer put simply was: no, it wasn't cost-effective for us to take it over in-house. The problem with catering here is very much about it being a cyclical business: about 20 weeks where it is flat out and then the other 30 weeks where it is very, very quiet. In terms of the logistics both of bringing food in and employing staff, it is not like a normal catering business, and the finances have not stacked up all that well for other companies who have run the business here over the years.

Senator PARRY: Thank you.

CHAIR: We will go to Senator Kroger and then over to Senator Faulkner.

Senator KROGER: I want to follow up on questions we had last time and ask you what the status is on the solar panels that you were furnishing us with some information on.

Mr Thompson: At the time you asked the question last time we were right in the middle of tendering for the panels. We have since completed that process and we now have a contract in place to install some 43 kilowatts worth of solar panels. It is with a Sydney based set of firms. They are doing the work in between parliamentary sittings. About half the work is now done, out on the roof of the outer Senate wing, and we hope to have it all finished in that area

by about 30 June. We have a smaller set of panels going in on the gardeners sheds, which are over to the east of the formal gardens beyond the House of Representatives entrance.

I think we made the point that this is not about us then feeding energy back into the grid or anything like that. This is very much just about us learning how we can make use of the peak energy which solar does generate at the same time that we have our peak demand in the building. The peak electricity demand for this building is on hot summer's days, when we need 7,000 kilowatts of power to keep the building cool. It has seemed to us that solar might have a future in that, and we hope to do some learning out of this very small pilot to see whether we can make that work well to help us mitigate that very high peak demand we have on the electricity grid.

Senator KROGER: I will come back to the purpose of it in a minute, but could I just go back first to the cost of it. At last estimates you suggested it was roughly a \$300,000 project. There are two tender notices for this—am I correct?

Mr Thompson: I cannot recall the number of tender notices.

Senator KROGER: One that is worth \$187,870 was awarded to a company called Silex Solar Pty Ltd and a second one, valued just under \$78,000, was awarded to IT Power for 'technical advice for solar panel trial'. Firstly, why was it tendered in that way to different companies? Is there not one company that could provide a coordinated service to meet the demands that you are looking for?

Mr Thompson: The first company you mentioned is the one that is actually providing the panels and doing all the installation. I will ask Elizabeth Bryant to join us at the table; Elisabeth looks after our projects group who are overseeing this installation.

Ms Bryant: As Mr Thompson has said, there were two contracts. The second one, which is the \$188,000 one, is the contract price for the purchase and installation of the solar equipment. The first one, to IT Power, was primarily to give us some technical advice on the best location around this building to ensure that we got the best opportunities to maximise the benefits of the sun, looking at exposure, I suppose—things like shade that might come into effect—and the tilt or angle that we needed to put those panels on. So primarily it was looking at all possible locations within the building and then designing a solution that we could go out to tender and get a construction agent to supply and install for us.

Senator KROGER: Okay. I am just surprised that a company that specialises in the installation of solar panels do not do that as part of their brief, looking at the best location for an optimal outcome, but I will take it that that clearly is not the case. Back to the purpose of it. From what you have just said, it is scoping exercise of some \$260,000 to \$270,000 to investigate whether there are any cost efficiencies in providing solar power energy—am I right?

Mr Thompson: It is to help us understand the complexities and any operational costs we might incur in having part of our power provided by the sun. Even the process of organising this initial installation is teaching us a lot about the cost of positioning panels on the roof.

Senator KROGER: Sorry, just to clarify: it is a scoping exercise to look into whether a much larger project is undertaken? Am I correct?

Mr Thompson: Yes, it is scoping in that sense. If we were—and this is only indicative—to cover all the roofs with panels we would be to get about 1,400 kilowatts of power, and that

is still well below our summer demand. We chew up about 7,000 kilowatts in the middle of summer. We are using this as a learning exercise for our technical staff and to assess the financials of getting power from this source. It is against a background where our power bill has been going up quite dramatically. I mentioned that it had been going up, but just to give you a quantified sense of that, over the last four years our power costs have gone up 49 per cent. The average increase per year has been 16 per cent each year. If that carries on, it is quite a big problem for us. We expect to pay just under \$3.5 million for electricity this year. If it keeps going up on that same trajectory—and it would appear that in the long run it may—then a big building like this or like an airport terminal will be looking around for other sources of power.

Senator KROGER: I am sure the introduction of a carbon tax will guarantee that it will be going up at an exponential rate. Notwithstanding that, is a cost-benefit analysis going to be undertaken in part of the process in determining whether this is a viable option to be considered?

Mr Thompson: Before we finally committed to the contract we did an initial cost-benefit analysis. I would ask you to treat them in two parts. The \$187,000 is the cost of getting the panels each time. So we did an analysis against that about how the years to get payback. It would appear to be, based on the current rate of escalation, that it will take about 11 years. What we propose doing, once they are installed, is we will sit down and reflect on any other costs we have incurred; we will look carefully at whether we are incurring any other operational costs; and then over the next couple of years I would expect us to review those costs again before we took any further decisions to augment the very modest 43 kilowatts that will be on the roof.

Senator KROGER: At the last estimates it was estimated it would provide a saving of \$9,500 a year?

Mr Thompson: In year one, we believe that is about the figure.

Senator KROGER: So on the basis that you think that there will be cost recovery over 11 years, clearly just under \$190,000 with a saving of under \$10,000 a year is double that 11-year figure. So you are suggesting there is an exponential cost saving?

Mr Thompson: None of us have a crystal ball about the final direction of electricity prices, but they do appear to be going up. As I said, for the past three years they have gone up 16 per cent. The modelling we did assumed that for the next five years tariffs would carry on going up at around 15 per cent per annum. We do not know whether that is accurate, and I do not think anybody else does either, but for the sake of the exercise to see how we could deal with this quite painful electricity bill that we are already dealing with we had to ask, 'Are there some other options?' and that is what we are doing.

Senator KROGER: I think we can be assured of that, at least for the next two years. What is the life of a panel?

Mr Thompson: Liz, do you have that figure on you?

Ms Bryant: I do not have that with me. I will have to take that on notice.

Senator KROGER: If you could take that on notice and come back to us in this session it would be helpful. If you are talking about a cost recovery of 11 years, I would have thought

that a particularly important component of that would be to understand what the life expectancy of the panels is.

Senator FAULKNER: I wonder if the officials at the table have been able to come back on any of the issues I had raised prior to the lunch break?

Mr Thompson: If I could deal with the heritage issues first, you asked me some questions about heritage studies. The first heritage strategy was developed between 2006 and 2008. The client within DPS was our then strategy group, and the majority of the work was done by a firm called Heritage Management Consultants Pty Ltd and \$17,000 was paid to that firm. The second study, which we initiated about six months ago, has been done by one of our officers who has postgraduate qualifications in cultural heritage management. That has taken him some six months in between doing other work. That is still a draft study, which we are still workshopping with other stakeholders around the building, including our own staff, but at least there is a framework in place which is accountable to the presiding officers.

Senator FAULKNER: Is it built on the first heritage study?

Mr Thompson: Yes, it took a lot of the elements of the first one, but it recast the thinking in a number of ways, partly about recognising the authority of the presiding officers, but also, most importantly, recognising that there is a hierarchy of spaces in the building ranging from the very grand, important public spaces, like the chambers, like the Members Hall and so on, down through to somewhat lesser spaces, and then you finally get into the working operations down in the basement. It has recognised there are five different categories of space, all of which have a greater potential for making change and less sensitivity to change being made. That is a very important ingredient in the way this strategy is now being developed.

Senator FAULKNER: Just in relation to those then, can you take on notice supplying those studies or draft studies to the committee please and if there are any other iterations of them. That would be appreciated.

Mr Thompson: Yes, we can do that.

Senator FAULKNER: Thank you.

Mr Thompson: Secondly, you were asking about billiard tables, and David has some further information.

Mr Kenny: You had a number of questions that we are looking into and I will respond to them in no particular order. The unsigned document that you are talking about earlier was signed. The recollection of the officer is that it was signed after 21 February, so it was after the estimates hearing in February. He says the reason it was not dated is that it was an oversight. He is not sure exactly when it was signed, but it was not long after the estimates hearings and probably around the time he received this email, which I can read out an excerpt from, which is to Judy Konig from the manager of heritage and ICT, which is an interesting combination, at the Museum of Australian Democracy. It said:

I can now confirm that the two billiard tables in our collection were manufactured circa 1930, were reconditioned by Heiron and Smith, to be relocated in the new Australian parliament building for 1998 and will return to OPH.

So our officers assessed that—confirmed their understanding that the old billiard tables with history had been returned to Old Parliament House, Museum of Australian Democracy, quite

some time ago. The email was from Ree Kent, who was the Manager of Heritage and IT at the Museum of Australian Democracy.

Senator FAULKNER: Where does that leave us then, with the heritage assessment, which I was concerned about, and now, given that it was done—well, I do not think it is a heritage assessment. The heritage assessment on the two billiard tables that have been sold consists of a pen script annotation to a computer printout that says, 'given tables purchased by PHCA'—that is, Parliament House Construction Authority, I assume—

Mr Kenny: Correct.

Senator FAULKNER: around 1989 and are about 20 years old, thus no heritage value.' Signed by someone who was then 'disposal delegate'. That was what I was told was the heritage assessment on the tables that were sold, and I am now told that that non-heritage assessment—in my view it was never a heritage assessment but whatever it was—was added after the tables were sold. When were the tables sold?

Mr Kenny: The tables were sold on 23 September 2010.

Senator FAULKNER: The last estimates hearing was 21 February, so the heritage assessment prior to their sale that I was told about at the last hearing—it was about six months later, for God's sake. Can someone now please explain how that could be?

Mr Kenny: I think it is clear that the advice at the last estimates was not correct, that a heritage assessment had already taken place.

Senator FAULKNER: That is the understatement of the year, Mr Kenny. It sure is true. Normally, when incorrect advice is provided to Senate committees, someone corrects the record.

Mr Kenny: I understand that. This—

Senator FAULKNER: What happened here was that this annotation was added ex post facto and sent off to me, assuming, 'He is a bit of a dill; he will cop that.'

Mr Kenny: The realisation that the heritage assessment had not taken place—I became aware of that at about 20 past one this afternoon.

Senator FAULKNER: As a result of the questions I asked this morning?

Mr Kenny: Basically, yes. You raised the matter, and, as we said before lunch, there was some more investigation being done internally as to the history, noting that the history of all the billiard tables, in terms of the records available to us, was not clear—therefore it took a little bit longer to work through—but at about 20 past one I was advised that the heritage assessment had not been done at the time of the sale.

Senator FAULKNER: That is a pretty ordinary effort, isn't it, Mr Thompson?

Mr Thompson: I am not very happy about it.

Senator FAULKNER: I hold you responsible, of course, because these questions on notice go through you to the President. You are not very happy with it?

Mr Thompson: No, Senator.

Senator FAULKNER: I am not very happy with it either, let me assure you. I just hope that it was not a deliberate attempt to mislead me and the committee.

Mr Thompson: I do not believe it was.

Senator FAULKNER: I have sat at a lot of estimates committees, Mr Thompson. I have asked a lot of questions over a lot of years. Perhaps I have asked more questions than any other senator in the Australian parliament over a very long period of time at Senate estimates committees. I have never come across a situation like this, where a document is created months after the event and after an estimates committee where questions were asked and it was suggested that the document stands as an appropriate, in this case, heritage assessment. I think I am entitled, and I think the committee is entitled, to be very, very unhappy about this situation. Would you agree?

Mr Thompson: I agree.

Senator FAULKNER: We now know there was no heritage assessment done before these tables were sold. Is that correct?

Mr Kenny: That is the advice I received from the disposal officer.

Senator FAULKNER: We now know that there was no heritage assessment done. Time for qualified answers has gone, Mr Kenny. It is time for absolute, straight-up answers. Was a heritage assessment done prior to the sale of these billiard tables?

Mr Kenny: Not as far as I am aware, Senator. I have asked the question. The original suggestion was that it was done by the disposal officer. I have had a discussion with the disposal officer who has said he did not do a heritage assessment. I am not suggesting anyone else did.

Senator FAULKNER: Do disposal officers normally do heritage assessments? One thinks disposal officers are people who are tasked—fair enough—with disposing of material.

Mr Thompson: In this case our understanding of what had happened was that the disposal officer had received advice, like Mr Kenny has referred to, that the old tables had been returned to Old Parliament House. That information is true—they have been returned—but it is also clear that the relevant officer was not aware of it.

Senator FAULKNER: Disposal officers, I assume, are responsible for disposals—is that right?

Mr Kenny: Amongst other things—yes.

Senator FAULKNER: Are they responsible in the Department of Parliamentary Services for heritage assessments, too, are they?

Mr Thompson: No, but they are responsible for checking various things, whether it is the safety of something we are selling or the heritage value, to make sure that the right boxes have been ticked. In this case, I think we had assumed that that check had been done.

Mr Kenny: Certainly, we will have another look at our disposal process, our procedures, to make sure. As Alan said earlier, we have people who work for DPS who do have cultural and heritage qualifications and experience.

Senator FAULKNER: Yes. How many disposal officers do you have?

Mr Kenny: One.

Senator FAULKNER: Does that disposal officer have qualifications for assessing heritage?

Mr Kenny: No, the individual does not have. As I said, I think we need to have a look at our disposal processes to ensure that those staff who do have the appropriate qualifications have an opportunity to be involved, noting that we do dispose of a large volume of items from time to time.

Senator FAULKNER: So we now know the disposal officer does not have heritage qualifications. That is not a criticism of him or her; it is a criticism of the leadership of the Department of Parliamentary Services who tasked an individual with this who does not have qualifications in that area. That is a leadership failure, isn't it, Mr Thompson? Let's not have the usual trick of rolling down the line and blaming the most junior officer. It is a failure of leadership, isn't it, to ask a person who does not have heritage qualifications to conduct heritage assessments. It is preposterous, isn't it?

Mr Thompson: I accept your viewpoint, Senator.

Senator FAULKNER: But I am asking you what your view is.

Mr Thompson: Sorry?

Senator FAULKNER: What is your view? How could this happen?

Mr Thompson: Senator, the reality is—

Senator FAULKNER: Whoever he or she might be, I do not want to blame ending up on somebody's desk when I think the leadership of the department are responsible, particularly in a situation where we have inaccurate and misleading information provided not only in answers to questions on notice—physical documents created after the event, which is what you have done; and I expect higher standards from a parliamentary department, I really do—plus evidence provided in the last estimates round which was wrong and not corrected. As I said, I think the committee is entitled to be pretty unhappy with this situation. What do you think, Mr President?

Senator Hogg: I have no doubt about that at all.

Senator FAULKNER: So we now know that that annotation was created after the last estimates hearing and about five months after the things were sold. What else can you tell me, Mr Kenny?

Mr Kenny: Your other question related to when they left the building. The tables left APH on 22 July 2010, and they went out to the premises of the auction house, if that is the correct term. The auction house is a company called ALLBIDS.

Senator FAULKNER: I have never heard of ALLBIDS, but I assume it is a reputable auction house. Is it? Do you have some contracted arrangement with them? Why did you choose ALLBIDS? Again I cast no aspersions; I have not heard of them.

Mr Kenny: We do not have a contract, but we do use them from time to time.

Senator FAULKNER: Do you use any other auction houses?

Mr Kenny: Yes, we do.

Senator FAULKNER: Which ones?

Mr Kenny: We know that we use Pickles, and we can get you a list of other ones that we have used.

Senator FAULKNER: Thank you. You might take that on notice. Why did you use ALLBIDS in this circumstance?

Mr Kenny: I will have to find out for you.

Senator FAULKNER: I would appreciate a full response to that question on notice. Thank you, Mr Kenny

Mr Kenny: The last question that you had that I have a note on was: who did we sell them to? The answer is that normally the auctioneer does not advise us of the successful bidder.

Senator FAULKNER: Fair enough. Let us go back to the auction house. Is the provenance of these tables—in other words, the fact that they have been used and placed in Parliament House—a matter that is made public?

Mr Kenny: Yes. I will confirm this, but I have a very clear recollection that the advertisement included the fact that they were Parliament House billiard tables that were being sold.

Senator FAULKNER: We know from the evidence provided, which I hope was accurate—because obviously not all the evidence provided previously was accurate—that one sold for \$2,500 and one sold for \$2,488. That is what was provided at the last estimates round.

Mr Kenny: That is what we told you last time.

Senator FAULKNER: Yes. And that is correct?

Mr Kenny: We will confirm that for you, because I do not have with me a copy of the invoice or of the journal entry where the money came back into DPS.

Senator FAULKNER: All right. Well, you can check that for me. But what we do know—again, from evidence in the last round of estimates that I hope is accurate—is that this was below the reserve.

Mr Thompson: Yes, Senator; we acknowledged that at the time. It was not much, but it was a little bit below the reserve.

Senator FAULKNER: So who in the Department of Parliamentary Services makes the decision that a table or any item—let us not make it specific—is to be sold below reserve? What level of officer is tasked with that responsibility?

Mr Kenny: There are two parts to the issue. The first one is where an item is disposed of for an amount that is less than its valuation. The second one—relating to your specific question—is where it is less than the reserve. The CFO advised this committee last time that she had set the reserve above the current valuation. She set it at \$2,500; the valuation at the time was \$1,500. The decision—

Senator FAULKNER: At the time, you described that as a book value. We have not got to that yet, who decided on the book value, but we will get to that—to which heritage expert decided that!

Mr Kenny: The decision to accept the price would have been made by either the CFO or someone delegated within the CFO branch.

Senator FAULKNER: Well, I would like to know. In the instance of the billiard table, I would like to know precisely—

Mr Kenny: Who made the decision.

Senator FAULKNER: Yes.

Mr Kenny: We will take that on notice.

Senator FAULKNER: Thank you. Who decided this book value of \$1,500 for each of the two tables that were valued at \$5,800 in 1989?

Mr Kenny: That again would have been decided within the CFO branch.

Senator FIFIELD: It wasn't the AVO?

Mr Kenny: The AVO from time to time provide us with valuation advice, and then we have a depreciation schedule that is pretty standard in terms of the way accountants work. But that work is done within the CFO branch, also known as the Finance branch and about to be known as the Corporate branch.

Senator FAULKNER: Does the person who made that decision also have heritage qualifications—the ability to make assessments of the heritage value of items?

Mr Kenny: If you are asking if there was any heritage assessment done in making the valuation \$1,500—

Senator FAULKNER: Yes.

Mr Kenny: We will have to take that on notice.

Senator FAULKNER: I am asking whether there was any expertise involved, unlike in most of the other steps of this process. Was there any expertise, or was it—

Mr Kenny: Senator, I have said I will take that on notice. You are asking about a very specific process that may have been several processes over several years.

Senator FAULKNER: So I found on the internet what happened to one of the tables, on real.estate.com.au. You are aware of what happened to one of the Parliament House tables, no doubt, because a property containing the table sold on Saturday, just a couple of days ago.

Mr Kenny: I was aware quite some time ago—last year, I think—that a property had been advertised referring to the fact that it had a billiard table that had been at Parliament House. I do not know whether that is the same as the one you are talking about.

Senator FAULKNER: I suspect it may well have been. I do not know either; I just know it was sold on Saturday.

Mr Kenny: I was not aware of that.

Senator FAULKNER: Are you confident we have got value for money here?

Mr Kenny: Given the information available, without professing to be an expert on billiard tables, I would say, yes, based on two pieces of supporting information. The first point was we got more than the current valuation; and the second point is that it was open to auction on the internet so a very large number of people had the opportunity to bid and the price we got was the highest the potential billiard table owners were prepared to offer.

Senator FAULKNER: So are you able to say when this was sold at the auction house ALLBIDS—is that a web based operation?

Mr Kenny: The advertisement was on their website by a web based operation. They also have premises because, as I advised a few minutes ago, we sent the billiard tables out there in

July of last year so they must have some quite significant storage space. I do not know whether they do—

Senator FAULKNER: But is it a physical auction that is held in an auction room or is it an online auction?

Mr Kenny: This one was certainly advertised online, and bids were being taken online. I do not know whether they had a physical effort as well.

Senator FAULKNER: How are we to satisfy ourselves about value for money when disposing of items here in Parliament House?

Mr Kenny: Normally, if you offer something freely to the market then what you get for it is a genuine market value.

Senator FAULKNER: How are we to satisfy ourselves about the adequacy of heritage assessments of items that have been put up for sale?

Mr Thompson: From here on, we will be doing that a lot more comprehensively.

Senator FAULKNER: How are we to satisfy ourselves about the financial valuations for items of disposal that would have been made in this shambolic process?

Mr Kenny: We have said we will provide to you on notice the details of how the valuations were made or the numbers reached.

Senator FAULKNER: Are you satisfied that when these matters go into the ALLBIDS online auction that their provenance is well understood and known?

Mr Kenny: Sorry, Senator, if you are asking was it made clear that what people were buying was a billiard table that had been in this building, then I believe that was made clear.

Senator FAULKNER: Are you satisfied that all Commonwealth guidelines have been adhered to in relation to the disposal of these items?

Mr Kenny: I believe they would have been followed, yes. The CFO's branch in my experience are very, very diligent at ensuring that procurement and disposal guidelines are complied with.

Senator FAULKNER: Mr Thompson, do you intend to ask your auditor to have a look at this?

Mr Thompson: I will do that, yes. I will just come back to the point Mr Kenny has made. What I have witnessed here, with the exception of this heritage issue, is a CFO branch that has been incredibly diligent about complying with all the Commonwealth guidelines. It has been very rigorous and I had been very impressed. I am deeply apologetic about what has happened with this heritage assessment but, in other respects, I have witnessed a very rigorous approach by the staff at all levels.

Senator FAULKNER: I would hope you would deeply regret the misleading information that was provided to this committee too.

Mr Thompson: I do regret that, yes.

Senator FAULKNER: Let us hope some of the other information that we have received has not been misleading. It is my intention at future hearings to revisit a range of other things. I indicated earlier to Senator Fifield—very generously, I think—that I would not take too much time. I will ask a range of questions on notice in relation to heritage and other

administrative matters for the Department of Parliamentary Services, Mr Thompson. I am giving you notice of that, and I would ask you to ensure that those questions are answered fully and comprehensively, unlike what occurred in the last round of Senate estimates. I am doing that because we are short of time. I do not underplay the significance of the issues that I want to progress. I would also like you to give an undertaking that the internal auditor's report will be made available to this committee. I expect the auditor will probably come and speak to me anyway.

Mr Thompson: Yes, Senator.

CHAIR: Mr Thompson, you mentioned power prices earlier. Have you had any complaints over the last three weeks of sitting about a significant number of offices of senators and staff that I am aware of that are finding it extremely cold and unhelpful in their work environment?

Mr Thompson: I have not heard that. We did have some significant problems this time last year. Some of those were definitely fixed and I have received thanks from a number of senators for that. I was not aware that we are having a repeat of those problems. I will just ask Freda Hanley, who looks after our electricity and heating systems, whether she has had any awareness. No, she is not aware either.

CHAIR: Then I formally advise you that, over the last three weeks of sitting, a significant number of senators and particularly staff who work here late at night are finding it extremely cold. Can we please have someone investigate that.

Mr Thompson: Yes. We will follow up. We thought we had fixed that particular issue up.
[14:33]

CHAIR: We will now move on to program 3, infrastructure services.

Senator FIFIELD: Senator Kroger will start, but I will just indicate that we are aware of the fact that the COAG Reform Council, who are scheduled to commence at four o'clock, have to head off to make a flight later tonight, so we are mindful to try to still commence with the COAG Reform Council at four o'clock. So we might, from our side, move quickly, in about 10 or 15 minutes, through what remains of DPS and then go to the office of the Governor-General.

Senator KROGER: Mr Thompson, I would like to briefly touch on the online outages that we have been experiencing—about a month ago in particular. I just want an update on that. There was media in relation to it ostensibly being Chinese hackers and so on, but there seemed to be a few issues. I note that a number of the Senate offices had one or two staff offline for periods of time, but not whole offices. Can you please update me on any of that.

Mr Thompson: I will ask David Kenny to respond, but I would comment that we have taken the issue of IT reliability and IT security very seriously. There are some significant challenges there.

Mr Kenny: Senator, we have had a couple of what look like random outages or impacts on individuals. Probably going back to February of this year and in essence the issue is related to overloading the email system where the email servers get overloaded and then they become very, very slow. If you are using a blackberry then the blackberry will appear not to be working at all, because there are queues in the email system sending messages to the servers

that then send them on to the blackberries. The reason it appears random in terms of someone is affected and someone is not is that it depends—we have I think six servers in total; it is of that order. If it is your server that is impacted then you will feel as if you cannot use email at all. That is how it manifests itself. But for someone who is not on that server—

Senator KROGER: And different staff can be on different servers in the one office?

Mr Kenny: Yes, different staff will be on different servers in the one office. What are we doing about it? We have taken a number of steps to move people on to an extra server so that the load is better balanced and so people do not suffer from a poor email service. We have done something along those lines. We have also identified that many of our users have very large mail boxes which means, first, it becomes slower for them to use it; and, second, it becomes very difficult for us to help administer it. For example, if I pick an individual and say, 'We will move them to a less busy server,' whilst we are doing the move in effect they cannot use email and some of the mailbox sizes are such that the move takes many, many hours—and that is just to move one.

We are investigating how we can put in place an archive capability that enables people to move their emails and their attachments into an archive where they are still accessible but they are not having such performance impact. That is dependent on going to the latest version of the email software, which we were ready to start doing a few weeks ago but there was a problem advised from Microsoft which had serious reliability instances. I think from memory it was about emails being lost, which obviously is not acceptable. We expect the fix for that by the end of this month. We can then reschedule. There are the three steps: one, a new software; two, an archiving strategy; and three, at the same time we continue to try to load balance where we can.

Senator KROGER: I do not profess to be an IT whizz but is it that we just do not have the size capacity that we actually should have to be able to operate faster and more effectively? You talk about some having huge mail boxes, and I understand that, but it just seems to me we do not have enough capacity for the continuing growing demand and use and ways in which the system is being used.

Mr Kenny: I would certainly agree that the current version of the system is overloaded, which you can take to be agreement that there is insufficient capacity. It is not that we cannot acquire more; it is just that the logistics of putting in the new servers with the new software and migrating people across to them, along with all their historical data, is time consuming and we cannot schedule it until we are confident that the new system is reliable.

Senator KROGER: Quickly to the issue of security, and I note your statements earlier on. My statement is not questioning the integrity of the approach taken on security, I should say, but there was a lot of media in relation to hackers that had got into the Prime Minister's and other ministers email accounts. When I saw that I considered all the spam that still seems to come through and wondered what procedures are being taken to tighten that. And is there any correlation to the spam that still comes through that does not seem to be filtered?

Mr Kenny: There are two parts to the response. The first is that, yes, there has been a lot of media about hacking into a range of systems internationally, including corporate sites around the world and other parliaments around the world, and there were a couple of articles referring to the Parliament House network here. Obviously, from the fact that a number of

sites were affected, it remains an issue for all of us. As Alan said, IT security and managing IT and generally improving IT reliability is as high a priority for us as any of our other fairly urgent tasks. In terms of spam, it is annoying and it can constitute a security threat as distinct from an annoyance. Again, we continually look at keeping up with the way that the spam world out there works, so we try and provide services which will block spam, whilst at the same time being very confident that we are not blocking genuine emails. Obviously it is a sensitivity for people that, if an email is sent to you, you to receive it.

Senator KROGER: I had instances in the last week where I noted that things that I might have sent out to a large group had gone to people who were not listed in that particular group, so I was concerned that somehow someone had accessed my things. I have been sending these things through to IT services—

Mr Kenny: Please keep doing that.

Senator KROGER: but there have been a number of strange things happening.

Mr Kenny: It may be that one of the persons you sent it to has an automatic forward on their inbox, so it goes to someone else.

Senator KROGER: A number of very strange things have been happening.

Mr Thompson: My thought is that at least part of the solution is probably about us growing the system a bit more. Part of it, from the viewpoint of all the parliamentary computer network users, is to somehow bring down the size of some of these mailboxes. They are quite spectacularly large.

Senator KROGER: What do you call a large mailbox?

Mr Kenny: I think the biggest one we have is more than 20 gigabytes, which is a lot of zeros—very big—probably 100 times larger than we would recommend.

Mr Thompson: That is a problem for us with costs and size for storage, but it also has a significant cost to the user because it just means managing that and getting through it is very problematic. We have commenced some discussion in POITAG as a forum about what to do about that.

Mr Kenny: We will be able to offer a service that gives senators and their staff much better options in terms of how they manage email than the current level of software can.

Senator KROGER: I have a couple of other questions but I will put them on notice. I am conscious of the time.

CHAIR: I think others will ask questions about IT. I will take the lead. Mr Kenny, no doubt you would be expecting to update us about the merging of the computer system—that is, in our electorate office and those in parliamentary offices. Can you give us an update on the timetable and whether or not you have written to senators and members advising them of the changes and what effect that will have?

Mr Kenny: The answer to your second question is not yet, because the answer to your first question is that late last Friday we had the final confirmation of detail with the finance department, as to what would be involved in the transfer. We will now make a submission to the Presiding Officers and it will be finalised this week—probably by tomorrow night—recommending that the transfer be agreed to, with a 'go date' of—

CHAIR: I thought that had already been agreed to.

Mr Kenny: Agreed in principle, as distinct from the actual formal decision. You could ask the finance people about this—I think they are here on Wednesday—but the process needs to go through a machinery of government change, which they will look after. Once the next step is taken, assuming that approval is given, we would finalise letters and advice to members and senators saying: here is what is going to be happening.

CHAIR: And the proposed date for the transfer?

Mr Kenny: 1 July.

CHAIR: Mr Thompson, in your opening comments—to prove I was listening, along with other senators—you mentioned two items; one was wireless access. Can you give us an update of that?

Mr Thompson: Yes, I can. I will ask Ms Bryant to join me at the front table though. About a year ago, we completed running wireless through most of the large public and semipublic spaces in the building, including committee rooms like this one. So it has been possible since that time to run a laptop without the dreaded blue cables. Over the last about nine months, we have begun to run similar systems out through the House of Representatives wings and the Senate wings. That process of putting wireless through all of the suites is very close to completion, and I will ask Liz Bryant to give us an estimate of the final date.

Ms Bryant: End of June, early July. So it is just happening in non-sitting periods at the moment, to minimise the disruption, obviously, to senators and members.

CHAIR: Are you advising senators and members when their offices are able to access wireless, as you go—otherwise, who knows that they have access?

Ms Bryant: Everybody will have access at the end of this stage, the end of this project. I would have to check on what the access arrangements and communication arrangements are for people actually accessing your suites to put the APs into those suites.

Mr Thompson: I think this is about—

CHAIR: I just thought it was in a gradual stage or are you waiting to allow access when all suites have access?

Ms Bryant: We will certainly provide advice on when it is available, through a normal information circular, which is what we did when we made it available to the common-use areas in the building.

Mr Kenny: If in fact parts of the building have access earlier than other parts, I think we can provide advice that reflects that as well. Obviously one of the tricky things about putting in a wireless network is that you have to put in a lot of wires. Liz mentioned access points; those are the units which have to be close enough to where you are for your wireless to work. So, as Liz says, we do not know, sitting here, exactly what the schedule is for when the wires are going to be finished and then when the points will be installed and then tested. We will provide advice via an information circular.

CHAIR: The next issue is the iPad. I understand, from the last hearings, that you were trialling them. Can you give us an update as to what changes if any are going to take place as to whether senators and members will have access to iPads?

Mr Thompson: All I can speak about today is the fact that we have conducted a trial. We had about 10 of our officers at a range of levels using iPads. They were hooked in to a range

of the parliamentary computing network services. I think we concluded that largely it was a successful trial. We provided advice to the presiding officers about that. We believe it would be possible to offer a service in the future. But, regarding the precise nature of the final advice to members, I am not in a position of offer that today.

CHAIR: Would it be fair to say that senators and members who purchase their own equipment may have access? Is this a move to encourage senators and members to purchase their own electronic equipment?

Mr Thompson: The assumption we have had in this trial was that the pieces of equipment would be acquired by others through the entitlement or some other way. It is not something we currently provide and up until very recently we have not really had enough data about the service provided by the finance department to work out whether we could afford to under their system.

Senator STEPHENS: Mr Thompson, we did have this discussion last time. For those of us who have iPads the question was whether or not, given that you were rolling out a wireless network in our offices, we would be able to access at least the internet through our iPads rather than having to use a micro-SIM card of our own. Is that part of what is being considered here?

Mr Thompson: We have thought of this primarily as senators and members having access through the wireless network here. There are various versions of iPad which can then access it through one of the telcos. That really would be a decision for members as to whether they want to make that investment in that sort of service.

Senator STEPHENS: Sure, I understand that, and that is a decision that I have made. I have one with a SIM card in it. But for others who might be contemplating it or for those who bought one that only has a wireless access, the question is whether or not you are considering whether or not people can actually use their iPads, which are just so much more efficient in our committee work, by accessing the wireless network?

Mr Thompson: The conclusion of our trial was that there can be significant productivity benefits to all building occupants, but there is then a logistical thing, which we are close to finalising, and hopefully we can commit to a service. We are very close to being able to provide a service.

Senator STEPHENS: Okay. Thank you.

Senator PARRY: Can I place three questions on notice. I will read them out and place them on notice and require the answers on notice. To you, Mr Thompson, and to your department: is the Defence Signals Directorate still providing advice to the DPS? If so, at what cost? And also, if so, has any assessment as to the value of that advice been made? If I could have those questions back on notice to the committee, thank you.

Mr Thompson: We can answer them now, if you wish.

Senator PARRY: We have been very generous with our time to the government and it has eaten into our time, so I do not want to take up the committee's time any further, unless they are very brief.

Mr Thompson: The short answer is, yes, we are receiving assistance; no, there is no cost to us; and, yes, there has been enormous benefit to us in maintaining reliability.

Mr Kenny: It is good value.

Senator PARRY: That is not an answer to the question: has any assessment as to the value been made? So the answer is that an assessment has been made?

Mr Kenny: The cost is zero.

Senator PARRY: The value of the advice, not the dollar value—the actual pertinence of that advice.

Mr Kenny: We consider their assistance to be enormously useful and informed.

Senator PARRY: Thank you.

Senator FAULKNER: Can I just clarify one thing—very briefly. I am not sure, Mr Thompson, that I mentioned this when you indicated that you were going to have your auditor have a look at this issue that we have been canvassing at the committee. What I had meant to say, if I did not say, is that any such report be made available to the committee.

Mr Thompson: You did say that and I agreed that we would make it available.

Senator FAULKNER: I was not sure whether I had said publicly or to the committee. I wanted to stress, at this stage, to the committee.

Mr Thompson: We would be happy to provide whatever report to the committee.

Senator FAULKNER: Thank you.

CHAIR: Are there any further questions on program 3.2. If not program 4, Parliamentary records services? Is there anything on Broadcast services?

Senator FAULKNER: We have no more for DPS.

Senator KROGER: I have but I will put them on notice.

CHAIR: Senator Kroger will put some questions on notice and I am sure other senators will also. There being no further questions for DPS, thank you very much for appearing before us.

PRIME MINISTER AND CABINET**In Attendance**

Senator Chris Evans, Minister for Tertiary Education, Skills, Jobs and Workplace Relations and Leader of the Government in the Senate

Senator Arbib, Minister for Indigenous Employment and Economic Development and Minister for Social Housing and Homelessness

Office of the Official Secretary to the Governor-General**Outcome 1—Program 1**

Mr Stephen Brady, Official Secretary to the Governor-General

Mr Mark Fraser, Deputy Official Secretary to the Governor-General

Ms Karen Baker, Director Corporate Services Branch

Ms Sharon Prendergast, Director Australian Honours and Awards Branch

Department of the Prime Minister and Cabinet**Outcome 1****Overview**

Mr Duncan Lewis, National Security Adviser

Mr Barry Sterland, Acting Deputy Secretary (Governance)

Dr Gordon de Brouwer, Acting Associate Secretary (Domestic Policy)

1.1 Domestic Policy

Dr Gordon de Brouwer, Acting Associate Secretary (Domestic Policy)

Ms Rebecca Cross, Acting Deputy Secretary (Social Policy)

Dr Paul Schreier, First Assistant Secretary, Industry, Infrastructure and Environment Division

Mr Paul Ronalds, First Assistant Secretary, Office of Work and Family

Mr Dom English (former First Assistant Secretary, Economic Division)

Mr David Turvey, Acting First Assistant Secretary, Economic Division

Mr Tim Beresford, First Assistant Secretary, Social Policy Division

Paul Elton, Deputy Head, COAG Reform Council Secretariat

Ms Mary Ann O'Loughlin, COAG Reform Council Secretariat

Mr Michael Frost, COAG Reform Council Secretariat

1.2 National Security and International Policy

Mr Duncan Lewis, National Security Adviser

Dr Margot McCarthy, Deputy National Security Adviser

Ms Rachel Noble, National Security Chief Information Officer

Mr Graham Eveille, Acting First Assistant Secretary, Defence, Intelligence and Research Coordination Division

Mr Dave Sharma, Acting First Assistant Secretary, International Division

Ms Sachi Wimmer, Acting First Assistant Secretary, Homeland and Border Security Division

Ms Marina Tsirbas, Assistant Secretary, DIRC

1.3 Strategic Policy and Implementation

Mr Ben Rimmer, Deputy Secretary

Mr Dom English, First Assistant Secretary, Strategy and Delivery Division

Mr James Flintoft, Executive Coordinator, Strategic Policy and Implementation

1.4 Support Services for Government Operations

Mr Barry Sterland, Acting Deputy Secretary (Governance)

Mr Kim Terrell, Acting First Assistant Secretary, Ministerial Support Unit

Ms Bernadette Welch, First Assistant Secretary, Corporate Services Division

Ms Philippa Lynch, First Assistant Secretary, Government Division

Mr David Macgill, Assistant Secretary, Parliamentary and Government Branch, Government Division

Mr Chris Angus, Acting First Assistant Secretary, Cabinet Division

Mr Peter Docwra, Chief Information Officer

Mr Matthew King, Chief Financial Officer, Corporate Services Division

2.1 Official and Ceremonial Support

Mr Barry Sterland, Acting Deputy Secretary (Governance)

Mr Kim Terrell, Acting First Assistant Secretary, Ministerial Support Unit

Mr Frank Leverett, Assistant Secretary, Ceremonial and Hospitality Branch

CHAIR (Senator Polley): We now move to the Prime Minister and Cabinet portfolio and I call forward the Office of the Official Secretary to the Governor-General. I welcome Mr Stephen Brady, Official Secretary to the Governor-General and officers. Officers and senators are familiar with the rules of the Senate governing estimates hearings. If you need assistance the secretariat has copies of the rules. I particularly draw the attention of witnesses to an order of the Senate of 13 May 2009 specifying the process by which a claim of public interest immunity should be raised.

The committee has set Friday 8 July 2011 as the date by which answers to questions on notice are to be returned. Mr Brady, do you wish to make an opening statement?

Office of the Official Secretary to the Governor-General

Mr Brady: As an office, we are keenly aware of the difficult budgetary environment faced by the government and the broader Australian community. We have implemented a range of austerity measures to cut costs and to create efficiencies. Last financial year we saved close to \$700,000 in operating expenditure, and we are on track to save a similar amount this financial year. This includes a reduction in supplier costs of 35 per cent and official hospitality expenses are down considerably; average per head cost is down by 20 per cent, expenditure on flowers is down by 38 per cent, dry cleaning is down by 58 per cent, expenditure on beverages, including alcohol, is down by 33 per cent and casual staff wages are down by 50 per cent. When the Governor-General has been required to travel overseas at the request of

the government, average trip costs have been reduced by 34 per cent compared with the average trip cost of Governors-General over the past decade. As part of a program of restructuring and streamlining functions across the board, we have also been able to reduce total staffing levels by 13 per cent in FTE terms, while simultaneously supporting a significant increase in activity and outreach by the Governor-General.

It has been my practice just to very quickly update the Governor-General's activities. Two years and eight months into her term, she has participated in over 2,000 official engagements around the country and overseas and she has visited 124 different locations in Australia on 285 separate visits. Senator Kroger, you asked me last time whether the Governor-General would be able to visit those communities in Victoria. I am pleased to say that she will visit Kerang and Benjeroop tomorrow, so that is very good.

The Governor-General has attended almost double the number of external engagements, has hosted over 40 per cent more internal events and is patron of 50 per cent more community organisations. All of this has been achieved with less resources, lower overall staff numbers and reduced operational expenditure.

Senator FIFIELD: Let us start on a festive note, if we may. Did the Governor-General give a gift to the Duke and Duchess of Cambridge? Is there a protocol that the Governor-General at such an occasion does give a gift? If so, what was it?

Mr Brady: Prince William and the then Catherine Middleton asked all attendees at their wedding to donate to a list of charities that they had nominated. The Australian government on behalf of the Australian people gave a cheque to the Royal Flying Doctor Service.

Senator FIFIELD: That was on behalf of the Australian government.

Mr Brady: That was on behalf of the Australian people.

Senator FIFIELD: Thanks.

Senator FAULKNER: And for how much money?

Mr Brady: I am not certain; I saw a figure in the newspaper of \$25,000.

Senator FIFIELD: That is a question we should ask Department of the Prime Minister and Cabinet.

Mr Brady: That is right.

Senator FIFIELD: How many staff flew to the United Kingdom with the Governor-General and Mr Bryce?

Mr Brady: The travelling party was the Governor-General, Mr Bryce and four staff from my office.

Senator FIFIELD: Not including you.

Mr Brady: No. The Governor-General, Mr Bryce, me plus three others from the office—

Senator FIFIELD: So four in total.

Mr Brady: and then the Australian Federal Police support, a medical physician and the ADC.

Senator FIFIELD: Did the Governor-General host any functions while in the United Kingdom?

Mr Brady: The Governor-General was in the United Kingdom from 27 to 30 April. While she was there, she attended a reception hosted by Rio Tinto, which was to mark the Kew Gardens Australian exhibition at the British Museum. She attended a ceremony at the Australian War Memorial in London. She visited Christchurch College at Oxford and met with Australian academics and Rhodes scholars. She attended a lunch with those. She met with University of Canterbury students studying at Oxford to commiserate about the earthquake in Christchurch. She attended a reception and a concert for the Australian Music Foundation. She attended a dinner hosted for Governors-General by William Hague, the Secretary of State for Foreign and Commonwealth Affairs. She led the Australian representation at the royal wedding. She attended the royal wedding reception as guests of Her Majesty and she invested our High Commissioner, Mr Douth, with an Order of Australia.

Senator FIFIELD: Very nice. Thank you, Mr Brady. Where did the Governor-General and Mr Bryce stay in the United Kingdom?

Mr Brady: They stayed at a hotel recommended by the Australian High Commission.

Senator FIFIELD: Which hotel?

Mr Brady: The Savoy.

Senator FIFIELD: Thank you for that. It was good to hear the efforts of your office to reduce costs. When looking through the various contracts which the office of the official secretary have engaged in—I am not suggesting there is anything not as it should be here; I am just giving you an opportunity to put some of these in context. Tender note CN355543 and CN371941; an amount of \$36,573 on tree surgery—I appreciate tree surgery probably does not come cheap, but could you outline the details of that tree surgery?

Mr Fraser: As you may recall, late last year there was a significant storm front that came through the Canberra region. Approximately 140 trees were severely damaged and knocked over in the grounds of Government House. It was quite a severe storm and, as a result of that, a number of trees have needed to be removed and there was associated work with that. About \$150,000 worth of damage was created by that storm.

Senator FIFIELD: Thank you. So that was for safety reasons as well aesthetic reasons.

Mr Fraser: That is right. The trees that were down needed to be removed, the stumps needed to be ground down as is appropriate and the remaining wood and things removed from site.

Senator FIFIELD: Thank you.

Senator KROGER: Being storm damage, is that covered by insurance?

Mr Fraser: Some of it is. The challenge in these instances is that acts of god like this where trees fall over and do no damage to any buildings are not insurable acts as such. The only thing that is insurable is if damage is done to a building or other infrastructure. We do have an insurance case pending with Comcover that we are looking forward to resolving in the near future.

Senator FIFIELD: With regard to contractor notices CN361199, CN366852 and CN3840134, there is an amount of more than \$10,000 for electricity in the months of November and December. That sounds like a large bill, but you might be able to put that into some context for the operations of Government House.

Mr Fraser: Certainly. That is a regular quarterly electricity supply bill for the property. That is not a bill that is out of the ordinary. I should say, as many people are aware, that electricity prices are increasing. It is something that we manage very actively. We have put in place a number of efficiency measures, including energy efficient light bulbs—LED light bulbs—and things which we hope are going to significantly reduce electricity usage at the properties.

Senator FIFIELD: I refer you to contract notice CN378775, which is for \$53,434.80 on passenger motor vehicles. Is that a single motor vehicle or a number of vehicles?

Mr Fraser: That is a single motor vehicle. It is an official vehicle used by their excellencies. It is a Holden vehicle.

Senator FIFIELD: What sort of Holden?

Mr Fraser: It is a Holden Calais.

Senator FIFIELD: Is that a car that they use themselves to get around, as opposed to a car that they are driven in?

Mr Fraser: There are two official vehicles. Both are Holden. One is a Caprice and the other is a Calais. The Caprice is generally used as the vice-regal vehicle for official functions and the second vehicle is used as a general office vehicle for a range of other purposes and also by their excellencies for any private driving.

Senator FIFIELD: Is that a replacement vehicle?

Mr Fraser: Absolutely. That was procured under the Commonwealth procurement guidelines from lease plan.

Senator FIFIELD: Thank you. I refer you to AusTender documents CN376739 and CN376740, which indicate that \$372,000 has been budgeted for domestic airfares and \$875,000 on international airfares between 1 July 2010 and 30 June 2013. Is that correct?

Mr Fraser: I do not have those contract notices in front of me. I will refer to my notes.

Senator FIFIELD: That contract note covers a number of government departments and agencies; it is not specifically one for the office of the official secretary, so I appreciate that you might not have that immediately to hand.

Mr Fraser: As you will be aware, we are part of the Commonwealth-wide procurement guidelines for travel. As part of that, we do procure both domestic and overseas travel under that contract arrangement.

Senator FIFIELD: Okay. I just wanted to confirm that those are the figures as you have them. Does the Governor-General have any specific international trips planned over the next six months?

Mr Brady: The Prime Minister announced, last week, I think, that the Governor-General will represent Australia at the 150th anniversary of the foundation of the Italian Republic. The Governor-General will leave this Sunday and return to Australia on 11 June.

Senator FIFIELD: Any other trips planned at this stage?

Mr Brady: There is a likelihood that she will represent Australia in Tonga at their national day.

Senator FIFIELD: At the Tongan national day?

Mr Brady: The Tongan national day. She has been invited by the King of Tonga.

Senator FIFIELD: When is the Tongan national day?

Mr Brady: I think it is 1 August, Senator.

Senator FIFIELD: In terms of trips the Governor-General has already taken, are the details of the costs of those trips published online as a matter of course? I am just wondering what arrangements Government House itself has to make those available?

Mr Brady: You may recall that a journalist from News Ltd asked a series of questions relating to the costs of the Governor-General's travel. When we receive questions like that, we answer them; when I am before the committee, I try to have the information available; but we do not put it on the website as a matter of course.

Senator FIFIELD: Okay. But requests are readily answered?

Mr Brady: They are readily answered.

Senator FIFIELD: Are the arrangements for the Governor-General's overseas travel—the flights and other fares, the deals—all purchased as part of the whole-of-government contract?

Mr Brady: In most cases, the Governor-General travels on the RAAF—

Senator FIFIELD: Yes.

Mr Brady: So there are only two trips that she has undertaken where she used commercial travel: when she went to the Fromelles memorial for the internment of the Unknown Soldier, and on the first trip she made as Governor-General, also to Fromelles—to France; it was a wider trip to France.

Senator FIFIELD: That answers my question. I was wondering why the travel to Fromelles was the only travel on the AusTender website, and that explains why—because everything else has been via Air Force aircraft.

Mr Brady: By RAAF, yes.

Senator FIFIELD: Thank you.

CHAIR: Senator Kroger.

Senator KROGER: At the last round of estimates, my colleague Senator Ronaldson asked a series of questions in relation to the presentation of the unit citation for gallantry to veterans of Delta Company, 6th Battalion Royal Australian Regiment. You may recall that you indicated that invitations had gone out to the veterans of the Battle of Long Tan who had earned that citation, but I understand that there may still be some concerns in relation to that matter and the way it was handled. Can you give me an update of Government House considerations on that.

Mr Brady: Can I preface my response by just putting it on the record that, on 13 May—so only 10 days ago—the Governor-General became the first Governor-General to actually visit the site of the Battle of Long Tan. She did so in the course of a state visit to Vietnam. At the end of the state visit, she was able to travel to Long Tan. I think it is fair to say that that visit, that personal experience of Long Tan, only reinforced the Governor-General's very strong admiration for the courage and loyalty of those Australians who gave their lives or were injured at Long Tan.

The Governor-General is very keen to have Colonel Harry Smith appropriately recognised for his gallantry and that of his men. Since we last met, Colonel Harry Smith has written a couple of times to the office. We have necessarily forwarded that correspondence to the Department of Defence, seeking their advice on how best we could reach, let us say, a pragmatic conclusion to this matter. The Department of Defence have provided their consistent advice and, on the basis of that advice, the Governor-General will host a major ceremonial activity on the 45th anniversary of the Battle of Long Tan. That will be held on 18 August 2011 at the Enoggera Barracks.

Senator KROGER: Sorry, which barracks?

Mr Brady: Enoggera.

Senator FIFIELD: That is in Brisbane.

Mr Brady: Yes, in Brisbane. I have just been advised that the event itself will be hosted by Defence but the Governor-General will officiate. Essentially, any other questions relating to how Colonel Smith might like to be recognised and have his men recognised need to be directed to the Department of Defence.

Senator KROGER: Thanks for that advice. Are there logistical advantages in it being held in Canberra? Would the Governor-General like to have the opportunity to host it here?

Mr Brady: We did have an investiture ceremony here in Canberra. That was held on 17 August 2010, on the eve of the 44th anniversary of the Battle of Long Tan. On that occasion Colonel Harry Smith decided not to attend.

Senator KROGER: From that I am hearing that the Governor-General would think it would be a reasonable thing to have at Government House—it would be nice thing to suitably acknowledge this pretty significant event.

Mr Brady: It is an issue that has gone on for some time, and I think the best way of describing the Governor-General's view would be that we should seek a pragmatic solution. She is keen to have Harry Smith and his men appropriately recognised.

Senator KROGER: With good reason. Mr Brady, a letter from Ms Prendergast dated 17 March was received correcting evidence from the last hearing. In that letter she states:

In relation to questions from Senator the Hon Michael Ronaldson regarding communication between the Department of Defence and this office on the provision of transport to attend an investiture ceremony in Canberra in August 2010, I advised that I was not aware of any correspondence and, after receiving external advice during the hearing, that there was no correspondence. I must advise that this was my understanding at the time, however I have since been advised that there is in fact correspondence, in writing, from the Department of Defence referring to the provision of transport.

Do you have a copy of that correspondence that you can table?

Mr Brady: We do, Senator. Would you like us to table it?

Senator KROGER: Yes, I would. Can you furnish us with the details of that correspondence and tell us what it says?

Mr Brady: We can.

Senator KROGER: Are you able to table that today? Do you have that there?

Mr Brady: I have it here.

Senator KROGER: What is the date of that?

Mr Brady: It is not dated. It was received in the office on 29 July 2010.

Senator KROGER: But not dated.

Mr Brady: Not dated.

Senator KROGER: For the purpose of the record, could you tell us what that correspondence says.

Mr Brady: The letter is from the Acting Chief of Staff at the Army Headquarters to the Deputy Official Secretary. He says, 'There is no capacity within Army funding of this travel.' I think that is the—

Senator KROGER: Sorry—say that again.

Mr Brady: 'There is no capacity within Army funding of this travel.' I am happy, obviously, to table the whole letter.

Senator KROGER: I am a bit surprised by that because Minister Snowdon in a press release noted, 'The Australian government will also fund reasonable transport costs of relevant veterans involved in the ceremony.' That is dated 23 February 2011. You have received no subsequent advice since then?

Mr Brady: As the correspondence went to Mr Fraser, I think he has something that might be useful to add.

Mr Fraser: Just to clarify, there were two transport issues. I think the first related to the invitation the Governor-General issued for the investiture ceremony that took place on Long Tan day last year, and on that occasion, I understand—and, as Mr Brady has indicated, this is a matter for the Department of Defence—they extended transportation to the four individual award recipients. The matter at that time was more a matter of whether the entitled veterans from Delta Company would also be offered travel to Canberra, and on that occasion transportation was not offered to those veterans of the campaign but was offered to the individual awardees of the unit's citation for gallantry.

In relation to this year, I believe the minister was referring to the major ceremonial occasion to take place in Enoggera later this year. He has indicated in that press release that reasonable travel costs will be met.

Senator KROGER: So your understanding of this would be that the position would be different and that travel costs would be met for the ceremony planned for the barracks in Brisbane. Am I correct?

Mr Brady: That is our understanding.

Senator KROGER: All right. I might take this up further with the Department of Defence. Thank you very much. Now I want to go back to something that I believe has come up before—that is, something in relation to a register of personal gifts and so on. I appreciate that there is no public disclosure of a register, but I understand that a register is kept of gifts given to the Governor-General. I assume that would include discounts for special rates or something for the promotion of an Australian product or the like. Am I right in making that assumption?

Mr Brady: Thanks, Senator—your question gives me good opportunity, which I would like to take. First of all, I would like to make a point that the Office of the Official Secretary put in place a revised gift policy shortly after the Governor-General commenced in office. We

did that to ensure that the gifts received by the Governor-General in the course of her official duties overseas or in Australia were properly recorded and properly accounted for. The policy is in line with the gift policy put in place for the government. It is also useful to put on record that the office halved the gift threshold below which gifts could be retained by the Governor-General.

Senator KROGER: What is that threshold?

Mr Brady: It is now \$1,000. I propose today to table the gift register. I think it is in the public interest that the gift register be tabled. Senators will see from the gift register that the Governor-General has only retained three items of the many that have been presented and she has purchased one. The one item that she has purchased fell over the \$1,000 threshold and she met the difference. In making the Governor-General's gift register available to the public, it is important to make clear, as will be seen when it is examined, that almost all of the gifts fall within the description of unique souvenirs of the countries often that she has visited.

Senator KROGER: The odd spear or two?

Mr Brady: Here is one of them. This is a caribou's head. The Governor-General receives many—

Senator FAULKNER: It looks pink from here.

Senator KROGER: What is it actually sitting on?

Mr Brady: That is just one. This one is called 'forbidden fruits'. It may be just as well that you don't zero in on it.

Senator KROGER: I do not know that we need to see that one.

Mr Brady: No, but it is indicative of the fact without identifying—

Senator FIFIELD: What is it actually?

Mr Brady: It is a very rare double coconut.

Senator FIFIELD: AQIS would have something to say about it.

Mr Brady: I guess it is a way of saying that a Governor-General receives a whole range of gifts. They all receive asset numbers. They are all audited. In fact, we had an ANAO audit recently which found that the gifts were held in good order, not just from this Governor-General but from her predecessors. The important thing is to ensure that the gift register and the gift policy is accountable and that our register is transparent. I have decided that this would be the right moment to effectively change perhaps the inhibition that has prevented the gift register from being released to release the current Governor-General's.

Senator KROGER: Firstly, may I commend you for that initiative. I think it is a very good thing to do. So you have established a protocol. Can you table that protocol?

Mr Brady: Yes.

Senator KROGER: That protocol as well as—

Mr Brady: The policy as well as the register.

Senator KROGER: And the register itself is from when?

Mr Brady: The register is from 8 September 2008, I think, when she took office. The part of your question that I have not yet addressed is the issue of discounts. With all due respect, I

have to say that that falls within the privacy area of the Governor-General. What you may be referring to, which was given some media airing, came within what I could only describe as a private or personal expenditure and that, of course, is not reflected in the gift register.

Senator KROGER: I am not suggesting that it's the one we are alluding to which was in the paper, but if your threshold is \$1,000 and something had been discounted to that effect, I presume then that would be in the register?

Mr Brady: The policy that we have is that, if items are valued at \$100 or less, they do not appear on the register.

Senator KROGER: Oh, \$100—sorry, I thought you said \$1,000.

Mr Brady: No, \$1,000 is the threshold by which the Governor-General is entitled to keep a gift. If her gift is valued at over \$1,000 the Governor-General can seek to retain the gift but to pay the difference.

Senator KROGER: I understand. Where are all these wonderful gifts stored?

Mr Brady: They are stored in a room at Government House which is under lock and key.

Senator KROGER: It must be a very big room.

Mr Brady: No, it is quite a smallish room but it goes to the ceiling.

Senator FAULKNER: In that room, Mr Brady, what would be the longest standing item that has been there for the longest period of time?

Senator KROGER: Not literally standing though.

Senator FAULKNER: That is why I used a more precise form of words to say what would be the item that you have had in the treasure trove for the longest period of time?

Mr Brady: I think I recall seeing a helmet given to Sir Paul Hasluck and I think there is something there from Lord Casey. There is a bit of exotica collected by Mr Hayden. These are items that governors-general on departure from office have elected not to retain and are left behind for the benefit of all Australians.

Senator FAULKNER: Sorry to interrupt but if I could ask one other question: is there capacity in the new guidelines for a decision to be made by the Governor-General for an appropriate item perhaps to be donated to charity, which is a commonplace provision, as I am sure you are aware, in similar protocols? And has that happened?

Mr Brady: I know it has happened in relation to the Governor-General donating her own personal items for auction which have raised money for charity. I know that within our guidelines gifts can be used at Government House or at Admiralty House or they can be offered to a national museum. In the guidelines it says:

Options for gifts received include: display in the house, houses or chancery; transfer to repositories of national collections including museums, galleries, libraries, archives; and special interest collections, educational community institutions; donate to a nominated non-profit organisation or charity at the discretion of the Governor-General and/or the Official Secretary; or to dispose in an appropriate manner by the office as determined by the Deputy Official Secretary and/or the Director of Corporate Services in consultation with the Official Secretary.

Senator FAULKNER: I note that certain ministers have utilised a similar provision from time to time.

Mr Brady: Where we find it a little awkward is that gifts given to any governor-general by heads of state or heads of government often come badged—

Senator FAULKNER: That is a very perspicacious point, Mr Brady, because so many of these things have inscriptions and the like, and judgment has to be exercised on whether the person providing the gift would think this is appropriate. Some of these things are done largely for form only; some are more personal in nature; some have inscriptions and the like. It is not a 'one size fits all' situation, is it?

Mr Brady: No, it is not. If I may come back to Senator Kroger, we have just tallied it up: on that gift register there are 175 gifts that the Governor-General has received officially, so I repeat she has retained three of them and she has purchased one.

Senator KROGER: My question was more in relation to museums and so on, but you have covered that in your protocol. That is all, chair. Thanks, Mr Brady.

CHAIR: There being no further questions for this area, thank you very much Mr Brady and officers for appearing before us and we will see you at the next round of estimates.

Proceedings suspended from 15:35 to 15:55

Department of the Prime Minister and Cabinet

CHAIR: I welcome back my colleagues. I also welcome Senator the Hon. Chris Evans, the Minister for Tertiary Education, Skills, Jobs and Workplace Relations, representing the Prime Minister; and officers of the department. We will be commencing with outcome 1, followed by the listed agencies. The committee will move to outcomes 2 and 3 later in the day.

Officers and senators are familiar with the rules of the Senate governing estimates hearings. If you need assistance, the secretariat has copies of the rules. I particularly draw the attention of witnesses to an order of the Senate of 13 May 2009 specifying the process by which a claim of public interest immunity should be raised. The committee has set Friday, 8 July 2011 as the date by which answers to questions on notice must be returned. Officers called upon for the first time to answer a question should state their name and position for the *Hansard* record, speak clearly into the microphone and have your nameplates at the front of the desk to assist Hansard and committee members. Minister, do you have an opening statement?

Senator Chris Evans: No, thank you, Madam Chair, but I think Mr Lewis has some arrangements he would like to clarify with you.

CHAIR: Mr Lewis, you have the call. Welcome.

Mr Lewis: Madam Chair, members of the committee, good afternoon. We are broken into three outputs in this department: output 1 is the department's core business, and 2 and 3 are the sport and arts functions. I have all of the senior officials here today, but I would just beg the indulgence of the committee to break off the sport and arts section, which comes up, I think, tomorrow evening, and allow Richard Eccles, who is the deputy secretary responsible for that area, to be excused now. Then he will come back tomorrow and handle that part of the proceedings.

CHAIR: That is fine.

Mr Lewis: The second thing is that, once we are done, once output 1 is done, I would like the other officers of the department to be excused. Richard will come back to make himself available for the hearing tomorrow into sport and arts.

CHAIR: Yes, that is understandable.

Mr Lewis: Are you happy with that?

CHAIR: Yes. Thank you, Mr Lewis.

Mr Lewis: Thank you. One other thing is that I am pleased to report that all of the questions on notice that were given to the department were answered on time, so that part of the proceedings is complete. There were two other questions that were asked of two of our portfolio agencies, and they now have been satisfactorily answered—I think as of 13 May.

CHAIR: Thank you very much. It is noted by the committee that questions on notice for the department have come back with responses, so thank you very much to your officers for that. Senator Payne.

Senator PAYNE: Thank you, Chair. Can I first seek some clarification, perhaps from the officers or perhaps from the minister at the table, about questions in relation to COAG and questions in relation to the COAG Reform Council. Is it your preference that they be separate or that the reform council representatives be at the table with your representatives, Mr Lewis? How have you planned it to work?

Mr Lewis: I think the arrangement would normally be to have the COAG Reform Council officers here separately. They are waiting outside—actually, they are waiting inside!—and, depending on the time frames, we would be happy for them to take the stand and we will wait until you have finished, depending on the wish of the chair.

CHAIR: If we can, we will deal first with program 1.1.1, Domestic policy, and Domestic Policy Group under that.

Senator PAYNE: Sure, I will start there, Madam Chair—

CHAIR: Start there and then we will move on.

Senator PAYNE: and then we can go on to the COAG Reform Council. I was just seeking that clarification. Thank you very much; I appreciate that. Let me start with the additional funding in the budget in relation to COAG, to the Department of the Prime Minister and Cabinet, to maintain support for the delivery of the COAG reform agenda. Could you advise me, please, how that \$1.6 million a year to PM&C is determined. Is it to be used for departmental staffing or is it directed to the COAG Reform Council or is it other direct COAG costs or other costs?

Mr Sterland: I am not responsible for the COAG function internally but will have a more oversight role for the portfolio budget statements, so it is probably best to start with me for that measure. The measure is for funding programs under staff mainly, under the department itself. It is about the departmental role in oversighting COAG and implementing the COAG reforms.

Senator PAYNE: Does any of it go to the COAG Reform Council?

Mr Sterland: No, none of it.

Senator PAYNE: Given the significant workload that COAG has and has been carrying, as I recall last year the budget gave an additional \$3.5 million to Treasury, to Finance and to DEEWR. Do they also have augmented funding in this budget that you are aware of?

Mr Sterland: I am not aware of any.

Senator PAYNE: Thank you very much for that. There are a number of areas that I wanted to follow up in terms of general questions and information which was provided in answers to questions on notice and in the context of our previous discussions. I start with one in relation to housing supply papers and the work of the Housing Supply and Affordability Reform Working Party. I think we were advised at the previous estimates that the time frame for finalising that work had been reconsidered to be finalised by the middle of this year. Can you advise me what progress has been made on that and when those papers would be finalised?

Mr Lewis: I might just ask Ms Cross and Mr English to field those questions.

Ms Cross: The time frame for that work remains the middle of this year.

Senator PAYNE: Do you have a date, Ms Cross?

Ms Cross: It will probably be brought to the next COAG meeting and the date for that has not yet been settled.

Senator PAYNE: That was a question I was going to ask you. So you cannot provide me with any assistance on the date for the next COAG meeting. Will those documents be publicly released, are you aware?

Ms Cross: That is a decision for COAG. There may be some reference to them in the communique, but that is a decision COAG would take.

Senator PAYNE: Has the information from that working party been previously publicly released?

Ms Cross: There has been work in progress, but nothing that has been publicly released or finalised.

Senator PAYNE: You are confident that that particular aspect of the working party's work is on time?

Ms Cross: As far as we are aware, but it is led by the Treasury portfolio rather than by PM&C.

Senator PAYNE: What inquiries do you make to determine the timeliness of that sort of work between meetings of COAG, which of course do not really adhere to any schedule other than, as far as we can tell, prime ministerial whim?

Ms Cross: At the last COAG meeting the Prime Minister indicated that there would be a mid-year COAG, so all officials involved in COAG work will have been working towards the middle of the year.

Senator PAYNE: Just to clarify that a little more, in the view of the government, does the middle of the year actually mean around the end of June?

Ms Cross: We would assume the middle of the year would be June-July—somewhere around that time.

Senator PAYNE: Okay. As long as it does not go to August-September. Similarly, I think we discussed on the last occasion the development assessment reform process, which is again under this working party, I think.

Mr English: That is actually part of the single national economy reform agenda being led by the Business Regulation and Competition Working Group.

Senator PAYNE: When the CRC reported on development assessment, I thought that COAG came back to the CRC—so the CRC did report on development assessment in its national partnership agreement to deliver a seamless national economy—that is correct, they did say that on page 12 of the summary—and they noted there were significant risks to the reform. The COAG response to that, as I read it, was to ask the Housing Supply and Affordability Reform Working Party to consider the merits of the remaining reforms as they relate to enhancing housing supply and affordability. So I envisaged that work to be undertaken by that working party. Is that not correct, Mr English?

Mr English: No, apologies, there are now in effect two elements to the work: the finalisation of the existing development assessment reform agenda which is within the SNE framework; and then the identification of a future reform agenda, which you are quite right is now a request of that housing working group process.

Senator PAYNE: Can you tell me what the status of that work within the Housing Supply and Affordability Reform Working Party is into those DA reforms?

Mr English: The range of reforms being proposed in that agenda are still under negotiation with the states and territories and the Commonwealth obviously. I would need to get some further advice about the precise nature of the proposition currently being considered by that group. The agenda is not yet finalised so it will be a matter for that group to work up for the next COAG meeting.

Senator PAYNE: When you say the agenda has not been finalised, do you mean the COAG agenda is not finalised?

Mr English: No, the reform agenda for the housing work, to my understanding, is still being discussed across the states and territories and the Commonwealth, and that would be one of the elements of it. I would need to get further advice if there was to be any more detail about that reform and, to be honest, we probably would not be able to give you a concrete proposition in that space until the work has finished.

Senator PAYNE: The CRC says in that performance report for the seamless national economy that I referred to earlier that there are significant risks to that reform, so that would seem to me to be a red flag for the issues in this area. If you can tell me—if not now, then if you can find out for me—what the status of that review into the development assessment reforms is; what the new timeframe for completion of those reforms is in light of the comments by the CRC and the timeline for the ongoing review. Can you tell me also following the Productivity Commission's report which was released recently on planning, zoning and development assessments, will this process be reconsidered in any way in light of the Productivity Commission's findings or is it set in stone as it currently stands?

Mr English: I think that question is probably best put to the Treasury who are convening that process and working with the states closely. PM&C has some engagement, as you have pointed out before, to keep track of where all the processes leading towards the COAG are,

but Treasury have the lead on this. I am certainly happy to take on notice if there is anything remaining after you get the evidence from Treasury I suspect might be the better way, because Treasury will be able to talk to you about the major considerations that they are taking into that working group.

Senator PAYNE: As a senior official though, Mr English, do you have an informed perspective on whether a report of the significance of the one brought down by the Productivity Commission is capable in objective terms of influencing the COAG process in an area as important as this for housing affordability; or is the process so entrenched and so insular to COAG that it is not impacted by a report like that of the Productivity Commission?

Mr English: No, as a senior official I would expect both the Treasury and the states and territories to seriously consider the recommendations of the Productivity Commission and to determine whether they give insight or options that we should be taking forward. I think you would find that COAG work across the board is, as a rule, cognisant of the work that the PC does amongst other experts. So in principle I would be expecting that work to have some influence, but in practice I am not in possession of that material.

Senator PAYNE: I understand that. Thank you very much for that clarification, Mr English. If you could come back to me with that information that would be very helpful in terms of the timing and time frames that I asked about. We also discussed on the previous occasion the review intention in relation to payroll tax and directors' liability reforms. I am not sure if that was with you or with someone else, but it was flagged for the middle of this year. Has that review been completed or is it close to completion?

Mr English: I think that sort of detail through the single national economy reform agenda would best be put to the department of finance, who are coordinating the BRC working group as part of their support of the Commonwealth minister who is chair of that group.

Senator PAYNE: I think that if you were not then perhaps Dr de Brouwer was able to assist me with answers on the previous occasion. We did in fact discuss what the minister described at the time as a 'well established tactical response', which is 'Go talk to finance, they will send you to Treasury and then you can come back here.'

Senator Evans: I am sure I only did that to deny that that would ever occur.

Senator PAYNE: You did say, 'It is a well established tactical response.'

Senator Evans: I did do 12 years of opposition questioning, Senator.

Senator PAYNE: I thought it was your skills as a former shadow defence minister!

Ms Cross: We may have been able to answer the question a bit more fully last time because the hearing was shortly after a COAG meeting where there had just been a report to COAG on progress with the reforms. At this point, we are just signalling that the department of finance would be more up to date on the progress of all of the individual elements of the seamless national economy.

Senator PAYNE: So you cannot tell me whether any other jurisdictions have introduced or passed legislation in relation to that?

Ms Cross: Again, I think that would be best directed to the department of finance. Or we can take it on notice.

Senator PAYNE: I might put some questions in relation to that on notice and also pursue them with finance, probably on notice as well. You make an interesting point in terms of this department's capacity to respond to questions in this area. In general, it relies on a recent COAG meeting, does it? That is going to put us all into terrible trouble if that is the case.

Ms Cross: If we are not directly responsible for the policy area then we would normally refer you to the relevant department. I was merely saying that when you last asked questions there had been a very recent COAG decision, we had all been present at the COAG meeting and we were therefore able to answer your questions.

Senator PAYNE: Does the same go for legal profession reforms?

Mr English: Yes, I think the work is being coordinated by both the department of finance and the Attorney-General's Department, which I understand is leading the intergovernmental work to define that reform agenda.

Senator PAYNE: Do you know what the status of the draft IGA is in this case, Mr English?

Mr English: No, I am not personally aware of that. I would need to consult with one of those two agencies.

Senator PAYNE: So when it comes to putting forward a COAG agenda for the Prime Minister and updating the status of the reform processes across government, what role does the Department of Prime Minister and Cabinet have? Or do you just hope that everyone else will turn up with the information on the day?

Ms Cross: We are certainly involved in working with other departments to prepare all of the necessary paperwork. As part of that process we work through the agenda with those departments. Then if there are meetings with senior officials from other premier's departments, they are led by the Department of the Prime Minister and Cabinet. Those meetings take place in the lead-up to a COAG meeting.

Senator PAYNE: There is an awful lot sitting in the time frame for mid-2011—the June-July period that we have discussed—plus a potential COAG meeting for mid-2011 as well, and here we are on 23 May, which is not a long way from mid-2011. What status does your department give to preparation of the agenda and knowing where these things are actually up to? Would you ask two weeks before the planned meeting and hope to heaven that they are on track? I might add that they have not been on track in the past.

Ms Cross: We were just discussing whether there is any report that is required for COAG in the middle of the year on the seamless national economy. There is a report back on the future reform agenda; I would need to check whether there is actually a report back on the measures which were considered in February.

Senator PAYNE: At least in relation to the legal profession reforms I think that COAG has said that the working group:

... will bring forward, for COAG's consideration by 30 June 2011, amended Implementation Plan milestones to clarify the final 2010-11 milestone and outline any further actions required to implement this reform.

Does that mean that COAG is expecting to do something with that in the middle of this year or not?

Ms Cross: I think that suggests there will be a report back to COAG.

Senator PAYNE: That is what I thought it might suggest. But we do not know where it is up to? I am interested in getting a better understanding of how you ensure that things are actually on time and going to report back when agreed. It is not like we have not seen things delayed in recent years. What approach does your department take to ensure the timeliness of the working groups, whether they are in Treasury or Finance or Attorney-General's? We are six weeks from the middle of the year, and the middle of the year is lit up in lights for me through a number of these processes, and I am not persuaded by our discussion so far that it will necessarily be on time for that date.

Ms Cross: We have a COAG unit that stays in touch with all of the departments which are responsible for different pieces of work coming back to COAG. They monitor and track that, and as the meeting approaches they make sure, through the senior officials, that papers are brought forward in accordance with previous decisions by COAG. So there is a process that follows up on all of those matters. Mr English and I were just saying that as we do not have carriage of those things, and as the meeting date has not yet been settled, we cannot take those questions of detail unless we take them on notice. If you spoke to the relevant department—either Attorney-General's or Finance—they would readily be able to answer those questions.

Senator PAYNE: I cannot speak to the COAG unit in PM&C?

Ms Cross: The COAG unit comes under my area, and previously under Mr English's area.

Senator PAYNE: I had kind of hoped that in speaking to you that the sort of advice that the COAG unit obviously has would be able to be made available to this committee.

Senator CORMANN: That is really the point, is not it?

Senator PAYNE: Yes, I think Senator Cormann is correct; isn't that really the point?

Ms Cross: I think it is simply a question of the degree of detail on individual reform items within the seamless national economy. As I said, we are not at the stage of the COAG process where we have that information readily at hand, but the relevant departments could. Or we can take that on notice and endeavour to get you a response.

Senator PAYNE: I have to say that this is not the first time, and one suspects that it will not be the last, that I have asked questions of this nature with this particular responsibility in the parliament, and so it is not unusual for me to seek this sort of information. I assumed, given that the advertised program for COAG was for a middle-of-the-year meeting—so we are probably between six and eight weeks away from that—that it would be reasonable for me to be expected to ask these questions. I have asked them consistently both in the hearings and on notice over an extended period of time. Do I have to, perhaps, make a specific request to have more representatives of the COAG unit within PM&C appear to try to get further detail?

Senator Chris Evans: Perhaps I could help here. I have two things to say. Firstly, I think there is probably more a devolution of authority and activity than perhaps your questions reflect in the sense that my department and I are running a series of issues as part of the COAG reform agenda—occupational health and safety standardisation, VET regulation reform, et cetera. We end up, through the ministerial council, sort of running those agendas and dealing with state ministers et cetera and then that comes back into the central agency in a sense of preparation for the first ministers COAGs, but the work is done between me and the state ministers as we pursue those agendas. There are obviously linkages into PM&C but we

tend to run that agenda and have ministerial council meetings and pursue those issues. As I say, harmonisation of occupational health and safety legislation is something I am dealing with the state ministers on and we are progressing through those issues, but no doubt we report back into the central sort of COAG machinery in the lead-up to first ministers meetings et cetera.

Secondly, I think it is fair enough for you to make the point that, as a senator with responsibilities for the opposition in this area, you probably have more interest than most in the subject matter, although Senator Cormann—

Senator PAYNE: My colleagues are very interested.

Senator Chris Evans: was showing deep interest. I think it is reasonable for us to come prepared next time with a bit more of an update where we are at with some of that stuff. That will require PM&C to prepare a brief for your more general interest, but I do not think that is unreasonable. It might take on board the fact that we will have to do it either here or when we take questions on notice. I always think it is better to do it here. I suspect it is less work than responding to the questions on notice. I think it is a reasonable point. We will see if we can try to pull together a bit of a brief on what is going on so the officers at the table are able to be more helpful with things that perhaps they not engaged with on a day-to-day basis.

Senator PAYNE: I do appreciate that undertaking, Minister. I appreciate it very much.

Senator Chris Evans: I have to remember to say, 'Can I have a parliamentary question and answer, a PPQ, prepared,' because when you suddenly jump up in the Senate and ask me about how all that is going I am generally a little underprepared, as you have noted, because it is not on my agenda every day of the week either.

Senator PAYNE: It is not something I understand. I am sure it is on your agenda every day. I am sure the department will prepare you well for that. As I said, I do appreciate that undertaking. I want to ask a question about the general reporting process and another comment in relation to some work of the CRC on the seamless national economy NPA. The accountability task is often confused by the timing of milestones—'milestones' seems to me to be a very COAG word. You will have milestones at the very beginning of a reporting period with a 1 July deadline for the commencement of a new scheme and the calendar does not quite work in the reporting process. I think the CRC has observed that such milestones could be framed as due on 30 June in the previous period so they were assessable a year earlier. It is the view of the council that that would improve public accountability. The items they have noted in that regard are: health workforce, trade measurements, standard business reporting and food in particular. Is that being considered as an approach from COAG so that it does provide the capacity for assessment of the previous financial year rather than a delay in the oversight process?

Ms Cross: I think as a general observation we think that is a useful recommendation from the COAG Reform Council and something that should be taken into account when framing milestones in future. Obviously, we have to look at the availability of data and other issues when setting those milestones, but we think that is worth looking into.

Senator PAYNE: How will you disseminate that view, Ms Cross? Is it disseminated from your unit across departments or is it actually done at a first ministers type COAG meeting in a formal way?

Ms Cross: There are normally officials groups set up to establish new agreements or to review existing agreements. That is the sort of issue that would be taken up in that forum in the first instance and any recommendations from those groups would go to first ministers.

Senator PAYNE: Okay. Is it possible to ask you a question here derived out of the COAG communique from this year's meeting—is this where I should ask it?

Ms Cross: Yes.

Senator PAYNE: I know that, in acknowledgement of some of the progress that was made in relation to the seamless national economy reforms, the communique said:

... COAG agreed to bring forward its final completion date from June 2013 to December 2012.

Given the high priority all governments attach to boosting productivity and the competitiveness of the economy, COAG asked relevant ministers and officials for options to be developed for a further wave of regulatory and competition reforms. COAG will consider the options later in 2011.

Is it possible to give the committee some idea of the status of that development? Is it underway or will it start from the next COAG meeting, or is it planned to be part of the agenda for that COAG meeting?

Ms Cross: The work is certainly already underway, looking both at what some of the future competition reforms might be and separately at what some of the regulatory reforms might be, and then those two processes will come together with some advice to COAG later in the year.

Senator PAYNE: Not for the mid-year meeting?

Ms Cross: It is possible there will be a progress report in the middle of the year.

Senator PAYNE: Can I go to that Productivity Commission report on the planning, zoning and development assessment processes. Is that policy area part of the competition reform consideration?

Ms Cross: Sorry, the planning?

Senator PAYNE: The planning, zoning and DA processes. Does that fall into the competition reform area in the context of this discussion or is it over in housing supply and affordability?

Mr English: There is potential for both processes to look into that. I think at the moment we expect that the housing reform agenda would be the primary place that work would be pursued, but that may have implications for the agenda that is determined for the second wave of the single, national economy reforms if COAG decides to join those processes down the track. I would expect in the first instance the next consideration of that matter to come out of the housing reform agenda.

Senator PAYNE: Okay. Is this an appropriate place to ask further questions about that in the future, Mr English, or would you like to send me elsewhere?

Senator Chris Evans: One was a question of fact; one was a question of opinion!

Senator PAYNE: Yes, that is true.

Senator Chris Evans: He might say yes to both!

Senator PAYNE: But I am sure Mr English is a gentleman, Minister.

Mr English: Certainly we would be prepared to deal with questions that come out of that work for the COAG agenda. I think progress on the reform in development and planning approval work is likely to be the responsibility going forward of the department of—we'll get the title wrong, but the Environment—

Senator PAYNE: SEWPaC.

Mr English: Yes, SEWPaC.

Senator PAYNE: We love that!

Mr English: I suspect they would be more able to help with detail on those reform agendas once they are taken up by COAG, if they are.

Senator PAYNE: Okay. I want to come back to a question we discussed on the last occasion in the reform of the standing structures of COAG—working groups, select councils, standing councils and so on. I asked some questions on the previous occasion in relation to the Indigenous council in particular and you provided me with some answers to questions on notice PM17 and PM18 about that. Is the government still maintaining its position that any potentially outstanding work in relation to the Indigenous area will be handed over to a working group rather than having a standing council established?

Ms Cross: I think the response we gave last time was that all of the standing councils will have core responsibility for Indigenous issues within their area, which is a sort of mainstreaming of Indigenous policy responsibilities. In addition to that, the Working Group on Indigenous Reform will continue.

Senator PAYNE: You did say that. You said 'standing councils will ensure that Indigenous matters are considered as appropriate within their work program'. How will that be managed? Can you give me any idea?

Ms Cross: We are in the process of finalising the terms of reference and the work programs for all the standing councils and select councils. As part of that, consideration is being given to the relevant Indigenous policy issues and how they might be picked up by those new councils. That will be part of the new arrangements that start from 1 July.

Senator PAYNE: How are those terms of reference and work plans to be agreed?

Ms Cross: They will be agreed by COAG.

Senator PAYNE: Before 1 July?

Ms Cross: That is the intention.

Senator PAYNE: Will they be agreed by a COAG meeting or out of session?

Ms Cross: It depends on the timing of the meeting. It could be either.

Senator PAYNE: With regard to the determination of the terms of reference and the work plans—the subject matter of those—and the extent to which they are focused on Indigenous matters, does FaHCSIA as a department with policy responsibility in this area have a significant input to that process?

Ms Cross: Yes, and it will all go through a cabinet process that it will be viewed from a whole-of-government perspective.

Senator PAYNE: But can you indicate to the committee that those terms of reference and those work plans will be agreed before 1 July?

Ms Cross: That is the intention.

Senator PAYNE: Is there any likelihood that that will not happen?

Ms Cross: Not that I am aware of, but they are subject to agreement with states and territories, so there is a process that needs to be gone through.

Senator PAYNE: Are they already with the states and territories for consideration, or have they not yet been distributed?

Ms Cross: There is a commonwealth-state transition work group that has been working on the terms of reference and work programs, and that work is progressing.

Senator PAYNE: Does it have a standing brief to include matters related to Indigenous affairs—that transitional working group?

Ms Cross: Certainly that is part of what the group is looking at in finalising the terms of reference.

Senator PAYNE: Is FaHCSIA represented on that?

Ms Cross: No, it is a process between premiers' departments and the central agencies in the Commonwealth.

Senator Chris Evans: The ministers have been engaged, and then I have been engaged, with Ms Macklin and others about this issue and others. How we best manage it has certainly been actively considered. It was in the educational issues of my portfolio. It is a huge issue and consideration for us.

Senator PAYNE: In answer to PM17, from additional estimates, it said that the working group on Indigenous reform will oversee the COAG Indigenous reform agenda. Does the working group have particular tasks to attend to, and then will it wind up or continue operation to coordinate Indigenous matters across the COAG council?

Ms Cross: At this stage there is a plan for it to continue its work in this area. Obviously most working groups will have some sort of review point where that is reconsidered, but the decision was that COAG was to continue that working group.

Senator PAYNE: Is there a point in time at which that is intended to be reconsidered?

Ms Cross: I would have to take that on notice.

Senator PAYNE: Would you do that.

Ms Cross: With most of these groups a review point is built in to their terms of reference.

Senator PAYNE: The answer to PM18 indicated that the chair of MCATSIA will basically oversee the determination of how the council's work can be completed or handed to another council by the end of this year. Are you able to indicate what sort of work remains outstanding? Does it have a large agenda?

Ms Cross: I can confirm that that will happen in June, rather than at the end of the year. Again, I think that if you look at the range of work that MCATSIA has been doing, there will be some work that needs to be handed over to officials or the Working Group on Indigenous Reform or a relevant ministerial council. Again, a process is underway with the chairs of all the committees that are ceasing, to make sure that that is managed in an orderly way. So there is a process underway with each chair to go through their work program and work out the transition arrangements. Again, that will be finalised by 30 June.

Senator PAYNE: Thank you very much. Madam Chair, I have some questions for the COAG Reform Council, which I would like to go to now, if I may. I am not sure whether Senator Cormann wanted to jump in there?

Senator CORMANN: I am quite happy for Senator Payne to finish off all her questions as long as I can go back to domestic policy across the board, including some COAG related matters, after that.

CHAIR: Thank you very much, Ms Cross and Mr English.

[16:36]

Senator PAYNE: Thank you very much, Madam Chair, and thank you very much to the officers of the COAG Reform Council for appearing. This seems to have been a long process but, nevertheless, it is nice to see you here. The work of the COAG Reform Council—which seems to me, as an objective observer, extraordinarily complex and extraordinarily in-depth—is very much valued by those of us who are interested in and engaged in this process. I know that Senator Evans reads the reports regularly and in-depth, because I ask him about them in the chamber. They are very commendable pieces of work and very important in the reform process.

I have prepared some questions for the reform council today which are aligned with some of my questions to the COAG representatives from PM&C, so if we start to move across the same theme areas you will appreciate that that might be why. I have indicated to my colleagues to not take any more than an hour, in total, so this will not take that long.

There has been quite some delay in the development of the papers attached to the work of the housing supply and affordability reform working party. I am sure it is a subject area to which the reform council turns its mind. Can you give, for the committee, any assessment of your perspective on how that impacts on the time frames and the effectiveness of the reforms under the COAG process when there is a lag time in the reporting and in the reform process?

Ms O'Loughlin: We receive the information from COAG when it is available, so what is available for our reports is what we assess against. So we do not have a judgment, if I can put it like that, about whether it is impacting on the reform of the time. We assess the reform information for the reporting period that falls under either our national agreement or national partnership.

Senator PAYNE: Although in your work, Ms O'Loughlin, the council does comment on timeliness, often. Across a whole range of subject matters, it comments on timeliness and the effectiveness of the information with which you are provided and the impacts that you perceive it has. You comment on those in your reports, do you not?

Ms O'Loughlin: The council comments when we have a role to report against a performance indicator or a milestone. When, say, the performance indicator has data attached to it and we cannot get timely data for reporting against that performance indicator, then the council comments that given we are an annual reporting body it is essential to have up-to-date and readily available data for reporting against the performance indicator, for good public accountability.

Senator PAYNE: I spoke to the officers previously about the development assessment reform process, amongst other things. I think the CRC's report on the seamless national

economy commented quite specifically—in fact, I referred to it before—on significant risks to that reform process. Your report says:

The National Partnership implementation plan only presents a partial and mainly process-orientated picture of governments' agreement towards achieving the five project streams ...

You went on to say:

... the electronic development assessment initiative faces major technical and resourcing issues.

I did discuss this in part with the officers and we will come back to it on questions in notice but, when COAG considered your report, the response was to ask the housing affordability working group to report back by the middle of this year—again a very important time—with recommendations about forming a more cohesive approach in that space. Is that the sort of response that the reform council seeks to elicit or are you looking for more responses or a different response?

Ms O'Loughlin: I will refer to my colleague Mr Paul Elton who is in charge of the seamless national economy under the council.

Mr Elton: Yes, that is the sort of response that we would be looking for. That matter and three others were matters where COAG accepted the council's recommendation to seek further advice on what could be done to address risks identified in relation to those reform streams. The key outcome from our point of view is to see that advice reflected in a revised implementation plan for the seamless national economy agreement and the implementation plan is required to be updated every year under the agreement. That is what we would be looking for and that would become the basis for our assessment in next year's report.

Senator PAYNE: Do you see the time frames that are established for this particular reform area and particularly around the development assessment issue which are—'contentious' is probably the wrong word—but which have achieved a degree of notoriety, I suppose. Do you see those time frames being at any risk at the moment between the jurisdictions?

Mr Elton: We would not have any information available to us to assess whether those are at risk or not. All we know is that COAG has set those deadlines and those deadlines were consistent with what our council recommended in its report, so we would be hoping to see that those deadlines were met.

Senator PAYNE: When are you next due to report in that particular area?

Mr Elton: Our next report is due to COAG at the end of this calendar year and then would be released publicly in February next year.

Senator PAYNE: And the public release is within your hands isn't it? It is not within the government's hands.

Mr Elton: That is the view that our council has taken. They have chosen to release reports within one to two months after they are submitted to COAG. The rationale for that is to allow governments a reasonable period to formulate their responses to the council's reports.

Senator PAYNE: Thank you. I wanted to ask a question around some of the observations in that report on the electronic development assessment initiative. You mentioned resourcing issues and technical issues. Do you mean in that context resourcing from the jurisdictions or from councils? What is the context in which you make that observation?

Mr Elton: Those observations were largely drawn from the advice that governments themselves have given to us. The way this process works is that the governments give us progress reports by the end of September each year. In those reports in relation to that reform stream some of the governments identified resourcing issues.

Senator PAYNE: By that do they mean they are not resourcing it enough or is it a different issue?

Mr Elton: I am not sure that we always know the answer to those questions. If you wanted me to elaborate on what those technical resourcing issues were I would need to go back and probably take that question on notice.

Senator PAYNE: If you would, I would be grateful. Thank you very much. Then if that leads you to being able to provide the committee with information on how that resourcing should be derived because of what they have said to you, I would be interested in that as well.

Mr Elton: Okay.

Senator PAYNE: The next area I wanted to ask you about was in relation to the payroll tax and directors liability reforms. I want to find Mr McClintock's speech, which serves as a very useful tick-the-box commentary on where things are up to. On page 3 of his speech to CEDA in March Mr McClintock makes observations in relation to these reform areas. In the last estimates discussion the directors' liability reforms had reached the stage of the jurisdictions introducing legislation. Is that your understanding?

Mr Elton: The deadlines set in the implementation plan for implementation of the legislation I recall was December 2010, so that falls within the current financial year and will be a matter we will be assessing in our next report.

Senator PAYNE: In your consideration of that will you potentially look at the fact that the review of the question of uniformity is potentially being undertaken after the introduction of legislation and the potential conflict that that sets up?

Mr Elton: I think so, yes. In the council's last report we found that, whilst significant steps had been taken, including the agreement through the COAG processes on the principles and that individual jurisdictions had completed audits and prepared implementation plans, we nevertheless expressed some concerns about whether a consistent principles based approach would be achieved nationally and so recommended that COAG look at that. So in next year assessing this matter we will reappraise those matters as well as look at any legislative amendments that have been made this year.

Senator PAYNE: So you will start that assessment from 1 July this year?

Mr Elton: That is correct.

Senator PAYNE: Looking at the previous financial year?

Mr Elton: Yes.

Senator PAYNE: When would you expect that report to be produced?

Mr Elton: As I explained before, it is all part of the same report—

Senator PAYNE: That is at the end of the calendar year as well?

Mr Elton: Yes.

Senator PAYNE: Another area which Mr McClintock and the council reports have commented on is the national legal profession reforms. Mr McClintock has commented on that in both reports and publicly. Is that one which you are currently examining or is that for the end of the financial year as well?

Mr Elton: Yes, that is on the same timetable. That is part of the seamless national economy agreement as well. I should clarify: it is a new, additional reform stream which COAG asked us to also report on through the same reporting mechanism.

Senator PAYNE: You have received COAG responses to your reports and in this case it notes your identification of the risks regarding the proposed legal profession reforms, which were quite considerable in terms of lack of consistency between the states, the funding challenges associated with the IGA seeming to slow its processes, and issues around a number of state governments' views. The government's response was:

COAG ... agrees that BRCWG will bring forward, for COAG's consideration by 30 June 2011, amended Implementation Plan milestones to clarify the final 2010-11 milestone and outline any further actions required to implement this reform.

Does that have the degree of specificity, the degree of detail, that you would expect to address the concerns that have been raised in your report?

Mr Elton: Yes. At the time that COAG issued its response to our report, that was sufficient detail from our point of view. What matters further then, of course, is what detail is included in the implementation plan which, as I mentioned before, is what we are expecting to see by the middle of this year.

Senator PAYNE: You probably heard me ask some questions about the timing of the reporting dates of 1 July and 30 June conflict that sometimes pushes you out into the next year. I note that you have said in your reports that that was relevant in areas such as health, workforce, trade measurement, the standard business reporting and food. Are you confident that the point that you have made in those reports has been and will be taken up by governments to change that process?

Mr Elton: Yes, I am confident.

Senator PAYNE: I know it is very broad but, nevertheless, are there any other parts of the COAG agenda that you see falling into that same timing trap?

Mr Elton: I do not believe we have seen that particular style of construction of a milestone in any of the other agreements.

Senator PAYNE: I do not know whether you have commented in this way in your reports. I do not recall reading a specific comment about it, but would it be something that the CRC would say should be closely examined across the NPAs and across other IGAs to ensure that problem is not replicated?

Ms O'Loughlin: The only case where we would look at that is if we found there were examples elsewhere. I am trying to run through the agreements and the national partnerships in my head and I cannot think of another example. If we did find there were examples where that was more of a general problem that went across agreements, the council could consider that in the context of its annual report on the COAG reform agenda, where it brings together views about the performance reporting framework that goes across agreements.

Senator PAYNE: Could I get some clarification for the committee about how the CRC receives the information that it deals with? You obviously receives substantial information from the Commonwealth. Do you also receive separate information from the state and territory jurisdictions?

Ms O'Loughlin: It goes to each agreement or which national partnership you are talking about. They vary quite a lot. Are you still talking about the seamless national economy?

Senator PAYNE: No, just broadly.

Ms O'Loughlin: If I may take it in some sets of agreements. The six national agreements that we report against which go across health, education, workforce, skills, Indigenous reform, housing and disability are six big national agreements. The Intergovernmental Agreement on Federal Financial Relations sets out how we get most of the information for those reports in that they are set against quantitative performance indicators. So we get the data against those performance indicators from the Steering Committee for the Review of Government Services Provision, the secretariat of which is in the Productivity Commission. That steering committee is a cross-jurisdictional steering committee, which means that the data that they get—whether from the Australian Bureau of Statistics or the Australian Bureau of Health and Welfare—is collated. They give reports to the council for each of those agreements and they also give us advice about whether, in their view, the data is robust enough for reporting, for example, small jurisdiction. For that set of agreements it is very clear where we get the information from.

For the national partnerships it varies national partnership by national partnership. Some of them are very similar to the national agreements in that they have quantitative performance indicators and we get the data through the Steering Committee for the Review of Government Services Provision, just like the national agreements. In other cases, and Mr Elton was talking about the seamless national economy, we get the information from the jurisdictions in the first instance through their reports to us. We will supplement that information through desktop research—just looking at what is available publicly. Then, if I may go to the third area of agreement, which is the city's area, where there is another body of work; the information for that is very similar to the seamless national economy. We get the first batch of information from the jurisdictions themselves and then we also supplement that with information that is publicly available.

Senator PAYNE: If you thought that a jurisdiction or an agency was providing you with inadequate information you would be able to raise that through PM&C—or how would you pursue that?

Ms O'Loughlin: In the case of the national agreements, the data comes from the Australian Bureau of Statistics, or the Australian Institute of Health and Welfare or the Australian Council for Educational Research. Those bodies collect the administrative data or the survey data, in which case they are the source of that data and they are not something that the jurisdictions have any influence on, if I can put it like that.

In other areas of the seamless national economy—say, the cities work—where we are reliant on the self reporting of jurisdictions, it is up to us to assess if we have enough information. We often go back to the states and territories and say, 'You have given us this, but we would

like to follow up with some other questions to make sure that we think we have got enough information to assess and report against'.

Senator PAYNE: Thank you, I do appreciate that clarification. There was one specific recommendation—recommendation 4—in relation to the deregulation priorities from the last National Partnership Agreement to Deliver a Seamless National Economy performance report. I think the council's recommendation was quite explicitly that the working group bring forward updated implementation plans before 31 March this year so that COAG could approve by 30 June this year. There are a number of areas in that: the stage 2 of the payroll tax reforms, any additional revised milestones agreed by COAG, some jurisdictional accountabilities and some other deadlines. But I think that the government's response was not to do that until 30 June. Does that give you any problems with reporting on those reforms?

Mr Elton: The COAG response, I believe, was couched in terms of it being brought forward so it could be considered by COAG by 30 June, and that is consistent—

Senator PAYNE: So that would meet that 31 March time frame?

Mr Elton: If that took place, then yes.

Senator PAYNE: But you will not know whether they did until—

Mr Elton: Indeed.

Senator PAYNE: It is a very extended process and time frames that you work within. I cannot imagine it is easy—but that is all right! Thank you.

I just want to finish with one question around the Indigenous affairs area, which I have asked of the department today and on a previous occasion. As you would be aware, in the restructuring Indigenous affairs did not end up with a council as such. I think that previous reports of the CRC which I have read have had to consider areas in relation to Indigenous affairs, whether they be health reporting, education reporting or those sorts of issues. You have commented quite explicitly on the challenges of obtaining data and information for adequate reporting, in your view. Given the very much cross-portfolio approach taken to Indigenous affairs these days, have you given any thought to how the lack of a specific and dedicated Indigenous affairs council at the COAG level will impact on the coordination and implementation of what are very significant Indigenous reforms?

Ms O'Loughlin: For the council, it is in the receipt of the data on Indigenous issues. You are quite right; the council has raised issues around Indigenous data: the collection of it, the timeliness of it and a number of those issues around adequacy of the data which is available. But those are the issues which the council is concerned about. How COAG works out how to do its Indigenous relationships across its states and territories and its ministerial councils is an issue for the jurisdictions. It is not one for the council. Having said that, we are very aware that it is a difficult area for data collation and for the adequacy of the data. If the council found that the data were less timely, less adequate, then the council would comment on that in its reports.

Senator PAYNE: When are you next due to report in that policy area?

Ms O'Loughlin: We report on the national agreement on Indigenous reform on 9 June. We are publicly releasing that report. The report has gone to COAG and it is to be publicly released on 9 June.

Senator PAYNE: What would be the due time of the next report?

Ms O'Loughlin: They are annual, so it would be next June.

Senator PAYNE: That would give you an opportunity to experience, for want of a better word, the changed arrangements and to report in that context.

Ms O'Loughlin: Yes, but those arrangements may or may not impact upon our work.

Senator PAYNE: No, they might not. I understand that.

Ms O'Loughlin: We may not know if they are the source of any good or bad issues around the data. We would still just go to, 'We have problems, perhaps, with the data's timeliness.'

Senator PAYNE: Thank you very much, Ms O'Loughlin, and I thank the CRC for appearing this afternoon. It is very helpful to the consideration of the estimates.

CHAIR: Thank you very much. Senator Cormann.

Senator CORMANN: I have a series of questions of officers that provided advice to the Prime Minister on the mining tax deal that was entered into in July last year—including whether or not and when this is going to be dealt with at COAG. First up, I assume that PM&C did provide advice to the Prime Minister before she signed, along with the Treasurer and the Minister for Resources and Energy, the so-called MRRT heads of agreement with BHP Billiton, Rio and Xstrata?

Mr English: We provided advice to government on a range of matters around the minerals resource tax arrangements in 2010. So at various times we have, yes.

Senator CORMANN: So the answer is yes.

Mr English: I am not confirming a particular briefing at a particular time; I am just saying that we have supported, as best we can, the Prime Minister on this matter.

Senator CORMANN: Let's establish this upfront, because we have had these discussions in the past. We have established that the existence of advice can be confirmed. You might have some issues about revealing the content of advice. While we might have a discussion about that, that is a different matter altogether. You have in the past answered questions on a whole range of policy matters on the question of whether you have provided advice and when you have provided advice. My very specific question is for you to confirm that the Prime Minister's department provided advice to the Prime Minister in relation to the proposed mining tax deal before the Prime Minister decided to sign on the dotted line along with the Treasurer and the Minister for Resources and Energy.

Mr English: On that occasion, the advice was provided to the Prime Minister by the Treasurer.

Senator CORMANN: So the Prime Minister received advice from the Treasurer, not from her own department.

Mr English: On that occasion, yes.

Senator Chris Evans: Could you be a little more specific, because you have talked about the deal and what have you—just for the officer's sake so he is clear on what he is answering.

Senator CORMANN: I think the officers know what I am talking about.

Senator Chris Evans: In terms of the *Hansard*.

Senator CORMANN: I am talking about the heads of agreement that was announced on 2 July 2010 by the Prime Minister together with the Treasurer and the Minister for Resources and Energy, and I think the officer is well aware. Was the Department of the Prime Minister and Cabinet aware at the time when the Prime Minister signed the deal that Western Australia was considering increasing its iron ore royalties on fines, as they have now announced in the budget, effective 1 July 2012?

Mr English: I would have to take on notice the timing at which that change to the royalty regime was provided to the department.

Senator CORMANN: To the Department of the Prime Minister and Cabinet .

Mr English: Yes. I am not personally aware of the date.

Senator CORMANN: So you did become aware at some point but you are not able to tell us whether you became aware before the deal was signed or after the deal was signed.

Mr English: Certainly we are aware as a result of the announcement. I would need to go back and check the record.

Senator CORMANN: What are you aware of exactly?

Senator CHRIS EVANS: I think the officer is saying that he is not confirming that the department were advised prior to the budget announcement by the WA Premier, but he will take it on notice.

Senator CORMANN: You are saying that you were not aware prior to the budget announcement by the WA state government last week?

Mr English: I personally cannot recall this detailed announcement that they have now made. Whether that advice has been provided to us previously—

Senator CORMANN: You say you are not aware of this detailed announcement they have now made; were you aware, at the time that this discussion took place on the heads of agreement on the MRRT and expanded PRRT, that the Western Australian state government was considering increasing royalties on iron ore finds by 1 July 2012.

Mr English: That is a question of fact that I would need to test.

Senator CORMANN: I grant you that. I understand because it is a year ago. But there is a significant difference between you saying you only became aware of it last week and saying that you have to check whether you were aware of it back 12 months ago.

Senator CHRIS EVANS: I think the officer said earlier that he would need to check the knowledge of the department that you seek—he will have to take on notice whether the department had knowledge from the Western Australian government of any intention. That is what he will take on notice. If the suggestion is that the WA government provided some advice to PM&C or the federal government that they were considering that royalty increase, the officer will take that question on notice and provide you with an answer.

Senator CORMANN: I just want PM&C to say very clearly to us today that they did not know before 2 July. You can tell us categorically that you have no recollection right now that the Western Australian state government was considering increasing its iron ore royalties on finds before the Prime Minister signed the deal on 2 July.

Mr English: I would have to take that on notice.

Senator CORMANN: So you cannot actually rule out that you knew before then?

Mr English: I would not like to rule it in or out at this point.

Senator CORMANN: Given that the heads of agreement included a commitment that 'all state and territory royalties will be creditable against a resources tax liability,' did you seek clarification from any of the state or territory governments about what their intentions were before the Prime Minister signed the deal?

Mr English: That is a question you would have to put to the Treasury portfolio. They were designing the tax at the time.

Senator CORMANN: That is on the basis, as you said, that you did not actually provide advice to the Prime Minister on this; that the Prime Minister took the advice directly from the Treasurer, Mr Swan.

Mr English: Yes.

Senator CORMANN: Given the way that was worded, there was always the risk that the federal budget would be exposed from state government decisions to increase royalties, wasn't there?

Mr English: That is a matter of opinion. It is beyond my remit to answer that.

Senator CORMANN: Just to be absolutely clear; you cannot tell us today whether you knew, before the Prime Minister signed on the dotted line, Western Australia was considering increasing iron ore royalties.

Senator CHRIS EVANS: Senator, the officer has taken that question on notice. You are asking whether, a year or so ago, the PM&C had advice from the WA government to that effect. The officer will take that on notice. He is not prepared to hazard a guess. He does not know. Quite frankly, even if he did he would probably not know the dates. I think it is best that he takes that on notice.

Senator CORMANN: Were you personally involved in the mining tax agreement and the heads of agreement negotiations?

Mr English: No.

Senator CORMANN: So you were not the person involved. Who was the personally involved from Prime Minister and Cabinet?

Mr English: I am not aware of an official who participated in those discussions.

Senator CORMANN: You are not aware whether any official participated in these discussions.

Mr English: From the Prime Minister's department. The discussions were being held by the Prime Minister and the Treasurer directly with the companies.

Senator CORMANN: So you're not aware then of a letter from the Under Treasurer in Western Australia, Mr Tim Marney, dated 10 May 2010 where he wrote to Dr Henry, the then Secretary of the Treasury:

To that end, I seek your urgent confirmation that 'scheduled' increases in Western Australia would include the removal of existing iron ore royalty right concessions, which would see both fine and lump iron ore royalty rights being levied at 7.5 per cent ... by 1 July 2012.

You are not aware of that?

Mr English: I would need to check whether that letter was provided to the department.

Senator CORMANN: And you're not aware of an executive Treasury minute to the Treasurer, Mr Swan, dated 17 May, where he was told:

Western Australia indicated at a recent Commonwealth Grants Commission meeting (prior to the announcement of the Resource Super Profits Tax) it was considering increasing the royalty rate on iron ore fines from the current rate of 5.625 per cent, to the 7.5 per cent rate for lump ore.

You are not aware of that?

Mr English: Again, it is a matter of factual accuracy. I would need to confirm whether or not the department was provided with that material and the date it was provided.

Senator CORMANN: Is that a bit unusual for something as significant as this—the Prime Minister signing on the dotted line on an issue that has caused, quite frankly, the downfall of a Prime Minister; it is that significant—that you as a department would allow the Prime Minister to sign without doing a quality check and without making sure that all the i's are dotted and all the t's are crossed?

Senator Chris Evans: I think you have made a couple of leaps there.

Senator CORMANN: What is the leap, Minister?

Senator Chris Evans: The leap is the officer said he was not responsible and he would take on notice your earlier question. Then you ask the question: is it reasonable that you did not? The answer to the question was 'I do not know and I will take it on notice.' So that is the leap.

Senator CORMANN: You might try to fudge this—

Senator Chris Evans: The officer cannot tell you what he does not know. You asked a question about the knowledge of PM&C; not the officer personally, but the knowledge of PM&C around those dates. He said to you he would take that on notice. He cannot therefore then take the next step of further information if he does not actually have the knowledge.

Senator CORMANN: Thank you, Minister. I certainly agree with you. The officer cannot answer questions about things he does not know, so let me clarify the question. Is it unusual for the Prime Minister to sign on the dotted line in relation to an agreement on a policy issue that was this significant, this controversial, this wide-ranging, to the point where a Prime Minister had lost his job over it, without seeking prior advice from the officials of her department? You have said that officers from the department were not involved. That is the basis for me asking that question. You are telling me that the Prime Minister sought exclusive advice from the Treasurer. Is that usual process?

Senator Chris Evans: The way the question is structured there is no way the officer could be required to answer that. You were seeking opinion and you are making a number of judgments in the question. The officer has made clear to you that primary responsibility for this matter lay with the Treasurer and the Treasury officials. He has taken on notice a couple of questions about the knowledge of PM&C of these matters at the dates you refer to. Whether or not it is usual for the Prime Minister to do this or that, clearly that is not an appropriate question for an officer.

Senator CORMANN: I am not asking for an opinion.

Senator Chris Evans: You did, Senator. I will show you the *Hansard* of the question. It was politically loaded: 'brought about the downfall of a Prime Minister' and all that stuff. You are very unfair to the official to expect him to respond to that, and you know he will not.

Senator CORMANN: It was clearly a pretty involved public policy issue and I am sure you would agree with that. It was a public policy issue and one of the three issues where the Prime Minister, on becoming the Prime Minister, pointed to as an issue that she would personally resolve. In that context I am well entitled to ask whether it is normal practice. I am not asking for an opinion, I am just asking whether this is the way it normally happens that a Prime Minister would make a decision signing off on something that obliges and signs up the Commonwealth government, that contracts the Commonwealth government to a whole series of commitments. Is it usual practice, is this what normally happens, that the Prime Minister would sign without getting separate advice from her department—that is, advice separate from the Treasurer's advice?

Mr English: I think it is fair to say that the Prime Minister's approach to a range of issues is dictated by the circumstances of the issue.

Senator CORMANN: The circumstances of the issue were that it was a very challenging political situation. The government was approaching an election and was in a rush to get the big mining companies off their back and sign on the dotted line.

Senator Chris Evans: You cannot expect the official to respond to that sort of nonsense.

Senator CORMANN: I am happy to say that that was not a question.

CHAIR: Can I remind people that this is a question and answer process so, rather than making statements, we should be asking questions. Senator Cormann, you have the call.

Senator CORMANN: Do you expect any other state or territory governments to increase royalties in a similar fashion to Western Australia?

Mr English: That would be a matter best put to the Treasury portfolio. They have those discussions with the states and territories.

Senator CORMANN: We had this discussion last estimates. The Prime Minister was going to take the mining tax to COAG in February. Last time you took a question on notice and you eventually came back with an answer to say that the Department of the Prime Minister and Cabinet was not aware of any suggestions that the Commonwealth government would take the minerals resource rent tax to the February 2011 Council of Australian Governments meeting. Clearly there is an issue here where the Prime Minister, as head of the government, has some direct responsibility. The Prime Minister and the Treasurer have both been out there in the last couple of days essentially threatening to withdraw funding for infrastructure or threatening ramifications around the GST. Is it proposed that this whole issue is going to go to COAG at some point in the near future?

Senator Chris Evans: Clearly that is outside the officials' responsibility. You can ask the officials about activities relating to their official duties working for the Department of the Prime Minister and Cabinet. Opinions about whether things are going to cabinet or COAG, or the officials' view about what Queensland might do, are clearly well beyond what it is reasonable for them to answer.

Senator CORMANN: With all due respect, I am quoting from the department's own answer. The answer was that back in February the department was not aware of any suggestions that the Commonwealth government would take the MRRT to the 2011 Council of Australian Governments. Are you now aware that the Commonwealth government would take the MRRT to a future COAG meeting, or is that something that you are still unaware of?

Mr English: The answer to that question on notice was in response to a particular article that was cited at the last hearing which claimed I think in December that the Prime Minister determined that the tax would be taken to the next COAG meeting. The answer to that question on notice merely stated that we were unaware of any basis in fact for that article. The agenda for the next COAG meeting remains a matter for the Prime Minister to determine, and we do not yet have a decision on that.

Senator CORMANN: So it is yet to be determined whether that is going to be the case. Minister, may I suggest it might be better to take a constructive approach through COAG than to declare a tax war on the people of Western Australia and other states potentially.

Senator Chris Evans: Senator, I will bear in mind your advice. I will give it due weight.

Senator CORMANN: I appreciate that. Mr English, back in February 2011 was there any discussion at the officials meetings about the MRRT and any plans the state government of Western Australia might have had about increasing their royalties on iron ore finds?

Mr English: In the lead-up to COAG, do you mean?

Senator CORMANN: In the lead-up or around the COAG meeting—around about that time.

Mr English: I would need to check the record but my recollection is that there was no discussion in the COAG context, in those COAG meetings, about the WA approach to those finds royalties.

Senator CORMANN: Has PM&C been involved in any discussions about WA plans to increase royalties on iron ore finds?

Mr Lewis: Senator, I think Mr English has fielded this question on a number of occasions. You have put a similar question three or four times. He will take on notice the issue about the knowledge that this department had about WA's pending action. He cannot be more specific than that.

Senator CORMANN: No, but I am led to believe that there were some discussions at an official level that involved Prime Minister and Cabinet officials in more recent times about the prospects of WA increasing its royalties on iron ore finds. The question I asked before was about what happened in the lead-up to the 2 July heads of agreement being signed; I am now asking about more recent events.

Senator Chris Evans: Over a period of weeks or months?

Senator CORMANN: Since January or February—have there been any discussions that PM&C have been involved in in relation to WA plans to increase iron ore royalties on finds?

Mr English: I can only inform you that I have not participated in any such discussion, and I would need to check the record for any broader question within Prime Minister and Cabinet.

Senator CORMANN: Are you aware of any correspondence since the correspondence I read to you dated 10 May 2010 between the Western Australian state government and the

federal government about WA plans to increase royalties, or remove the concession on royalties, for iron ore finds?

Senator Chris Evans: I am not personally aware of any such further correspondence.

Senator CORMANN: So you will take on notice whether there is such further correspondence and advise the committee?

Senator Chris Evans: Yes.

Senator FIERRAVANTI-WELLS: I will start by asking some questions in relation to the mental health package announced in the budget and ask about the Prime Minister's involvement in relation to that package. Can you tell me?

Mr Rimmer: In all the movement I heard you ask a question about the mental health package—

Senator FIERRAVANTI-WELLS: It is about the mental health package, and I would like to ask about the Prime Minister's involvement in this package. Is this something that is driven by your department or by Health and Ageing.

Mr Rimmer: This package was primarily driven by the Department of Health and Ageing. It involved very strong across-department work with FaHCSIA and DEEWR as well significant engagement with the central agencies. As you would expect, the Prime Minister was involved through ERC and through cabinet processes in the same way as she would be on other significant reforms.

Senator FIERRAVANTI-WELLS: What is the lead department, if I could put it that way, Mr Rimmer?

Mr Rimmer: Health and Ageing.

Senator FIERRAVANTI-WELLS: Did the Prime Minister meet with Professor McGorry and Professor Hickie on 13 April?

Mr Rimmer: That sounds about right but I want to take that on notice in order to be confident of my answer.

Senator FIERRAVANTI-WELLS: Are you aware of whether you met with them?

Mr Rimmer: I will check whether we have any further information. To the best recollection of the officers here, including me, we recall a meeting but we cannot remember the dates. We will endeavour to find that information and get it to you.

Senator FIERRAVANTI-WELLS: In relation to this package you spoke earlier about cabinet submissions. Was this a matter for Minister Roxon as the lead agency? I am not asking about the content; I am asking about who was responsible for this.

Mr Rimmer: In the cabinet arrangements there is a Minister for Mental Health and Ageing, Minister Butler, and he played a lead role in the development of the package, as you would expect.

Senator FIERRAVANTI-WELLS: So it was his submission that was taken to cabinet?

Senator Chris Evans: It would be a submission sponsored by the senior minister, but it is no secret that Mr Butler was—

Senator FIERRAVANTI-WELLS: I am just trying to get a handle on where it was driven from.

Senator Chris Evans: Mr Butler was the responsible minister doing the legwork but Ms Roxon is the cabinet minister responsible for the area, so any submission taken forward would be taken forward by her as well.

Senator FIERRAVANTI-WELLS: When was this package formulated as such? Did this process go through the normal budget processes?

Mr Rimmer: I am not sure I am at liberty to discuss when this matter went to cabinet, so I am not sure I can help you with that question.

Senator FIERRAVANTI-WELLS: Were costings done to your knowledge, Mr Rimmer, by Treasury in relation to this package?

Senator Chris Evans: This package was announced as part of the budget process. It went through the normal ERC and cabinet deliberations and obviously costings were done by central agencies, but I am not sure we are inclined to go further than that in terms of the specifics. This was a major package that was put through normal government processes and announced as part of the budget.

Senator FIERRAVANTI-WELLS: Were the substantial cuts that are part of this package identified by DoHA? This package transcends a number of different departments and I am tried to get to the bottom of who was actually responsible for putting the package together and who was responsible for identifying cuts. Who was driving this? That is the question I would like answered.

Senator Chris Evans: The package was put together by the health minister and the Health portfolio. Any budget decisions regarding funding of that package or, as you call them, 'cuts' were taken by the ERC and cabinet as part of the budget processes. Those decisions are taken as part of the cabinet processes, not by individual ministers, in formulating the final budget.

Senator FIERRAVANTI-WELLS: As part of the COAG process and the National Action Plan on Mental Health 2006-2011 there are a number of progress reports outstanding. The progress report 2006-07 is dated February 2008. The second progress report covering implementation to 2007-08 is dated September 2009. Can somebody assist me as to where the progress reports are for 2008-09 and 2009-10? Were these progress reports available to government in relation to the preparation of this national mental health package?

Mr Rimmer: We would have to take that question on notice.

Senator FIERRAVANTI-WELLS: I have sought to get answers to this through the process. The reason I am asking the question now is that I did not get an answer last time I asked it on notice. This is supposed to be on the COAG agenda. You have now announced what purports to be a major mental health announcement. One would have supposed that you would have had available progress reports on the National Action Plan on Mental Health, which was a major COAG reform of the previous government but covers your area. I am trying to get to the bottom of where these progress reports are and, most importantly, whether you had them available to you to enable you to put together the package. It is a legitimate question.

Senator Chris Evans: I think it is, but I think Mr Rimmer is not able to answer it off the top of his head. We will see if we can get some information to help you. Clearly, as we indicated, the policy drive for this came out of the Health and Ageing portfolio, so their

knowledge of these matters is probably the most pertinent. We will see if anyone can help in terms of the actual reports and assessments you asked for.

Senator FIERRAVANTI-WELLS: I appreciate that, Minister. Given the various components traverse a number of portfolios and do traverse what appear to be matters that were covered as part of the COAG mental health platform of the past, I am asking these questions now. I do not want to go to Health and be told that I should have asked the questions as part of COAG.

Senator Chris Evans: No. We will see if we can get anything to help you at the moment, otherwise you will have to go to Health, but I will make sure Health know you are coming with those questions—

Senator FIERRAVANTI-WELLS: I am sure they already know, Minister.

Senator Chris Evans: and they will be taking a huge risk if they are not ready with the appropriate answers.

Senator FIERRAVANTI-WELLS: Perhaps I can ask a question in relation to the document entitled *Delivering better hospital, mental health and health services*. Do I go to Treasury to ask for details in relation to this document?

Mr Rimmer: I cannot see the document that you have in front of you. If that is the budget document, as we have—

Senator Chris Evans: Madam Chair, it might be best if Senator Fierravanti-Wells hands it up so that the officer can see the front page and then we will be sure what we are talking about, rather than having a crack—

Senator FIERRAVANTI-WELLS: Madam Chair, Mr Rimmer has told me that I should go to Treasury to get the details in relation to this document even though it is part of the overall mental health package. Can I then ask a question in relation to the National Mental Health Commission?

Mr Rimmer: Yes, Senator.

Senator FIERRAVANTI-WELLS: I noticed that it is to be within the Prime Minister's department? Is that to be housed within Mr Beresford's area? I see Mr Beresford smiling over there. As a former banker his involvement in these matters really surprises me. Perhaps he will bring some fiscal responsibility to the role.

Mr Rimmer: The Mental Health Commission is to be established within the Prime Minister's portfolio, not within her department. It is to be established as a separate executive agency within the Prime Minister's portfolio.

Senator FIERRAVANTI-WELLS: You have set aside \$23 million for it. Is it going to be set up under the financial management legislation? Can you tell me a bit about it? There only seems to be one line there.

Mr Rimmer: The commission is to be established as an executive agency and an executive agency, as you will know, Senator, is established by order of the Governor-General. It reports to a minister. The Prime Minister has decided that she will swear the Minister for Mental Health and Ageing into her portfolio so that he can be identified as the agency minister. An executive agency has financial and staffing autonomy. It prepares an annual report for parliament. The commission will have a CEO who will report to the agency

minister and a number of commissioners. The process for appointing those will be worked through over the coming months.

Senator FIERRAVANTI-WELLS: So it is not a commission in the same mould as the mental health commission that has been established in Western Australia or the mental health commission that has been proposed in New South Wales?

Mr Rimmer: I think the purposes, role and functions of those commissions are different in each commission and they are different from the one that is being established here.

Senator FIERRAVANTI-WELLS: Is it basically a replica of the National Advisory Council on Mental Health, which the minister chairs? I do not understand where the commission fits in in relation to the national advisory council, of which Professor Mendoza used to be chair until he resigned from that position. It now appears that Minister Roxon has appointed him as the chair of that committee. How a council can provide independent and confidential advice to the minister when he actually chairs it is beyond me, but I am trying to understand how this new commission will fit alongside or will be in addition to the National Advisory Council on Mental Health.

Mr Rimmer: The commission is more than an advisory council. It has staffing, functions and responsibilities that go well beyond the advisory council. The government is giving consideration to the question of how the establishment of the commission interfaces with the existence of other advisory groups and bodies across government.

Senator FIERRAVANTI-WELLS: Can you tell me a bit more about it? How many staff will it have?

Mr Rimmer: From January 2012 it is envisaged that the commission itself will have 13 ASLs.

Senator FIERRAVANTI-WELLS: How many commissioners?

Mr Rimmer: I do not think it has been decided yet.

Senator FIERRAVANTI-WELLS: What are its functions and roles? Are they available in any written form? You must have given some thought to it; you did allocate \$23 million.

Mr Rimmer: The functions of the commission will include managing and administering the annual National Report Card on Mental Health and Suicide Prevention, which was announced in the 2010-11 budget. It will include: collating, analysing and developing data and analysing emerging trends and indicators in mental health; providing policy advice to government in consultation with relevant lead agencies, including producing an annual report, which will be tabled in parliament as I mentioned earlier; informing the development of the national mental health services directory, which was an important commitment supporting consumer and carer advocacy activities; and, as resources allow, getting involved in mental health promotion and stigma reduction activities.

Senator FIERRAVANTI-WELLS: So, doing a bit more than the national advisory council is doing, only it is going to do it in the Prime Minister's portfolio. That is it in a nutshell, though, isn't it?

Senator Chris Evans: No, Senator, it is an executive agency. It will report to parliament. It is a much stronger body and more established body. As I say, it is the role of an agency inside the portfolio. I am trying to think of what would be a comparable agency.

Senator FIERRAVANTI-WELLS: It is not an independent body as such.

Senator Chris Evans: It will have commissioners appointed to it.

Senator FIERRAVANTI-WELLS: It is not an independent statutory authority.

Senator Chris Evans: It is an executive agency.

Senator FIERRAVANTI-WELLS: Yes, but it is not independent. It is within the Prime Minister's portfolio. In relation to the COAG health mark 1 and 2, in terms of the heads of agreement, where are we at with the signing of the actual agreement?

Mr Rimmer: Following the February COAG meeting there have been very good and productive conversations with the states and territories, and there have been a whole range of bilateral and multilateral meetings to progress those further discussions on the technical details. Our expectation is that there will be an agreement ready for COAG to consider within the timeline specified in the heads of agreement.

Senator FIERRAVANTI-WELLS: The heads of agreement says by 1 July 2011, so is that what you are saying?

Mr Rimmer: That is what we are currently working towards and I have no reason to believe that it is not possible to achieve it at this stage.

Senator FIERRAVANTI-WELLS: I have sought to try and elicit this in other areas, but it is not clear how much of the heads of agreement mark II relates to mark I—what is superseded in the mark II document compared to mark I. Mark I was very detailed, Mr Rimmer. We have traversed a whole lot. I will not go through that again. What is unclear is what has been superseded. Many of the clauses in mark II are in general terms and it is not very clear what is superseded. Is there a document in your possession which looks at the two agreements and gives us a combination of the two so that we know which clauses are still in existence in toto from mark I and what has been superseded by mark II.

Mr Rimmer: That is a very difficult question to answer in the broad. It is perhaps best if there are some specific aspects that you would like further information about. I am sure we can help or we can ensure that the department of health are ready to help you at their estimates. In the broad, it is a difficult question to answer.

Senator FIERRAVANTI-WELLS: For example, in the mark I agreement we talk about the responsibilities of the Commonwealth and it sets out a whole range of responsibilities to 1 July—for example, B10 and B11. How much of B10 and B11 have been superseded by the second agreement, given the general descriptions? What are very specific clauses about responsibilities of the Commonwealth appear to be superseded by more general terms of pursuing further reforms in mental health, dental health and aged care over the next three years. Do you see my point, Mr Rimmer? I am just not sure what survives and what does not, and there are the time frames, particularly in terms of the time frames in the yellow book. We have traversed those.

Mr Rimmer: I will enquire as to whether we have information on that question.

Senator FIERRAVANTI-WELLS: Surely, Mr Rimmer. I do not want to trawl through each of the clauses, but you can appreciate what I am trying to get to the bottom of. We have a very detailed mark I agreement, we have a not so detailed mark II agreement, and I am not

sure how they compare. Perhaps I can ask this question: is it envisaged that the agreement that is to be signed by 1 July will be a much more detailed agreement? Is that envisaged?

Mr Rimmer: Yes, Senator.

Senator FIERRAVANTI-WELLS: Will you be then effectively superseding this document? Is that what you will be doing?

Mr Rimmer: The heads of agreement signed in February says two things: firstly, that—and forgive me for getting the language slightly wrong—unless otherwise specified, the NHHN document continues to be the agreement between jurisdictions, and, secondly, that a further and more detailed agreement will be negotiated in the time lines you have discussed to give effect to the technical detail underpinning the heads of agreement. Our expectation is that that will be done and it will involve the detail that you are talking about.

Senator FIERRAVANTI-WELLS: You are obviously in the throes of negotiations, but which clauses from the first agreement are envisaged to be altered as part of the second agreement?

Mr Rimmer: A range of things change in the agreement that is currently being negotiated by dint of the February heads of agreement. They affect a very large number of the clauses of the NHHN agreement. I do not think it is possible or indeed helpful to try and do a clause by clause version of that. What I can say is that there are many elements of the NHHN agreement that continue effectively unchanged into the current arrangements, including local hospital networks, Medicare Locals, the commitment to activity based funding, and the like.

Senator FIERRAVANTI-WELLS: All right. There are a whole series of agreements in health: have you done a stocktake of which agreements—take New South Wales as an example—are now currently in place, and which agreements were signed by the previous government and have not survived the change of government in New South Wales? Are there any agreements which fall into that category?

Mr Rimmer: Not to my knowledge. We have not done a stocktake of the kind that you refer to. There are four or five significant COAG agreements, and we are not aware of any particular problems with any one of them in relation to New South Wales.

Senator FIERRAVANTI-WELLS: Can you please take that on notice and tell me which documents were signed, in particular by New South Wales in the time between 13 February and the election?

Mr Rimmer: We can take that on notice, or potentially even give you an answer sooner than that.

Senator ABETZ: I assume this is for the domestic policy group: how is the leaders' debate commission going? I understand that the Prime Minister wrote to Senator Brown about that?

Senator Chris Evans: Just give us a second to see that we have the right officer at the table.

Mr Lewis: Could you just put that question again, please?

Senator ABETZ: The leaders' debates commission—I am not sure of the date, but the Prime Minister wrote to Senator Brown in response to his letter of 16 March 2011. It relates

to paragraph 3(a) of the Green-Labor deal after the election, about a leaders' debate commission.

Mr Lewis: I understand that that letter did not come from the department.

Senator ABETZ: Aha! All right. In that case, Minister, can you take it on notice please—I assume you are not necessarily across the detail in this—just as to how things are progressing and with whom the Prime Minister is liaising? I would assume from the letter that is with the Hon. Gary Gray MP and, also from the letter, with the President of the Press Gallery. It would be interesting to know if the coalition has been consulted in relation to this.

Senator Chris Evans: I suspect it would be best to ask these questions under the Special Minister of State's portfolio. I am not trying to be unhelpful, I am trying to be helpful as to where—

Senator ABETZ: If somebody can guide me as to where the leaders'—

Senator Chris Evans: You refer to Minister Gray, and I suspect it is under his portfolio.

Senator ABETZ: In this letter the Prime Minister says, 'I am currently considering options for delivering this commitment in conjunction with the SMOS,' but also we are told that in this letter that she is communicating the government's intention to the President of the Press Gallery. Of course, I cannot talk to them, although I suppose I could make a phone call; but to get something on the record I was thinking this might be—

Senator Chris Evans: You have a copy of the letter?

Senator ABETZ: Yes, albeit that it only has 2011 under the Prime Minister's signature and not a date beforehand. But I assume this is her signature, and it was attached to a Greens media release of Friday 15 April.

Senator Chris Evans: I can ascertain whether or not it is a genuine letter for you, and see what other advice I can find.

Senator ABETZ: It was released to the 'hate' media by the Greens, so it will be interesting to see. Anyway, you cannot take us any further, can you?

Senator Chris Evans: I suspect you ought to ask your questions under SMOS, but I will take the question on notice that you have put.

Senator ABETZ: Where would that be? The only thing under SMOS is usually ministerial and parliamentary services, which it would not fit into.

Senator Chris Evans: I will take the question on notice.

Senator ABETZ: Thank you.

Senator Chris Evans: If that requires liaising with Minister Gray, we will do that.

Senator ABETZ: Thank you for that. How many public servants in PM&C are advising the government on climate change and the carbon pricing mechanism?

Mr Lewis: We will just get another officer to the table, Paul Schreier. I am advised that it is five, Senator .

Senator ABETZ: How many people have been recruited by PM&C in the last six months to work in this area? Has that figure remained constant or—

Mr Lewis: I will get Dr Schreier to field this question.

Senator ABETZ: Yes, I have got a few questions in this area. Dr Schreier, I have been told that there are five in PM&C working on climate change and the carbon pricing mechanism. Is that correct?

Dr Schreier: That is right.

Senator ABETZ: How many people have been recruited in the last six months to work in this area? Have all five been there for more than six months?

Dr Schreier: Yes, I think all five have been there for more than six months within the department.

Senator ABETZ: And no changes were made after the declaration that there would be no carbon tax?

Dr Schreier: No, there were no changes to the size of the effort there as a result of that.

Senator ABETZ: Going back even earlier, in April 2010, when the then Prime Minister said that the CPRS was shelved, at least until 2013, if I recall correctly, was there any change in the number allocated in PM&C in relation to climate change and carbon pricing?

Dr Schreier: No. It is one section within my division which has remained the same size throughout. I would just like to enter a correction into the record. There has been one change. We have replaced one person, one for one. One person left in the ordinary course of events and one person joined.

Senator ABETZ: Thank you for that clarification. So no matter what the government's policy—and sure enough it has shifted a bit—the number of staff has remained constant over the past, let us say, 18 months. Would that be fair?

Dr Schreier: Broadly constant over that period. To be accurate I would have to go back and check the organisational structures back beyond 12 months ago when I joined the department myself, but it has been broadly constant.

Senator ABETZ: How many of these five people have science degrees or equivalent type degrees?

Dr Schreier: I would have to take that on notice.

Senator ABETZ: Can I ask how many contractors are advising the government and PM&C on climate change and the carbon pricing mechanisms?

Dr Schreier: In PM&C I am not aware of anybody. I would like to take that on notice for accuracy.

Senator ABETZ: If you could. Thank you very much. That is all I have on 1.1.1.

CHAIR: Are there any further questions on domestic policy?

Senator KROGER: I just wanted to follow up on the reconstruction projects in Victoria following the floods earlier in the year. I do not know who the right officer would be to address this.

Mr Lewis: Senator, I think Ms Cross can probably take this question.

Senator KROGER: Thank you, Ms Cross. Firstly, I want to know what the process is in terms of the rolling out of grants for reconstruction. Is it something that the state government

has carriage of or does the Commonwealth have oversight in the way in which the various grants and reconstruction projects and what is necessary are considered?

Ms Cross: In the case of the current arrangements for the recent disasters in Victoria—

Senator KROGER: Yes, in relation to the floods mainly in northern Victoria but also in the Wannon electorate earlier in the year.

Ms Cross: The Commonwealth government and the Victorian government have signed a national partnership agreement.

Senator KROGER: I understand that just happened last week.

Ms Cross: That is right. The national disaster recovery arrangements guidelines apply in terms of the different categories of assistance and the processes that the state goes through in order to request Commonwealth assistance. But the detail of that is best directed to the Attorney-General's Department or the department of regional Australia because they actually have carriage of those specific arrangements.

Senator KROGER: So they oversee the actual deployment, if you like, of those funds?

Ms Cross: That is right. The department of regional Australia has the coordination role in the light of the individual decisions are taken by the Attorney-General's Department in accordance with the guidelines.

Senator KROGER: I will refer to them then. Thank you very much.

Senator FIFIELD: Could I have another bite of the cherry please, Chair?

CHAIR: Senator Abetz, you have the call.

Senator ABETZ: Can I inquire, hopefully the official has not left as yet, as to whether there are any plans to increase the complement of people in PM&C working on climate change and carbon pricing mechanisms.

Mr Schreier: There are no plans at this stage.

Senator ABETZ: That was easy.

Senator KROGER: Following up on that, staff numbers in PM&C I understand have gone up quite significantly—what is the total number of staff now in PM&C?

Mr Sterland: The budget papers outline an increase in staff which is almost entirely explained by the machinery of government changes and the full year effect of those, so the Office of the Arts, the Office for Sport. There are corresponding decreases elsewhere in the Public Service.

Senator KROGER: What is the total number of that increased staff level?

Mr Sterland: I will find the details for you.

CHAIR: I remind committee members that we are actually dealing with domestic policy and we cannot stray too far outside of that.

Senator KROGER: Sorry, I was just doing a follow-on, Chair.

Senator Chris Evans: Because those department resources were moved into PM&C it inflates PM&C's numbers but there are consequential decreases in the old portfolios. That was their defence when I raised it with them anyway.

Senator KROGER: So by that you are telling me that whatever the increase is in PM&C there is the same decrease in those other two—

Senator Chris Evans: That is the general answer, but I would not say that is all of it.

Mr Sterland: There is an increase of 200 reported in the budget statements from 780 in 2010-11 to 980 in 2011-12. The vast majority of that is Office of the Arts and Office for Sport. They came from respectively the sustainability and health portfolios. There are other changes to those portfolios which may mask the exact amount but I am saying that those figures are a result of direct transfer of staff. It was not a result of recruitment actions.

Senator KROGER: So if I go to the other departments and ask what diminution of numbers they have—

Mr Sterland: Accountable for that transfer of functions?

Senator KROGER: One would suggest that there would be the same reduction in staff numbers.

Mr Sterland: Yes. There are some details around that, but 90 per cent is that, and then there is, as we just talked about, the national Mental Health Commission. We talked about the staff numbers for that in a full year. So there are other amounts in there, but the majority of that staff increase by 200 is from that change, and that is clearly outlined in the budget papers.

Senator FIFIELD: Minister Plibersek as the Minister for Social Inclusion is a Department of the Prime Minister and Cabinet portfolio minister, is she not?

Mr Lewis: Yes.

Senator FIFIELD: It is not clear from the administrative arrangement orders what legislation she is responsible for as the Minister for Social Inclusion. Are you able to assist in that regard?

Ms Cross: I do not believe there is any legislation that she is responsible for as Minister for Social Inclusion. There would be in her other role as Minister for Human Services.

Senator FIFIELD: So there is no act of parliament which is specifically ascribed to her. On that basis, are you able to assist me a little bit to understand what that role means, other than fostering social inclusion?

Ms Cross: The Minister for Social Inclusion is responsible for the whole-of-government approach to social inclusion. The Australian Social Inclusion Board, which the government has established, reports to her and, within the social inclusion area, she is also responsible for the Office for the Not-for-Profit Sector—so that sits alongside her social inclusion role.

Senator FIFIELD: So there may be some legislation coming that she will have responsibility for?

Ms Cross: In the area of—

Senator FIFIELD: You are saying that she will be responsible for the Office for the Not-for-Profit Sector. Would that require legislation to establish it?

Ms Cross: It will not require legislation to establish the office. The office has already been established within the department.

Senator FIFIELD: I am sorry; that is right. It was set up in 2010. I was thinking of the proposed charities regulator.

Ms Cross: So she certainly has a role in that area, but that legislation is likely to be the responsibility of the Treasury portfolio.

Senator FIFIELD: Thank you for that. I have a question on the support that is provided to prime ministerial spouses. Would that be a domestic policy matter or would that be something that came in under program 1.1.4?

Senator Chris Evans: It might be within their domestic setting, but I am not sure about generally, Senator!

Senator FIFIELD: That is right—very cute. But is that something for 1.1.4?

Mr Lewis: Yes, it is something for later on in the evening, Senator, if you are able to wait.

Senator FIFIELD: Sure. Thank you for that heads-up.

Mr Lewis: Sorry, Senator, just a correction; it is under the next item but we can take it now. It might be tidier just to take it now. We would be happy to do that. Mr Sterland can take that question.

Senator FIFIELD: Sure. Thank you for your cooperation. I will preface my questions by saying that I think we all recognise the important role that the spouses of prime ministers have played over the years and continue to play in support of the leader of the country of the time and that they do perform a number of important community tasks for a range of organisations. I just really want to get a handle on what degree of support there is today for a prime ministerial spouse, recognising that it is not a clearly defined role, and it is a role that evolves over time, and it is a role which is construed, understandably, differently by each person who finds themselves in that position. Is there at the moment a dedicated person, be they a departmental officer or a ministerial staff member, who as part of their duties has the role of assisting the prime ministerial spouse?

Mr Terrell: Recently a person was employed by the Prime Minister's office on a part-time basis to provide Mr Mathieson with those sorts of services.

Senator FIFIELD: They would be a MOPS staffer?

Mr Terrell: That is correct.

Senator FIFIELD: Do you know when they were actually employed?

Mr Terrell: My recollection is about a month or so ago.

Senator FIFIELD: To your knowledge there was not anyone providing this support specifically to the prime ministerial spouse before the appointment—dedicated to the task?

Mr Terrell: No.

Senator FIFIELD: Not in either the Prime Minister's office or the department itself?

Mr Terrell: Correct.

Senator FIFIELD: Do you know what the selection process was for that position? Or was it something that was in the domain of the Prime Minister's office?

Mr Terrell: The department had nothing to do with the process.

Senator FIFIELD: Have been, previous to this, dedicated staff members in the Prime Minister's office to provide support to the prime ministerial spouse?

Mr Terrell: I will have to take that on notice. I am not familiar with what has happened previously.

Senator FIFIELD: If you could, thank you.

Mr Lewis: I can think of one particular case where that was so. But to get a fuller answer we would have to check it out.

Senator FIFIELD: Your understanding is that it is a part-time position?

Mr Terrell: That is correct.

Senator FIFIELD: Do you know the nature of the duties of that person? I assume they would be a point of liaison with the department.

Mr Terrell: We deal generally with the office on a range of issues. My understanding is that that person is mainly there to assist Mr Mathieson with the scheduling of his official events, if you like, as the Prime Minister's spouse, to ensure that the arrangements for those events are properly put in place and to assist Mr Mathieson with fulfilling, if you like, his official duties.

Senator FIFIELD: They would perform a diary function, receive and clear invitations for different functions, and respond to those invitations. Does that role, to your knowledge, include any media assistance or serve as a contact for media?

Mr Terrell: Not to my knowledge.

Senator FIFIELD: Does that role also include the booking of travel for Mr Mathieson where he might be travelling separate from the Prime Minister?

Mr Terrell: I am not familiar as to how those arrangements are executed within the Prime Minister's office.

Senator FIFIELD: Do you know whether the staff member who has been employed by the Prime Minister's office accompanies the prime ministerial spouse in the course of their activities and duties?

Mr Terrell: I am aware that this individual has accompanied Mr Mathieson on several domestic and international trips. Other than that I am not sure whether it is a regular thing, or how it works.

Senator FIFIELD: Do you know which domestic and international trips the officer—

Mr Terrell: I know of one recent one. He visited Sydney for a meeting of the Australiana Fund. I believe he travelled recently with the Prime Minister and Mr Mathieson when they travelled overseas.

Senator FIFIELD: Is any component of the expenses of that prime ministerial staff member for travelling overseas picked up by PM&C or is it through the usual MoPS arrangements?

Mr Terrell: Precisely. Just to be clear, for all prime ministerial overseas travel, there is specific administered funding which covers all of the travel arrangements for the travelling party.

Senator FIFIELD: You mentioned that the staff member travelled to Sydney for a meeting of the Australiana Fund.

Mr Terrell: Correct.

Senator FIFIELD: Does Mr Mathieson have a role with the Australiana Fund?

Mr Terrell: He does. At their suggestion, he has recently been appointed as the ex-officio president of the fund.

Senator FIFIELD: Is that a role that previous prime ministerial spouses have held?

Mr Terrell: I believe that is correct.

Senator FIFIELD: So it is a common practice?

Mr Terrell: Correct.

Senator FIFIELD: A staff member accompanied Mr Mathieson to that meeting, so their role is broader than diary? Clearly they provide some travelling support, some on-the-road support as well?

Mr Terrell: Precisely.

Senator FIFIELD: And that would be for logistical and briefing arrangements?

Mr Terrell: As I understand it.

Senator FIFIELD: Again, you will direct me if I am asking these questions in the wrong area. This is probably a grey area, but are there any defined entitlements for prime ministerial spouses for things such as travel—entitlements which are separate to that for any other spouse of a member of parliament?

Mr Terrell: I do not think there are any defined entitlements per se. I think there is a longstanding expectation that the partner of the Prime Minister will engage in and undertake various official and semi-official duties—working with charities, for example. There has been a long tradition of Prime Minister's spouses engaging in that sort of work. I believe that is what is happening now.

Senator FIFIELD: Is there an access to support such as Comcar which is above or beyond what another parliamentary spouse would receive to reflect the nature of the things that the prime ministerial spouse does?

Mr Terrell: I cannot comment on what other parliamentary spouses would be entitled to. That would be something for Finance. For instance, Mr Mathieson's travel for official duties would be covered by the Commonwealth in the same way that it has been covered for previous spouses of prime ministers.

Senator FIFIELD: I appreciate that. I am just trying to get this clear in my head. Obviously members and senators have an awareness of the level of access that parliamentary spouses have for travel, and the department of finance, through Ministerial and Parliamentary Services, look after that. I appreciate that that is not your area, so you do not necessarily know what they are entitled to. But you would know if there were anything not provided by the department of finance in terms of travel because, if there were, the Department of Prime Minister and Cabinet would pick up the bill for it. Is there any other on-ground transport or—

Senator Evans: The officer is at a bit of a disadvantage, because, as I understand it, the sorts of things that you are canvassing are handled by finance through ministerial and parliamentary services. I am happy for him to be helpful, but I am flashing outside the off stump in the sense in that we generally deal with this in that area and not in PM&C.

Senator FIFIELD: That may well be the case, and probably is for a majority of things. But I am inquiring as to whether there are any peculiarities. I am not using that as a pejorative, but just reflecting that there is a different role for a prime ministerial spouse and that they are—

Senator ABETZ: Unique.

Senator FIFIELD: Unique, thank you. There may be things that PM&C covers the cost of and has done over time.

Mr Terrell: If you were to consider the entitlements broadly, it is very similar to what would happen with other Commonwealth travel purposes. The only difference here would be that the Prime Minister's spouse, as with previous arrangements, has a fair degree of autonomy in terms of choosing when to attend particular functions. If they are official functions, he is obviously entitled to do so.

Senator FIFIELD: Thank you for that. To distil it down, I know that there are certain Comcar entitlements. But there are other occasions when a Comcar can be booked for someone. Parliamentary secretaries can book Comcars. That is something that is outside of MaPS entitlements. I wonder whether, for instance, prime ministerial spouses separate to MaPS entitlements had access to Comcars that were paid for by the Department of Prime Minister and Cabinet.

Mr Terrell: PM&C picks up the costs of travel for both the Prime Minister and Mr Mathieson.

Senator FIFIELD: I guess that is getting to part of what I am trying to get an understanding of: where, as Senator Abetz said, unique arrangements for a prime ministerial spouse. That is one of them: that travel, whether it be by Comcar hire, hire car or plane, of the prime ministerial spouse is covered by PM&C.

Mr Terrell: I am told that we do not pick up the airfares for domestic travel.

Senator FIFIELD: Thank you. But you do for ground transport.

Mr Terrell: Yes.

Senator FIFIELD: So a Comcar booked by the department on behalf of the prime ministerial spouse would be paid for by the PM&C.

Mr Terrell: We would not be involved in the booking process.

Senator FIFIELD: But you would cover the cost of it? I am not thinking that there is anything going on that should not be going on.

Senator Evans: The question is: who meets the cost of official use of transport by the spouse of the Prime Minister? Is that PM&C?

Mr Terrell: PM&C does for ground transport.

Senator ABETZ: All of it above and beyond normal parliamentary entitlements and normal parliamentary entitlements. That is included.

Mr Terrell: Just to be clear, for all official travel for Mr Mathieson and the Prime Minister, PM&C will pick up the costs other than, as we indicated, domestic flights.

Senator FIFIELD: Thank you. That is a different arrangement to that for other ministers, whose home departments do not cover their travel costs; that is done through ministerial and parliamentary services.

Mr Terrell: I could not comment.

Senator FIFIELD: Given that the department covers these ground transport costs, are they periodically reported? For instance, for members of parliament, their staff and their spouses, the costs that they incur through Department of Finance and Deregulation entitlements are periodically tabled in the parliamentary. Do you know how those equivalent costs for prime ministerial spouses that are picked up by PM&C are publicly reported?

Mr Terrell: We are not aware of any reporting that has occurred in this area for Mr Mathieson or any other former prime ministerial spouse.

Senator FIFIELD: That would be information that you would have.

Mr Terrell: Yes.

Senator FIFIELD: Is there information that could be made available to the committee?

Mr Terrell: I would probably have to take it on notice, but yes.

Senator Chris Evans: We will take it on notice if it has not been reported previously. But I do not see a problem; we will take the question on notice.

Senator FIFIELD: Are there any other unique costs for a prime ministerial spouse, apart from ground transport?

Senator Chris Evans: Privacy.

Mr Terrell: The Prime Minister's spouse is housed at the Lodge or Kirribilli and hence there is sustenance involved. There are a whole range of costs associated with the Prime Minister's spouse.

Senator FIFIELD: What you might call incidentals, because they are there with the Prime Minister; they are an entity. I guess my question is really looking for costs and support of a prime ministerial spouse which relates to things they do often by themselves, as a prime ministerial spouse—the functions that they attend.

Mr Terrell: PM&C provides additional support for Melbourne—

Senator FIFIELD: So it is only ground transport costs?

Mr Terrell: Precisely.

Senator FIFIELD: Is there any briefing prepared by PM&C for prime ministerial spouses in support of them attending functions?

Mr Terrell: Not that I am aware of.

Senator FIFIELD: So if a prime ministerial spouse was going to the launch of a not-for-profit organisation to support people suffering with cancer, would they get a background brief or is that something that would be prepared in the Prime Minister's office, drawing on a briefing from PM&C to the Prime Minister's office, and then that office will provide whatever briefing they think necessary for the spouse?

Mr Terrell: There have been occasions, for example on international travel, where briefs have been provided to the spouse of the Prime Minister, as I understand it. Generally speaking

the department would not be involved in briefing the spouse of a Prime Minister. The office may informally seek our advice from time to time on whether or not it would be appropriate for the Prime Minister's spouse to attend a particular function, but we would not provide any formal advice per se on that type of topic.

Mr Lewis: It is a fairly long-standing practice that the prime ministerial spouse, while travelling internationally, does receive support during the course of the visit from the officials that are accompanying the Prime Minister—that is for programming and background briefings on what the prime ministerial spouse may encounter or engage and so on. I cannot speak domestically, but internationally that is a long-standing practice.

Senator FIFIELD: In relation to the appointment in the Prime Minister's office of a staff member to assist Mr Mathieson, has the department made any recommendations in relation to the need for support to the prime ministerial spouse?

Mr Terrell: We have made no formal recommendations.

Senator FIFIELD: Any informal recommendations?

Mr Terrell: I would have to take that on notice.

Senator FIFIELD: If you could.

Senator Chris Evans: I am not sure how you take informal recommendations on notice.

Senator FIFIELD: I have seen it done before! That would be useful. I think there is a general interest in how the role of a prime ministerial spouse evolves over time and the nature of tasks they perform, and how the role is interpreted by each person who finds himself in that position. It would be helpful if you could take that request on notice.

CHAIR: Are there any further questions, Senator Colbeck?

Senator COLBECK: I think Senator Colbeck has a domestic policy question.

CHAIR: We have five minutes before we adjourn for the dinner break. Will it take longer than that?

Senator COLBECK: I should be able to sort it out within that time frame, I hope. Just as a little background, I have been working with the lobster sector in Australia with respect to their exports into China over a period of time. We do not need to go into the detail of that. That is something that has been dealt with through the relative portfolio. In the lead-up to the Prime Minister's recent trip to China, the industry provided me with an update and a brief on where their issue was up to and asked me to communicate that to the Prime Minister. On 18 April, I sent an email to the Prime Minister's email address, the APH email address, and because I was concerned that the information would get through I asked for a delivery receipt and I also asked for a read receipt. The email went off and I received straightaway a delivery receipt from Prime Minister Gillard's address, but what was most disconcerting to me was that on 9 May, having heard nothing else in relation to the matter, I received a receipt that said, 'Your message was deleted without being read.' That was on 9 May 2011 at 2.31 pm. My concern is: what do I tell my constituents? That was obviously after the trip to China. What do I tell my constituents as far as the communication to the Prime Minister goes when the email was deleted without being read?

Mr Lewis: That is not something that the department can answer. That is not a matter that I can address, I am sorry.

Senator COLBECK: How do I communicate with the Prime Minister?

Senator KROGER: The minister is here.

Senator Chris Evans: I am happy to take on board your question as to whether or not it was read or what have you.

Senator COLBECK: I am happy to provide you with the information.

Senator Chris Evans: I am happy to take it and I am happy to make some inquiries on your behalf as to what occurred. As you know, the Prime Minister, ministers and members of parliament get thousands of emails—

Senator COLBECK: We all get lots of emails.

Senator Chris Evans: but I am happy to see if I can help with any information as to what happened to that particular email. I will make some inquiries for you.

Senator COLBECK: Can you give me some commitment about a time frame? It is over a month now. I must admit that it is not usual for me to ask for these sorts of documents, it is just that I was concerned about the documentation getting there. I also sent a hard copy because I was concerned that the matter did get to the Prime Minister. It is of significant concern to the lobster industry and the potential impacts of it not being dealt with are major for an important industry in certain regional areas.

Senator Chris Evans: Did you send that to the minister as well?

Senator COLBECK: I sent that to the Prime Minister's office through the parliamentary in-house mail, so it was done here in Canberra.

Senator Chris Evans: Did you send the submission to the minister as well?

Senator COLBECK: No, I did not. He was not going to China.

Senator Chris Evans: No, but I am just trying to check.

Senator COLBECK: Again, I have not had any response about the letter that was sent on the same day and, again, that was over a month ago. I have not even had an acknowledgement of receipt of that documentation. It is a month later and, obviously, the trip to China has been and gone and I am not in a position to say anything to my constituents in the lobster industry.

Senator Chris Evans: Senator, I am happy to make some inquiries as to whether or not the correspondence was received. I will do that for you.

Senator COLBECK: What do any of us do in relation to communicating with the Prime Minister? Had I not asked for the read receipt, I would not have known that the information did not get through.

Senator Chris Evans: Whether or not there was time for her office to deal with the information and brief her on it before going to China, I do not know. Clearly, the agenda for China would have been set by then, but you have a legitimate inquiry as to whether or not your correspondence was received and I will take that up and see what I can find out for you.

Senator COLBECK: Okay.

CHAIR: Thank you, Committee—

Senator ABETZ: Chair, can I ask one last quick question—

CHAIR: Very quick, Senator Abetz. We are due to suspend.

Senator ABETZ: on the Office for the Not-for-Profit Sector. Are they—

CHAIR: Sorry, Senator Abetz; with the not-for-profit office, there are other senators who want to ask questions—

Senator ABETZ: On that one as well?

CHAIR: On not-for-profit. There will be other senators coming in for that after dinner.

Senator ABETZ: In that case, that is fine.

CHAIR: Can I just clarify, before we suspend proceedings for the dinner break, whether we have now concluded with the COAG Reform Council? Yes. Those officers are no longer required. What about questions for the Domestic Policy Group?

Senator FIFIELD: Senator Birmingham has some questions.

Senator ABETZ: Better keep that open.

CHAIR: So then, when we recommence, it will be Domestic Policy Group that we will go to and then the Office for the Not-for-Profit Sector.

Senator FIFIELD: Let me just check my notes.

Senator Chris Evans: If Senator Birmingham's inquiries are related to one particular area, we could let the other officers go home and see their families.

Senator FIFIELD: Is the water unit under COAG?

Senator COLBECK: It is in domestic policy.

Senator Chris Evans: So, if we hold on to the officers for water, the others are free to go? Is that fair enough?

Senator FIFIELD: Yes. Obviously, we cannot speak for the Greens or Independent senators.

CHAIR: I have no knowledge of any other senators wanting to come in and talk about anything else.

Senator Chris Evans: Okay. We will make sure the water people are here.

CHAIR: The committee is suspended for dinner.

Proceedings suspended from 18:31 to 19:49

CHAIR: Thank you and welcome back. I would like to welcome Minister Arbib to the table. I am going to give Mr Lewis the call before going to Senator Birmingham.

Mr Lewis: Chair, thank you very much. There are a couple of matters that I would like to tidy up from the previous session. Senator Colbeck asked a question with regard to his correspondence and, to make the record plain, I gave an answer which does need correction. I have here—and I am happy to table this—the response that anybody who emails the Prime Minister, as described by Senator Colbeck, would get. This is a sort of audit trail of where his email will have gone.

CHAIR: Is it the wish of the committee to have that document tabled? It is so agreed.

Mr Lewis: That is fine. Also this document details that the letter that Senator Colbeck spoke of from his constituent from the seafood council sent to the Prime Minister was received by the Prime Minister's office the day after the Prime Minister left for her overseas trip. That was the eve of Easter. It was received in the department on the next working day—

the first day after Easter—27 April. As a matter of course for constituents' correspondence we have a guideline of 20 days to respond. That 20-day period expires a few days hence. Those are the facts around the issue of the letter: we did receive it on 27 April, but it was not received until after the Prime Minister had left on her trip. I want to clarify that point.

Senator FIFIELD: Is that 20 business days or 20 days?

Mr Lewis: It is 20 business days.

Senator MOORE: Does that 20 days involve the performance indicator—exactly how long has that been around?

Mr Lewis: We could find out a precise answer, but since at least two Prime Ministers ago.

Senator MOORE: It is a longstanding 20 days?

Mr Lewis: It is longstanding. The second point concerns a couple of issues from the last session, that Mr Rimmer will address.

Mr Rimmer: Senator Fierravanti-Wells asked about the 2006 COAG National Action Plan on Mental Health and the use of that in preparation of the mental health package in the budget. We have checked our records and we do not have anything useful to add on that matter. We think questions about that should be addressed to Health and Ageing.

Senator Fierravanti-Wells also asked about whether the Prime Minister met Professor McGorry and Professor Hickey on 13 April. There was no meeting between the Prime Minister and professors McGorry and Hickey on that date. We are not aware of any formal meeting between those two eminent professors and the Prime Minister. On 21 April, the Acting Prime Minister, Mr Swan, met with Professor McGorry in Townsville, from memory, and spoke via teleconference with Professor Hickey. There was one other matter that we are taking on notice in relation to New South Wales.

Mr Lewis: There is one final matter which Ms Cross can address, a question from Senator Payne earlier in the proceedings.

Ms Cross: Senator Payne asked whether the Working Group on Indigenous Reform had a review date when its future would be considered. We have checked the terms of reference and there is no review point for the working group. It is an ongoing group at this point in time.

CHAIR: So people are aware, we are still dealing with domestic policy group and we have moved on to the subject of water.

Senator BIRMINGHAM: My understanding is there is a water policy or a water reform group established within the Department of the Prime Minister and Cabinet. Is that correct?

Mr Lewis: Yes, there is one. We will just get the appropriate officers to the table.

Dr Schreier: There is a section within my division which covers the Department of Sustainability, Environment, Water, Population and Communities as a line agency. That includes taking the PM&C perspective on water policy.

Senator BIRMINGHAM: Thank you, Dr Schreier. Has there been any particular expansion or establishment of a unit there that does relate to water policy issues in the last year or two?

Dr Schreier: I have been in the department under a year myself, but the size of that section of my division has been broadly constant over that time. To go back earlier than that I would have to take on notice.

Senator BIRMINGHAM: Okay. In terms of the function of that group, is there anything different or unique about that compared with the other portfolio areas of PM&C?

Dr Schreier: There is nothing particularly unique about it.

Senator BIRMINGHAM: And the functions are, generally speaking, policy advice type roles?

Dr Schreier: Yes.

Senator BIRMINGHAM: Program oversight?

Dr Schreier: We have no programs within PM&C. We do not manage programs in my division at all. We have programs in other parts of the department, but not in my area.

Senator BIRMINGHAM: How many staff do you have dedicated to that area?

Dr Schreier: Over the course of the last year it has varied between three and five, depending upon the workload. In common with other parts of my division we will veer and haul and flex resources as required, depending upon load of material coming through in terms of briefing or responding to cabinet material. On average it would be about four. If you need more detail about how that variation has been in terms of dedicated staff, I can again take that on notice and provide you with that detail. It has been broadly constant over that time, though.

Senator BIRMINGHAM: Okay, thank you. You may or may not be able to help with this, because it relates partly to a different department, but out of interest in this regard, are you aware of any particular new group that may have been established, particularly in the Regional Development portfolio, looking at water policy matters?

Dr Schreier: I am not, no. That would be a matter best addressed to the Department of Regional Australia.

Senator BIRMINGHAM: That is okay, thank you. In terms of your relationships established with the department, what relationship do you have with the Murray-Darling Basin Authority?

Dr Schreier: We do not really have any relationship with the authority per se. The MDBA is an independent statutory authority. In terms of governmental dealings with it, SEWPaC is the lead agency, if you like, for making that connection with them.

Senator BIRMINGHAM: Has the department dealt with issues regarding water infrastructure projects and arrangements between the Commonwealth and the states in that matter?

Dr Schreier: Not in particular in my time. I would have to take on notice whether it has occurred earlier. The only sort of involvement we have had in this space is just providing the normal briefing, that we do as PM&C, around matters as they arise. We have not been responsible for water programs or environmental infrastructure programs. Again, that is a matter for SEWPaC.

Senator BIRMINGHAM: So, for example, late last year, during the Victorian election campaign, I think the Prime Minister made an announcement with the then Premier Brumby

regarding the infrastructure projects in Victoria. That would have all been facilitated by SEWPaC?

Dr Schreier: Yes. In terms of the production of the material and content for that program, that is a matter for SEWPaC. Clearly, we brief the Prime Minister on a range of matters over the course of the year for every portfolio we deal with.

Senator BIRMINGHAM: Lastly, are there any intentions or plans that water would be a subject matter of COAG discussions again in the near future?

Dr Schreier: I am not aware of plans for that at the moment. I would have to take that on notice to give you a completely accurate answer.

Senator BIRMINGHAM: Sure, if you could. Thank you very much.

CHAIR: Are there any further questions on Domestic Policy Group? If not, we can dispense with those officers and move on to the Office of the Not-for-Profit Sector. Senator Fifield?

[19:59]

Senator FIFIELD: I will start with some straightforward matters. It is a relatively new office; how many staff does the office have at the moment?

Mr Ronalds: The office currently has around 11 staff.

Senator FIFIELD: Thank you. You can take this on notice: are you able to provide a breakdown of their classifications and roles?

Mr Ronalds: I am happy to do that, Senator.

Senator FIFIELD: Was the Not-for-Profit Sector Reform Council formed at the same time as the office itself?

Mr Ronalds: Shortly after. The office was established in October last year and the reform council was formally announced around mid-December—14 December, from memory.

Senator FIFIELD: Is that now functioning?

Mr Ronalds: It is, Senator, and it has met twice.

Senator FIFIELD: When did it meet?

Mr Ronalds: The first meeting was held on 17 February 2011. That was in Sydney, and then the council met again recently, on 18 May here in Canberra.

Senator FIFIELD: How frequently is it envisaged that it will meet?

Mr Ronalds: We envisage that they would meet face to face around four times a year. Of course, there may be work out of session and the council may create working groups from time to time, and they might meet between main meetings.

Senator FIFIELD: The government announced in the budget that it will be establishing a one-stop shop regulator for the not-for-profit sector, in the form of the Australian Charities and Not-for-Profits Commission, which is a bit of a mouthful. What role did the Not-for-Profit Sector Reform Council play in the establishment of the commission? I know that this is something which has been canvassed before, but what was their role in the gestation of this?

Mr Ronalds: Certainly the reform council were engaged by Treasury in discussions, so Treasury presented to the first reform council meeting in relation to the Productivity

Commission recommendation and the paper that Treasury had released at that stage. We had envisaged that they would continue to engage with the reform council on this as that measure progressed.

Senator FIFIELD: Will the reform council be a permanent entity into the future? Will its function be somewhat superseded by the new commission that has been established, or do you see an ongoing role for the reform council—the government sees an ongoing role, I should say.

Mr Ronalds: The council was established for an initial period of three years, and their purpose was primarily to support the office of the not-for-profit sector to implement very broadly the government's commitment to not-for-profit reform. During that period we would envisage that they would continue to engage with Treasury in relation to the regulator and a range of other not-for-profit reforms.

Senator FIFIELD: What will the relationship be between the office of the not-for-profit sector and the new commission?

Mr Ronalds: We would imagine that we will have a fairly close working relationship. Of course the regulator itself is being managed out of the Treasury portfolio and they have principle carriage for that. Clearly it is relevant to the office's whole-of-government reform agenda and as such we continue to work closely in relation to the common points of intersection.

Senator FIFIELD: I might refer you to a document which is from the office of the not-for-profit sector website, headed 'Budget measures to strengthen the not-for-profit sector'. It is a landscape layout. Are you familiar with it?

Mr Ronalds: I am familiar with it. I do not have it in front of me, but I am familiar with it.

Senator FIFIELD: Thank you. I am curious about why one of the key not-for-profit-sector 'reforms' from the budget, which was headed 'better targeting of not-for-profit tax concessions' was not in that budget guide. The budget guide is headed 'budget measures to strengthen the not-for-profit sector'. Does one draw the conclusion, therefore, that by its exclusion it is not considered to be a measure which would strengthen the not-for-profit sector?

Mr Ronalds: Which measure are you referring to?

Senator FIFIELD: That is the 'better targeting of not-for-profit tax concessions:

The Government will reform the tax concessions provided to not-for-profit (NFP) entities to ensure they are targeted only at those activities that directly further a NFP's altruistic purposes.

Mr Ronalds: That measure is encompassed underneath the broader Treasury announcements in relation to the not-for-profit regulator and the statutory definition of charity. So it is captured within that. The idea was to very quickly provide on budget night an outline of the key measures and point people in the direction for further information.

Senator FIFIELD: You say 'very quickly', but the government, in the form of departments and agencies, has the advantage of knowing before budget night those things within their portfolio, so one would presume that was prepared before the day.

Mr Ronalds: Yes. When I say 'quickly' I mean allow not for profits to quickly get a sense of the whole. That document was not in any way intended to be a comprehensive outline of all

of the measures. It was to provide an indication of the key measures impacting on the not-for-profit sector.

Senator MOORE: Does the document say that? It is very difficult for you—I appreciate that you do have it in front of you and it is normal practice to look—but does it say in the document you could look elsewhere for other things?

Mr Ronalds: By its very nature the document was clearly an overview of the measures. It was not a detailed investigation of each of the measures. I would need to check the website, but my recollection was that it pointed people to further information on the Treasury website and other places. I would have to check that.

Senator FIFIELD: It is a 10-page document that has 37 elements to it, so I am surprised that a significant change to the taxation of the not-for-profit sector did not make the cut.

Mr Ronalds: That is one of a number of changes announced in relation to the not-for-profit regulator and the introduction of a statutory definition of charity as part of that package. Without having the document in front of me, my recollection is that the document certainly pointed towards those changes.

Senator FIFIELD: Should it be one that is under the heading 'budget measures to strengthen the not-for-profit sector'?

Mr Ronalds: It is clearly a budget measure that impacts on the not-for-profit sector.

Senator FIFIELD: Does it strengthen the not-for-profit sector? I am wondering if there were criteria—'this one strengthens; this one might have debate about it'—

Mr Ronalds: No, I do not think so. I think we were trying to be relatively comprehensive in relation to those issues that touched on not for profits. Clearly there will be a variety of views about each of the measures. We were not trying to impart any value judgment in that regard.

Senator FIFIELD: I guess the emphasis is on the word 'relatively' rather than on 'comprehensive' on this occasion. Has the officer received much feedback on that particular measure?

Mr Ronalds: It was an issue that came up, for example, during the recent reform council meeting.

Senator FIFIELD: Give me the dates of the reform council meetings again.

Mr Ronalds: The most recent reform council meeting was 18 May.

Senator FIFIELD: It was 18 May, so that was post—

Mr Ronalds: Shortly after the budget.

Senator FIFIELD: Was the feedback discussion happy, contented, positive? Overall, yes, but what about in relation to that particular measure?

Mr Ronalds: I think there were a variety of views expressed to the reform council in relation to that measure.

Senator FIFIELD: I appreciate that that, technically, is a Treasury portfolio measure, but you are the office taking the whole-of-government perspective on these things. I know that it is intended that there will be consultation on that particular measure. Will that consultation be conducted by the Treasury portfolio or by the Office for the Not-for-Profit Sector?

Mr Ronalds: No, it will be conducted by the Treasury.

Senator FIFIELD: Will the Office for the Not-for-Profit Sector have a role in it?

Mr Ronalds: We will certainly be kept aware of their planned activities in relation to that consultation, but that really is a matter for Treasury to take forward.

Senator FIFIELD: Will the reform council have a role in that consultation?

Mr Ronalds: I do not know if that is the case. I would recommend that perhaps you ask Treasury for further details on exactly how they are planning to manage that consultation.

Senator FIFIELD: About the extent to which they will talk to you and the reform council. I thought the Office for the Not-for-Profit Sector was meant to take a whole-of-government view and that the reform council was meant to be vitally engaged in reform issues to do with the sector. I am not wishing to be cynical, but it does sound a little bit like it is window dressing. We have got the reform council there, we have got this whole-of-government office, but the Treasury will be conducting this consultation. It sounds like there is a bit of a disconnect there. I am not saying that Treasury should not be fully involved. It is part of their job. They look after the revenue side of things. Is there something that I am missing here in terms of the role of the reform council or the office?

Mr Ronalds: No, the role of the office is, as you say, whole-of-government coordination. The reform agenda though is quite significant. Clearly with 11 people it is not possible for the office to manage each of those reforms. In fact, it relies on all government agencies to be engaged with it. With each of the various measures, as appropriately, other agencies take the lead. In this case it is clearly appropriate for Treasury to take the lead on the regulator and any tax changes. So, while we work very closely with Treasury, it is their responsibility to manage the consultation process. Certainly we facilitate their access into the Not-for-Profit Sector Reform Council. The office is the secretariat for the reform council. As I said, at each meeting it would be our expectation that Treasury would present to the reform council on progress.

Senator FIFIELD: Progress on their consultations on that particular measure?

Mr Ronalds: On the measure, outlining consultation, if that is appropriate et cetera.

Senator SIEWERT: Can I ask will it be the Treasury or the commission doing that consultation?

Mr Ronalds: My understanding is that the Treasury is planning to do it. The Treasury is intending obviously to create an implementation task force for the regulator in the short term. Clearly the task force would also be significantly involved. Because this also goes to tax issues, I would imagine other Treasury officials would also be involved. Again, for the details you will need to go and speak to Treasury.

Senator SIEWERT: There is a timeline detail that I would like to know that you may not be able to answer. I understand the task force is establishing the commission and it is anticipated that the head of the task force—I have read this somewhere and I cannot remember which document I read it in—will then become head of the commission.

Mr Ronalds: Certainly the person will be appointed as interim commissioner. Whether that person then goes on and becomes the commissioner when the regulator is fully formed in the following financial year remains to be seen.

Senator SIEWERT: Is it envisaged that the creation of the task force to establish the commission and the tax concession discussion will be happening at the same time?

Mr Ronalds: Generally at the same time. They are related, but different, issues. The establishment of the regulator is one piece of the reform. There are changes to the taxation arrangements in relation to the not-for-profit sector; so the statutory definition and other changes that the senator has mentioned. I would imagine, because they are significant changes, there would be a range of officials from Treasury involved in all of those.

Senator SIEWERT: There is some confusion in some of the media about minister's statements. They are varied and almost contradictory comments that I have seen in the media and in the minister's statements around this tax concession. There is a comment made that the government believes that it is important that charities use their tax concession only to assist disadvantaged people. Can you clarify for me whether we are using disadvantage people in terms of 'just for people' or are we talking about this issue as it relates to the broader definition of charity?

Mr Ronalds: Sorry, Senator, is that in a media release?

Senator SIEWERT: It was in a media release from the government.

Senator Arbib: Sorry, Senator, could we have a copy of that? Which minister was it? You are not talking about the Prime Minister here are you?

Senator SIEWERT: No. I beg your pardon; I do not have it on me. Can you clarify the tax concession purposes as they relate to the broader definition of charity? The definition that will be used, as I understand it, is the 2001 definition. Tax concession processes will be used for all those definitions, not just disadvantage people?

Mr Ronalds: Yes, that is correct.

Senator FIFIELD: Was it the phrase, 'Tax concessions only to assist disadvantaged people'?

Senator SIEWERT: Yes.

Senator FIFIELD: That was from Minister Shorten's press release.

Senator SIEWERT: There were about three at the same time.

Senator FIFIELD: It is press release No. 77.

Mr Lewis: We will take that on notice and have a look at the document. It a bit hard answering a question when we do not have the press release in front of us.

Senator Arbib: It is a minister outside this department. Minister Shorten is out of Treasury.

Senator FIFIELD: Sure although, given this office is meant to have a whole-of-government perspective, I would have thought that maybe Minister Shorten's press releases and the summaries on the office's website on measures announced in the budget might be close to hand. I do not think that is an unrealistic expectation.

Senator Arbib: Sure, but if it is not possible as, obviously, we are only getting a copy of it now, then maybe this is a question you may want to raise with Treasury.

Mr Lewis: They are Minister Shorten's statements, Senator. We do not know the veracity of the news clipping on and so forth.

Senator FIFIELD: It is a press release from his website.

Senator SIEWERT: It was contained in a budget package on the night. I am not trying to get into an argument here. I am trying to find out and clarify to make sure that tax concessions are going to be available for the full range of the definition of a charity. The 2001 definition goes through who is covered and what activities are covered. I am keen to make sure that, in fact, there is no intention to just make it available for charities that are dealing with community services or disadvantage people.

Mr Ronalds: Senator, the reforms will be based on the 2001 definition with some modifications. Again, in a broad sense, it will apply to the entire sector.

Senator SIEWERT: In terms of the definition, I understand that there will be a consultation process undertaken on the definition based on the 2001 report. Is that the implementation task force that will undertake consultations or will it wait until the establishment of the commission before the work is done?

Mr Ronalds: Senator, I think there is the reform in relation to the one-stop-shop regulator, if you like. The implementation task force, as I understand it, will be responsible for taking that reform forward. The tax reforms are a different issue, although clearly related. I would imagine, though you would need to seek Treasury's confirmation, that there will be other Treasury officials taking it forward.

Senator SIEWERT: Because it is stretched across the two portfolio areas, I am not sure which question should go where. You may or may not be able to tell me this. The documentation I have read to date is a little unclear around determining the status once the definition is done. Does it mean that all 70,000 not-for-profits are going to have to go through a reassessment process?

Mr Ronalds: Again, you will need to speak to Treasury about the details. Certainly the intention is not to create more red tape. I have no knowledge of any reassessment process that will be required.

Senator SIEWERT: That has not come up with the council?

Mr Ronalds: No.

Senator SIEWERT: I will follow that up with Treasury. You may or may not be able to answer these questions. I understand that \$53 million has been allocated to the Charities and Not-for-profits Commission over four years.

Mr Ronalds: Yes, \$53.6 million from memory.

Senator SIEWERT: Can you tell me how that figure was arrived at? Is that something I should be asking you or Treasury?

Mr Ronalds: That is definitely a question for Treasury.

Senator SIEWERT: Thank you, I will go there. Also there is additional revenue of \$41 million in the budget papers.

Mr Ronalds: Again, that is a question for Treasury.

Senator SIEWERT: Where do I ask about the public information portal, the one-stop shop?

Mr Ronalds: Again, that will be connected with the regulator, so that should be a question directed to Treasury.

Senator SIEWERT: Is it anticipated that that would be established during the implementation task force phase or is it envisaged that that would be after the commission was set up?

Mr Ronalds: I think it is still too early in the process to be able to determine the exact time when the portal will become live. Again, you can ask Treasury as to their timing.

Senator SIEWERT: I want to go back to the \$53.6 million question. I appreciate that you said I need to ask Treasury the details, but was there discussion, through any process that you are aware of, around how much people thought would be needed to establish an effective commission?

Mr Ronalds: Not to my knowledge.

Senator FIFIELD: I am wondering if the office is aware that, according to Treasury's regulatory impact statement for the not-for-profit regulator proposed in the budget, small charities may see an increase in compliance costs in the initial stage.

Mr Ronalds: I do not have a copy of the regulatory impact statement in front of me. If that is what the document says and you have it in front of you, I will take that.

Senator FIFIELD: It says:

... small charities may see an increase in compliance costs in the initial stage of this option.

That is not something that you are aware of?

Mr Ronalds: Not something particularly that has been raised with the office to my knowledge. Clearly, our intent is to minimise red tape wherever possible and that is what the office is endeavouring to do.

Senator Arbib: Senator Fifield, I would want to see the full document and the context of that quote. Not that I disbelieve—

Senator FIFIELD: We are mere opposition and non-government senators and we have the government's press release and the office does not, we have the office's budget summary and the office does not, and we have the Treasury regulatory impact statement and the office does not. Should we swap sides?

Senator Arbib: We cannot have every document in front of us. If you want to hand it over to us, we would be happy to respond to your questions on it.

Senator FIFIELD: How about some documents?

Senator Arbib: That is normal for Senate estimates. This does not seem any different to any other night.

CHAIR: Senator Fifield, do you have some questions?

Senator Arbib: You are paraphrasing; it is the usual night.

Senator FIFIELD: I am not paraphrasing. I think it is a little unusual that the Office of the Not-for-Profit Sector, which has a whole-of-government view, are not aware of Treasury impact statements, are not aware of Assistant Treasurer Shorten's press release and do not have a copy of their own budget summary from budget website. It just surprises me.

Senator Arbib: Senator, I think the officials have answered every question appropriately and in detail. If you want to provide us with the documents that you are quoting from, we can probably provide you with more information. As well, we have mentioned that Minister Shorten is outside Prime Minister and Cabinet but we still answered the questions that you have asked.

Senator FIFIELD: He is outside, but what is the purpose of having the Office of the Not-for-Profit Sector, which has a whole-of-government view, if part of the response we get from the other side of the table is, 'He's outside the portfolio'?

Senator Arbib: The officials have answered—

Senator FIFIELD: The whole purpose of PM&C and an office in PM&C is that it is whole of government. Whole of government includes Mr Shorten and the areas of his portfolio which relate to the not-for-profit sector.

Senator Arbib: Senator Fifield, if you want to keep grandstanding that is fine, but every question you have asked has been answered appropriately. If you want to provide the document so we can give you are more detailed response, that is fine. If not, then you are grandstanding and you are just wasting your own time.

Senator FIFIELD: Minister, it was not grandstanding; that was—

Senator Arbib: That is what it sounds like.

Senator FIFIELD: No, it was an expression of frustration.

Senator Arbib: Every question has been answered, so I cannot understand why you would be frustrated.

Senator FIFIELD: I have explained why I am frustrated already.

CHAIR: Senator Fifield, do you have a question? You have the call. Do you want to table the document?

Senator FIFIELD: Questions flow much more freely if relevant documents which should be at the hand of officers are there?

CHAIR: You could table the document that you are quoting from.

Senator FIFIELD: Okay, I will. I will table the regulatory impact statement. It is 33 pages. Are there any other government documents that the government would like me to provided them with?

Senator Arbib: Are there any that you are going to paraphrase from?

CHAIR: Senator Fifield, do you have any other serious questions?

Senator FIFIELD: Yes. I may need to table this document as well, but we will just play it by ear. Is the Office of the Not-for-Profit Sector aware of the equal remuneration case, the decision handed down recently by Fair Work Australia?

Mr Ronalds: Yes, we are.

Senator FIFIELD: And you would be aware, in general terms, of the decision itself?

Mr Ronalds: In general terms.

Senator FIFIELD: Has the office read the decision?

Mr Ronalds: I have not personally read the decision; I have read summaries of the decision.

Senator FIFIELD: Have any of your staff read the decision?

Mr Ronalds: I can take that question on notice and ask them and write a response.

Senator FIFIELD: If you could.; thank you. You would accept that it is a relevant decision for the not-for-profit sector?

Mr Ronalds: Highly relevant, yes.

Senator FIFIELD: So we would be concerned if it had not been read by someone in the Office of the Not-for-Profit Sector. Did the Office of the Not-for-Profit Sector make any submissions to the fair work inquiry?

Mr Ronalds: No. Again, this is an issue that goes beyond the Office of the Not-for-Profit Sector. Clearly we are well aware of the issue and have been following it, and so have my colleague from across the Department of the Prime Minister and Cabinet, particularly, for example, in our economic division.

Senator FIFIELD: But, as the office taking a whole-of-government perspective on these things, your office would follow the case and the submissions as they are made.

Ms Cross: There was a government submission. That was coordinated by the Department of Education, Employment and Workplace Relations.

Senator FIFIELD: Thank you. You pre-empted my question, which was: did the Department of Education, Employment and Workplace Relations seek the input of the Office of the Not-for-Profit Sector in its submission?

Ms Cross: The Department of the Prime Minister and Cabinet had discussions with DEEWR about that submission.

Senator FIFIELD: Including the Office of the Not-for-Profit Sector?

Ms Cross: I would have to take that on notice, but across the department we consult.

Senator FIFIELD: How many people are there in the Office of the Not-for-Profit Sector?

Ms Cross: 11.3.

Senator FIFIELD: Are all 11 here?

Ms Cross: No, Senator.

Senator FIFIELD: How many are here today in the room?

Ms Cross: Mr Ronalds heads up the Office of Work and Family, and the Office of the Not-for-Profit Sector falls within that division of the department.

Senator FIFIELD: There are eleven people so it should not be too hard to establish if the Office of the Not-for-Profit Sector had its views sought in the whole-of-government submission?

Ms Cross: Certainly PM&C did and we can confirm who within PM&C, but we will have to take it on notice.

Senator FIFIELD: If you could, that would be helpful because I am trying to get a handle on what the scope of the Office of the Not-for-Profit Sector is, the extent to which it is an office—the window dressing—and the extent to which it really does have serious input and to

which it provides a whole-of-government perspective on issues to do with the sector. So you will take on notice whether the office was consulted?

Ms Cross: Yes, we will.

Senator FIFIELD: Does the office have any views on the decision itself and the impact on the not-for-profit sector?

Mr Ronalds: We have been watching the decision very closely. The decision has a number of ramifications both for the sector and for the government more broadly, and we are certainly well aware of all of those.

Senator FIFIELD: Could you take the committee through your understanding of the possible implications for the not-for-profit sector of the decision.

Mr Ronalds: I am happy to. Essentially, the decision depending on how the next stage proceeds could obviously have a fairly significant impact for the wages paid to a very large number of employees in the sector. That will obviously flow through to the overall costs of providing programs and that is going to be a fairly significant issue for not-for-profits.

Senator FIFIELD: Do you expect that your advice on this issue would continue to be sought by the government?

Mr Ronalds: The advice of the Department of the Prime Minister and Cabinet, of which the office is a part, would continue to be sought, yes.

Senator FIFIELD: I will wait to hear the response to the questions you have taken on notice.

Senator SIEWERT: Was any consideration given in the budget to budgeting for the impact this is going to have on the not-for-profit sector?

Mr Lewis: We do not discuss the details of what was in the budget or the deliberations that went into those final results. I am sorry; we cannot take that question.

Senator SIEWERT: Let me phrase it in another way: what consideration has the office taken in terms of what impact this will have on the not-for-profit sector when they are having to pay significantly higher wage bills and the impact that will have on the contracts they have with government and the services they are expected to deliver under those contracts?

Mr Lewis: The officer has given an answer with regard to the offices' initial reaction and the impact they think that legislation has. He has said that he will take further detail on notice, and we will that do

Senator SIEWERT: Can you take that on notice, please: what has been the whole-of-government approach across all the agencies to the provision of services that the not-for-profit sector provides to government when it is unable to provide them because their budgets have blown out significantly?

Mr Lewis: Just to qualify that question: it cannot go to the issue of the advice we have given to government—just so long as you accept that.

Senator SIEWERT: Yes, okay, so very simply: has it been considered? Not what the advice is that you gave to government, but has it been considered?

Mr Lewis: The decision has been considered, and the department made a response. We just heard that a moment ago.

Ms Cross: Obviously, as we said, there was a government submission to the inquiry. Then there is a process now to look at the government response to the decision that has been handed down.

Senator SIEWERT: And when is that expected?

Ms Cross: I do not have a time frame for you. That work is underway but it has not yet been finalised.

Senator SIEWERT: Are you talking to the not-for-profit sector already about it?

Ms Cross: I think that at this stage it is a discussion within government while the government considers its response.

Senator SIEWERT: Okay, and what is the timeline for talking to the not-for-profit sector about it?

Mr Ronalds: We can take on notice what consultation arrangements have already been put in place. Again, it is an issue that goes across the whole of government, so I would imagine that a range of agencies are engaged and we would need to take that on notice.

Senator SIEWERT: I want to ask about another element of the reform process, which is the report-once use-often' approach. Should I ask you? It is not obvious that it is a Treasury question. It seems to me that it is a whole-of-government approach, so am I asking in the right place?

Mr Ronalds: Quite possibly.

Senator SIEWERT: I want to know what process you are going to undertake to put this in place? I presume it is across government for all the not-for-profit sector?

Mr Ronalds: Yes, if you are referring to the standard charter of accounts—is that the issue that you are referring to?

Senator SIEWERT: That is a good question you have asked back! Does report-once use-often just relate to the standard charter of accounts, or is it actually going to go wider than that? The red tape is not just about that.

Mr Ronalds: I think I understand your question. Again, I understand the issue will be taken up in the design of the portal. You may like to ask Treasury about the design of the portal and how they are facilitating that report-once use-often principle.

Senator SIEWERT: Okay—and I apologise if I am asking a question that is not dealing with what the measure is supposed to be addressing. Do I read from that that it is purely about financial reporting, not all the other range of reporting that has to be undertaken?

Mr Ronalds: No. The standard charter of accounts obviously goes to financial reporting. That is one issue. But the portal that has been announced as part of the one-stop shop regulator will seek to implement the principle that you have talked about in a broad way, as I understand it. But, again, my recommendation would be to speak to Treasury in more detail about how they are going to implement that principle in relation to the regulator.

Senator SIEWERT: Maybe I am trying to push the envelope here—I am not trying to be difficult—is the report-once use-often process envisaged purely for the regulatory process for the commission, not for all the other reports that the not-for-profit sector report on? For example—off the top of my head—the overburden report, which talks about the Aboriginal

health organisations. It is not uncommon for them to have about 42 grants, and you have heard Catholic Social Services Australia say, 'We have 600-odd grants that we have to report against'. Are we dealing with that full extent of reporting, or just as it relates to the tax concession stuff and the charity stuff—the actual regulatory process?

Mr Ronalds: It is a broad principle that the Office for the Not-for-Profit Sector is seeking to take forward across government. However, in how it is being implemented in the short term there are a number of ways. An example of that is the standard chart of accounts. Another example will be the design of the portal. As the reform process continues, there will be a range of other ways that we seek to take forward that principle.

Senator SIEWERT: Tell me about the portal and how it will reduce the reporting process.

Mr Ronalds: My reluctance here is again because the budget has obviously only just been handed down. The task force that will be established to set out the sorts of issues that you are asking about has not been created yet. So the design, for example, of the portal is still some time off and the people who will be taking that forward have not yet even been engaged. But where I want to provide assurances is in relation to the principle that will be taken forward in the design elements of the portal.

Senator SIEWERT: I am not trying to labour the point. I want to be really clear. The principle is that it will as much as possible go across all reporting requirements. That will be the philosophy: report once and use often?

Mr Ronalds: As far as practicable, that is the principle.

Senator SIEWERT: What is the time line that you are setting for accomplishing that?

Mr Ronalds: The implementation task force is to be created from 1 July this year. That implementation task force will have 12 months to look at a range of issues associated with the one-stop shop regulator, of which the portal is one.

Senator SIEWERT: When you say portal, that is the process you are going to use to refine the reporting process, is it?

Mr Ronalds: That will be the online tool that it is envisaged not-for-profits would use to report once, which government can use often.

Senator SIEWERT: On all their grants?

Mr Ronalds: Among other things, yes.

Senator FIFIELD: I have questions on the volunteer management program. In this budget there were funds transferred from FaHCSIA to your office, weren't there?

Mr Ronalds: There were, not as part of this budget but as part of the machinery of government changes.

Senator FIFIELD: So it was reallocated as a function of—

Mr Ronalds: That is right. Some functions that were previously undertaken by FaHCSIA were transferred to the Department of the Prime Minister and Cabinet.

Senator FIFIELD: Could you take me through the dollar value of what has transferred?

Mr Ronalds: Certainly. The total amount of administered funds was, from memory, \$17 million over the forward estimates.

Senator FIFIELD: Is that covering the national compact, philanthropy and volunteering, or is that just covering volunteering?

Mr Ronalds: No, the national compact is outside of that. That is in relation to volunteering particularly.

Senator FIFIELD: So it is \$17 million for volunteering. When you add the national compact, volunteering and philanthropy together—

Mr Ronalds: There are no administered funds associated with the national compact or with philanthropy.

Senator FIFIELD: I am just going from the PM&C budget statement, page 36, annual administered expenses—national compact, philanthropy and volunteering.

Mr Ronalds: That is right. There were five staff transferred from FaHCSIA. You asked earlier about the number of staff in the office. Of those 11 staff, five ASL were transferred from FaHCSIA in relation to those functions, in addition to the administered funds that I previously mentioned.

Senator FIFIELD: That figure you mentioned was about \$6 million, was it?

Mr Ronalds: The figure is about \$17 million in total.

Senator FIFIELD: So that is \$17 million over the—but \$5½ or \$6 million. Could you give me a year-by-year breakdown?

Mr Ronalds: I am happy to do that on notice.

Senator FIFIELD: What is the total budget of the office?

Mr Ronalds: The office has, as I said, 11 staff and is part of the overall division. I do not have a separate budget for it per se. It has those staff and it has those administered funds for which it is responsible.

Senator FIFIELD: Correct me if I am wrong, but the volunteer management program is due to expire at the end of next financial year—is that correct?

Mr Ronalds: To date it has been annual contracts, so there have been annual payments to volunteer resource centres each year. That is a part of the administered funding. Another part obviously goes to Volunteering Australia, as a peak body.

Senator FIFIELD: Is there money for the volunteer management program in the 2011-12 budget?

Mr Ronalds: There is. Again, perhaps it is a question of terminology. There is funding for which we are responsible, for the volunteer resource centres. That is funding in the 2011-12 year of \$5.13 million. That is part of the overall funds.

Senator FIFIELD: So it is not separately identified; it is part of the overall?

Mr Ronalds: My caution is that there is a range of volunteer small grants funds that are administered by FaHCSIA and continue to be administered by FaHCSIA. Again, that is part of the overall funds that are going to volunteering, but they are not administered by the Department of the Prime Minister and Cabinet.

Senator FIFIELD: Thank you. I think that is all I have for the Office of the Not-for-Profit Sector.

Mr Ronalds: If I may, the figure was actually \$17.1 million. I finally found my notes. So \$17.1 million is the total administrative funding.

CHAIR: We have completed 1.1.1. Because we have rearranged the schedule, we are now moving to 1.1.3, strategic policy and implementation.

Mr Lewis: Just before we move on to strategic policy and so on, perhaps I could get Mr Rimmer to clarify and expand on one answer that was given during the last session.

CHAIR: Yes. Senators, Mr Rimmer has some additional information that might be of interest.

Mr Rimmer: Senator Birmingham asked about resourcing and tasking within PM&C on water reform. I have a clarification on that. The answer the officer gave was entirely correct in terms of matters that were being directed within PM&C but, for full transparency, there are a small number of people who are effectively being loaned to SEWPaC, the sustainability department, and a very small part of one person that has been loaned to the MDBA at the moment to help them with their resourcing at what is a very busy time for them. So they are effectively under the control of those organisations; they are not under PM&C's control. For complete transparency, I think that clarification is helpful.

[20:49]

CHAIR: As there are no questions for 1.1.3, strategic policy and implementation, we will move on the 1.1.4, support services for government operations, cabinet support.

Senator ABETZ: Is cabinet support under the community cabinet area as well? Excellent.

Mr Lewis: Sorry to interrupt, but could you indulge me?

Senator ABETZ: Sure.

Mr Lewis: Chair, I wonder if I could get a ruling on those officers in the department who are involved in domestic policy. Have you now finished questions for them?

CHAIR: We have finished.

Mr Lewis: Okay. So you would be happy for them to leave at this point?

CHAIR: Not as happy as they will be.

Mr Lewis: Thank you.

Senator FIFIELD: I do not think that we should have problems here, but there is something in 1.4 that I am told is domestic, but I do not think so.

Senator Evans: I suppose if we get to that point, we are back in the morning, so we could organise to do that first thing in the morning. This will let some people pretend they have a life and get home.

Senator ABETZ: Possibly the minister can answer this one for us. Has Mr Rudd attended any community cabinet meetings since Ms Gillard became Prime Minister?

Senator Evans: I am afraid that I would have to take that on notice. I am not sure. We have in recent times had a bit of a different mix of cabinet members, outer ministers and parliamentary secretaries at some of these things, depending on locations. I will take that on notice; I am not sure what the answer is.

Senator ABETZ: All right. He was such a champion of it when he was Prime Minister, it looks as though the interest may have waned somewhat, but let us see what the answer on notice tells us.

Senator Evans: You will find that the foreign affairs ministers are probably the ministers who least attend, but I will take it on notice.

Senator ABETZ: That might be because they are overseas a lot, which is a good segue into my next question. Do ministers need to seek approval from the Prime Minister to travel overseas?

Mr Lewis: In short, yes.

Senator ABETZ: Does that rule apply equally to the foreign minister?

Mr Lewis: Yes.

Senator ABETZ: What role does PM&C play in that? Is it solely administered in the Prime Minister's office?

Mr Lewis: I will get Mr Sterland to step you through the process.

Mr Sterland: The process for seeking and gaining the PM's approval for the overseas travel for ministers is similar to what applied under previous governments. A minister who proposes the travel must seek the PM's agreement to the proposed travel. It is analysed within PM&C and advice is provided to the Prime Minister and/or her office. PM&C has regard to the ministerial travel guidelines, including whether the visit relates to specific outcomes, whether ministerial level involvement is essential and whether the duration of the visit is reasonable. Ministers are expected to seek value for money when travelling overseas. They or their chief of staff are required to confirm that the most cost-effective arrangements have been sought for proposed travel.

Senator ABETZ: Does PM&C cast any value judgments in relation to these value for money considerations or is that left to the particular minister?

Mr Sterland: I will have to take the specifics of that on notice. As I said, PM&C has regard to the general elements in the ministerial travel guidelines in providing its advice.

Senator ABETZ: If you can take that on notice and come back to us, that would be good. I take it, then, that the foreign minister has had all his travel arrangements approved by the Prime Minister's office?

Mr Sterland: Let me check with the relevant officers. I am advised that the answer to that is yes. It would have been approved either by the PM or the chief of staff of the PMO.

Senator ABETZ: So the trip to the royal wedding, the trip to China, the trip to New York quite urgently after Osama bin Laden's death so that we could see him on TV with Hilary Clinton were all seen as being value for money?

Senator Evans: My limited understanding of what occurred—and officers can take you through it—is that the colour and interpretation that you place on those things is not correct. As I understand it, Mr Rudd did not attend the royal wedding but had a meeting in London a couple of days prior to the royal wedding. The officers can go through the details.

Senator ABETZ: Fortuitously coinciding—I accept that.

Senator Chris Evans: I think it was a CHOGM related meeting. The officer can help you with what it was, but it is not right to categorise it as him being in London for that purpose.

Mr Sterland: Senator, it was a long scheduled—

Senator ABETZ: And on the value for money on Osama Bin Laden's death, what was—

Senator Chris Evans: Perhaps we will deal with one allegation at a time, Senator.

Mr Sterland: On the London travel I am advised that the Commonwealth Ministerial Action Group meeting had been scheduled for some time, and it had been approved in advance.

Senator ABETZ: The action group?

Mr Lewis: The Commonwealth Ministerial Action Group for COAG.

Mr Sterland: For CHOGM.

Mr Lewis: CHOGM; sorry.

Senator ABETZ: You can understand why we ask these questions!

Mr Lewis: It has been a long evening, Senator! It is a Commonwealth institution that is going to be reporting at the upcoming CHOGM meeting. It is a priority. Australia is part of it.

Senator Chris Evans: Of course, you know we are hosting that, Senator.

Senator ABETZ: Has Mr Rudd put in any requests for overseas travel that have been denied since Ms Gillard has become Prime Minister?

Mr Sterland: I think we would have to take that on notice.

Senator ABETZ: All right; if you could, please. If there have been such requests, could you also advise us what they were for. I assume that cabinet met during the month of April of this year.

Mr Sterland: As you know, we tend to answer questions on cabinet meetings in general terms, but that answer would be, in a general sense over a period of time like that, yes.

Senator ABETZ: Did cabinet definitely meet in April?

Senator Chris Evans: We meet every week when the parliament sits and most weeks when it does not. I would—

Senator ABETZ: All right; take it on notice, please.

Senator Chris Evans: I would want to take it on notice. We have not had long breaks between cabinet meetings. So we can get that information for you, but I am 99 per cent sure we met in April. It is just that, when you ask directly, I think, 'Well, hang on.'

Senator ABETZ: I know it was a long time ago. Are ministerial staff appointed with the approval of the Prime Minister in the various ministerial offices?

Mr Sterland: Decisions on staffing matters are taken by the Government Staffing Committee.

Senator ABETZ: Is that run out of the Prime Minister's office?

Mr Sterland: The membership of that includes the Deputy Prime Minister, the Special Minister of State, Senator Ludwig, the Prime Minister's Chief of Staff and the Special Minister of State's Chief of Staff.

Senator Chris Evans: I think the Special Minister of State does the hack work, Senator—you might recall doing it yourself.

Senator ABETZ: For five years. Can we confirm that the Deputy Prime Minister—this is in relation to staff in the ministerial offices—has three media contact people in his office?

Senator Chris Evans: We would have to take that on notice.

Senator ABETZ: All right. And Mr Albanese, Senator Carr, Mr Combet, Mr Crean, Dr Emerson and you, Minister, each have two media contact people.

Senator Chris Evans: That is right. Occasionally there would be someone else on the list as well, when someone is on leave or on a special project.

Senator ABETZ: Very wisely, Mr Garrett is only given one to ensure that he is not out in the media too much. Ms Macklin has two and the health minister has three. There seems to be a huge number of media appointments in the various ministerial offices. Are you able to take notice for us exactly how many media advisers there are within the various ministerial and parliamentary secretary offices as approved by this government's staffing committee?

Mr Sterland: Responsibility for MoP staff is with the finance portfolio and so we would suggest that they take that on notice. It is not within PM&C's remit.

Senator ABETZ: MaPS puts everything into place once these appointments are determined as being appropriate but ultimately there is a decision made that the Deputy Prime Minister can have three media people and that Ms Roxon can have three media people and then MaPS just implements that. What I am trying to find out is whether the government itself knows how many media people have been appointed throughout the whole ministry and the basis of the numbers in relation to the various portfolios. If what I have in front of me is correct, it makes interesting reading for the—

Senator Chris Evans: I do not know whether it is interesting reading or not but Ministerial and Parliamentary Services is responsible for staffing matters and the officers have made clear to you that you are best asking the question there and they can give you the establishments through to the ministerial offices I am sure.

Senator ABETZ: I am sure they can, but they will not tell me why.

Senator Chris Evans: Why what?

Senator ABETZ: Why there are three media people needed, let's say, for Ms Roxon but only one for Mr Garrett. Is that because you do not want Mr Garrett in the media or because Mr Garrett is such an accomplished performer that he does not need three media people to get him out there on the TV screen?

Senator Chris Evans: Whether someone is formally listed as media I am not sure but, as you would know, there is multitasking. For instance, one of my media people is based in Perth and the other is based in Canberra. We have organised our internal staffing because of those needs.

Senator ABETZ: MaPS will not be able to tell me exactly the instance that you have given for yourself, which is a fair enough—

Senator Chris Evans: I assume MaPS will tell you that I have one position, as most cabinet ministers do, which is a senior media adviser, but you will find the name of one of my electorate officers on some of the press releases because it is a local WA thing and she knows

more about it. She is not a media officer, she is an electorate officer. Anyway, if you want to ask questions about ministerial staffing, you need to go to Ministerial and Parliamentary Services.

Senator ABETZ: If we do not get any further here. I would have thought talking about the spin machine and the government is not necessarily something you would want to talk about, so we will try MaPS later on.

Senator Chris Evans: Senator, after you presided over the abuse of taxpayers' money and advertising dollars I would not be taking any rubbish like that from you.

Senator ABETZ: But you see, Minister, your great difficulty is that you went to the elections swearing and declaring, like no carbon tax, that you would not engage in spin, that you would not engage in government advertising and you are doing exactly that.

CHAIR: Senator Abetz, is there a question?

Senator ABETZ: I was responding to the minister's provocation and setting the record straight.

CHAIR: While it is helpful to have cross-table dialogue, there is a process here of asking questions and having them answered. Do you have any further questions?

Senator ABETZ: If the minister does not provoke, you will not have those issues.

CHAIR: Do you have any further questions?

Senator ABETZ: No. There is a thin line between love and hate they tell me.

CHAIR: Are there any further questions on cabinet support?

Senator FIFIELD: Since the last election, how many community cabinet meetings have there been? We asked about which ones Mr Rudd had attended, but I am just interested in how many there have actually been.

Mr Sterland: Since the last election, there have been three, I think. I will check my figures.

Senator FIFIELD: While you are looking—

Senator Chris Evans: There was one in Western Australia and one in South Australia. Was there a third?

Mr Lewis: There have been two meetings held since the last estimates hearing, which was back in February.

Senator FIFIELD: While we are here, could you give them to me since the last election—the date, the city or the town and the suburb.

Senator Chris Evans: Adelaide was last week, Fremantle was about a month and a half before that—

Mr Lewis: And Redcliffe, north of Brisbane.

Senator Chris Evans: Yes, there was one in Brisbane. We will get you the definitive list.

Senator FIFIELD: In the process of determining the locations, I assume it is the Prime Minister who says, 'We'll have one here.' Is that essentially the case? I am not saying it should be otherwise, but I assume it is the case that it is basically the Prime Minister's decision.

Mr Lewis: Could I just go back to your earlier question as to how many there have been since the last election. In June, which was before the election, was the last one in the life of the previous government. Since then, they have been in Redcliffe Peninsula, Queensland, in December last year; in Fremantle, in WA, in March this year; and in Modbury Heights, in South Australia, in May this year.

Senator FIFIELD: Thank you. Regarding location choice, I assume it is the Prime Minister's call as to where and when they happen.

Senator Chris Evans: I think so, Senator. We move around the states and we move around regions inside the states, giving a spread. I am not sure there is anything—

Senator ABETZ: The question is: whose call is it?

Senator FIFIELD: That is right. I assume it is the Prime Minister's. I would be surprised if it were anything else.

Senator Chris Evans: I presume it is made inside—

Mr Lewis: It is a matter for government. I am sorry I cannot answer.

Senator ABETZ: Yes, but the minister can. I accept that PM&C cannot.

Senator Chris Evans: I was trying to be helpful. To be absolutely correct, I will take it on notice.

Senator ABETZ: You just go along and go where you are told to go.

Senator Chris Evans: It is in my diary and I turn up. I will take it formally on notice. But it is fair to assume the Prime Minister gets the final call. If that is not right, I will come back to you.

Senator FIFIELD: Thank you. You see it in your diary and you smile with delight.

Senator ABETZ: Especially when it is in Fremantle!

Senator FIFIELD: I go to the Caucus Communications Team. I know they have gone through a few incarnations and have had a few different names. They change from portfolio to portfolio, as to who looks after them. Once upon a time it was the department of finance that paid their way. Is that still the case? They are not paid by PM&C, are they?

Mr Sterland: The latter part of the answer is that they are not paid by PM&C.

Senator FIFIELD: Do you happen to know who they are paid by?

Mr Sterland: No.

Senator FIFIELD: We will ask MaPS. The minister may know whether officers at the table would know if any members of the Caucus Communications Team travel to the committee cabinet meetings.

Senator Chris Evans: I do not know. I would have to take that on notice. I know that ministerial staff do and representatives of the departments do. All of this has been on the record for a long time—

Senator FIFIELD: Sure.

Senator Chris Evans: but I am not sure about the answer to that question. Again, you would probably have to ask that when MaPS are here. I think the Special Minister of State is the responsible minister. Is that right?

Senator FIFIELD: If they are MaPS employees, then that would be the case.

Senator Chris Evans: You would probably best ask when MaPS are here.

Senator FIFIELD: Again, you may need to take this on notice: venue hire, any hire or catering expenses for the community cabinet meetings.

Mr Sterland: PM&C takes those costs.

Senator FIFIELD: Do you have those costs?

Mr Sterland: Yes, I have some costs.

Senator FIFIELD: I am sure they are not exorbitant.

Mr Sterland: The detail could be taken on notice, if you want—just set it out.

Senator FIFIELD: If you have them there now.

Mr Sterland: We have some average figures. We only got the estimated cost of two of the three meetings held to date after the election. The total estimated cost is \$160,152.

Senator FIFIELD: That is for the three meetings?

Mr Sterland: No, that is for the two meetings. For the third meeting, which was held just last week, the costs are still being finalised.

Senator FIFIELD: Okay. So we are looking at about 80 grand per community cabinet meeting. What is the breakdown of those costs? It is just a higher figure than I would have been expecting; because that does not cover the travel costs of ministers or staff, because that is all covered by Finance through Ministerial and Parliamentary Services. Do you have a breakdown?

Mr Sterland: The average—about \$24,000 is travel for the officials attending. It is a reasonably large logistical exercise and there is a lot of support from officials there. This is a large event with several hundred people.

Senator FIFIELD: It sounds like a large event. Several hundred people?

Mr Sterland: The community who come—

Senator FIFIELD: Okay. You are not saying there are several hundred officers?

Mr Sterland: No. There is quite a lot to do there. A combination for that staff—the average I have for those two meetings for which data is available is \$8,600.

Senator FIFIELD: For?

Mr Sterland: The accommodation for staff. Other expenses: there are some miscellaneous expenses.

Senator FIFIELD: What are the miscellaneous expenses? What is the figure for that?

Mr Sterland: It is \$5,838.

Senator FIFIELD: Is that for things like—

Mr Sterland: That is the average for the two meetings. That is the Redcliffe and the Fremantle—

Senator FIFIELD: Does that cover things like PA systems and staging?

Mr Sterland: Meals, other allowances, largely. That is staff travel and accommodation.

Senator FIFIELD: Sorry, that is miscellaneous costs for staff?

Mr Sterland: For staff, yes. Travel allowance and the like.

Senator FIFIELD: So this \$8,600 for accommodation—\$5,538 for miscellaneous, are they subsets—

Mr Sterland: \$5,838.

Senator FIFIELD: \$5,838. Are they subsets of the \$24,000 or in addition to the \$24,000?

Mr Sterland: They are in addition.

Senator FIFIELD: So the \$24,000 is basically flights and travel, is it?

Mr Sterland: Yes. So, obviously, the Fremantle meeting was more expensive than the Redcliffe, so that is an average. Then there are some venues costs.

Senator FIFIELD: What are the venue costs?

Mr Sterland: \$1,758 on average.

Senator FIFIELD: I would not have thought that would have been a big expense.

Senator Chris Evans: That would be declared in costs for the school, Senator.

Senator FIFIELD: They mainly use school high schools.

Senator Chris Evans: That is right. There would be cleaning costs et cetera.

Mr Sterland: The next one on my list is advertisements. So this is in local newspapers, to advertise the events and publicise how to become involved. I have \$2,839 here as an average cost. Audiovisual staging—so this is building stages up and any of the audiovisual equipment—\$11,841. Then there is the hire of equipment: \$16,937.

Senator FIFIELD: Is that chairs and tables?

Mr Sterland: I think it would be that, but let me take it on notice in case it is different to that.

Senator FIFIELD: Thank you. Any more figures?

Mr Sterland: There are a few smaller ones: freight. I do not have all the detail on each item for that; \$37 that says. I think that is just for taking the cases of material across. Communications: \$325 on average. Catering: \$2,685.

Senator FIFIELD: And that is catering for the members of the community, is it?

Mr Sterland: It is a combined cost. There are some elements of catering for the community that comes and there is some catering for the officials that are attending et cetera.

Senator FIFIELD: How many officials do attend?

Mr Sterland: Can I take that on notice?

Senator FIFIELD: Yes.

Mr Sterland: There is a PM&C contingent operating the event, assisting with security et cetera and servicing the ministers. The relevant ministers bring an official along to assist them in taking notes and that sort of thing for the one-on-one meetings. I can take it on notice.

Senator Chris Evans: They used to encourage secretaries to attend. Certainly I took to a practice where I encouraged the state manager to be there. Quite frankly, with all due respect to the secretaries, they have a better feel for the local issues and services being provided. So we do not fly an official in. When we did the Perth one we had the WA state director. I think

there are fewer officials than there used to be. Clearly, the organisational side requires a few people.

CHAIR: Senator Fifield, do you have many more questions on this issue?

Senator FIFIELD: No, I do not.

Mr Sterland: If you want that sort of detail, I could take it on notice.

Senator FIFIELD: Sure. If you could, thank you. You have become a bit of an events management outfit, Mr Sterland, by the look of things.

Mr Sterland: There is a team that has become proficient at this. The department does not maintain many permanent resources on hold for it. As a community cabinet approaches graduates and other people from around the department volunteer for it. So it is not the case that there is a large community cabinet team in place. There is a core team and then it expands as the events come to meet the requirements.

Senator Chris Evans: Senator, if you want to get a feel for it, you can chat to Senator Judith Adams. She came to the last one in Fremantle, I think. She can take you through it.

Senator FIFIELD: She gets around.

Senator Chris Evans: She sat in the front row. We have had a few conservatives turn up to them.

Senator FIFIELD: Mr Sterland, I think probably each senator sitting around this table has had experience organising public meetings for several hundred people, and I think probably each person around this table could perhaps do it for a little under \$80,000 a pop. If you are looking to outsource any time—

Senator Chris Evans: Senator, with all due respect, your local branch stacking exercise is not the cabinet of Australia.

Senator FIFIELD: I am not talking branch stacking exercises; I am talking large community functions. I will finish on that point.

Proceedings suspended from 21:18 to 21:35

CHAIR: We have dealt with cabinet support. We are now on support for ministerial offices. If there are no questions, we will move on to the Parliament House briefing room.

Senator FIFIELD: Mr Lewis, the Department of Parliamentary Services has now, I understand, handed over the keys or the day-to-day running of the briefing room to PM&C, but I think this question goes to you. How many times has the briefing room been used since its inauguration?

Mr Lewis: The door to the room is electronic and it has a lot of gadgetry around it—

Senator FIFIELD: No keys?

Mr Lewis: so they certainly would not have entrusted that to me.

Senator Chris Evans: If we told you, we would have to kill you, Senator.

Mr Lewis: I cannot give you a figure, but it is appropriate for me to say that the room is being used for a range of purposes on a regular basis. It is being used for committee of cabinet meetings. It is being used for ministers and the Prime Minister to contact members out in the states and territories—premiers and so forth. It is being used for ministers and the Prime

Minister to engage with opposite numbers by teleconference overseas, such as leaders in the United States or the UK. It is used by some senior officials supporting those ministers. I use it for talking to opposite numbers in the United States and the United Kingdom. It is used regularly for what I describe as Commonwealth hook-ups with the states and territories. So I cannot give you a figure, but it is used on a daily basis.

Senator FIFIELD: It is used frequently, constantly.

Mr Lewis: Yes. Every day, basically, there is something going on in there.

Senator FIFIELD: Since it was first opened, have there been any significant additions or alterations to the room or its functionality?

Mr Lewis: No. There were a few gremlins with the air conditioning which I think have been sorted out now, but no, there have been no changes to its form or function.

Senator FIFIELD: No new tables or furniture? It is all as it was when it first opened.

Mr Lewis: Not to my knowledge, no. It is still in its pristine condition.

Senator FIFIELD: No artwork to help enhance the spirit and mood of those in the room?

Mr Lewis: No, I do not think so. I do not recall that there is anything hanging on the walls, other than the electronic screens and so forth.

Senator FIFIELD: Or off the walls. Are there any catering facilities in the briefing suite?

Mr Lewis: No, not in the facility. If meetings are there for a protracted period, there can be tea and coffee points set up, but there is no—

Senator FIFIELD: It is serviced from the wider cabinet suite in the usual way.

Mr Lewis: That is correct.

Senator FIFIELD: Have there been any incidents in the room—any surprises; anything that has gone 'bing' and required maintenance?

Mr Lewis: Do you mean some sort of system failure?

Senator FIFIELD: Yes, a systems failure or anything to do with the architecture of the place?

Mr Lewis: Not really. There have been gremlins in the electronics but I would not describe it as having been any catastrophic failure of the systems that required major work.

Senator FIFIELD: You mentioned that there is no key, as such—are they swipe passes, or keypads?

Mr Lewis: I do not want to bore you with the details, but you have to put your eyes up to the machine. It does an iris scan.

Senator FIFIELD: How many irises are registered in the system?

Mr Lewis: I do not know how many irises have been scanned. I have no idea. But there is a secure, positive control over who goes in and who does not.

Senator FIFIELD: Just to give me a handle on it, are we talking dozens of people who are biometrically registered, or hundreds?

Mr Lewis: I suspect it would be dozens. If there is some radical change to that I will come back to you, but it would be some dozens.

Senator FIFIELD: Are there any special maintenance arrangements that set the room apart from any other part of Parliament House?

Mr Lewis: No, there are routine maintenance contracts between DPS and our department. There is a bit of sharing in that, but they are routine.

Senator FIFIELD: I am captivated by the irises. Are all ministers biometrically registered? All cabinet ministers?

Mr Lewis: Let me check. Ministers are not scanned for their irises; it is only supporting staff.

Senator FIFIELD: So ministerial staff—

Mr Lewis: All beyond minister—whether they be MOPS staff or officials from departments. Everybody who is not a minister.

Senator FIFIELD: Everyone who is not a minister is scanned, but ministers are not?

Mr Lewis: That is correct.

Senator FIFIELD: So it is officials who need to have access to the room to set it up, basically?

Mr Lewis: Yes.

Senator FIFIELD: Your irises are scanned, no doubt?

Mr Lewis: Yes.

Senator FIFIELD: Mr Sterland, are yours?

Mr Sterland: No.

Senator FIFIELD: I am just trying to get a handle on who is on the list and who is not.

Senator Chris Evans: I think we are getting a bit close to being overdramatic. It is appropriate for you to understand broadly how it works but I do not think we should be supplying you with lists or information on each officer as to whether or not they have access et cetera. It is a secure facility and we ought to draw the line.

Senator FIFIELD: I was not going to ask for a list of those who have or have not been scanned, but I think it was relevant to ask whether ministers are or not. I think we can all understand the reasons why they are probably not.

Senator TROOD: Does the briefing room has a permanent staff?

Mr Lewis: Some staff are drawn from within our department who service the room when it is in use. They are in varying numbers, depending on exactly what technology is being used in the room. They come out of our department.

Senator TROOD: So there are some identified staff who are responsible for being in the room when it is being used—is that right?

Mr Lewis: Yes, there are a small number of staff who will be required, depending on which of the technologies is being engaged at the time.

Senator TROOD: Is small two or is it 10?

Mr Lewis: No, I think it is five.

Senator FIFIELD: Is there the capacity for, say, the Prime Minister to do a television broadcast from within the briefing room?

Mr Lewis: I do not believe so, not without bringing television broadcasting facilities in there. It would not be consistent with a secure facility.

Senator FIFIELD: Okay, so it is not part of the set-up for that to happen?

Mr Lewis: No.

Senator FAULKNER: I want to ask officials, if I could, Madam Chair, how we are going with the 80th birthday present of Her Majesty Queen Elizabeth II, given that she is now over 85.

Senator Chris Evans: Some people would say it is worth waiting for.

Senator Abetz interjecting—

Senator FAULKNER: This is where I have been told to ask these questions, Senator Abetz. I am no expert in all these outputs. One follows the advice of the committee experts on these things.

Senator Abetz interjecting—

Senator FAULKNER: This is the Britannia royal coach, which you as you would be aware, Mr Leverett, was an 80th birthday present to Her Majesty Queen Elizabeth II, or supposed to be. It is true, isn't it, that the royal coach Britannia was supposed to be an 80th birthday present to Her Majesty Queen Elizabeth II?

Mr Leverett: That is partly true. If you are suggesting it is an official gift from the Australian government, that is not true. I think the builder of the coach intended it as a birthday gift but that was not, and never was, the government's intention.

Senator FAULKNER: Is it true that Her Majesty Queen Elizabeth II turned 85 on 21 April 2011?

Mr Leverett: I believe that is correct.

Senator FAULKNER: When you say it is not an official gift, was it supposed to be an unofficial gift?

Mr Leverett: No, not even an unofficial gift. The Australian government—

Senator FAULKNER: An unofficial nongift.

Mr Leverett: No—if I can explain. The Australian government made a decision about a birthday gift for the Queen's 80th birthday and that gift was delivered for her birthday. A citizen of Sydney, a Mr Frecklington, decided many years ago to build another coach—he has already built and delivered one to the palace—and forward it; you will have to ask him that question. The timing did coincide with the Queen's birthday. I think Mr Frecklington was hopeful that the gift would be ready for her birthday but, as I understand it—

Senator FAULKNER: It is clearly not. That was five years ago.

Mr Leverett: I do not know where the coach is and I do not know whether it has been presented. But I think had it been presented it would have been subject to some sort of publicity; therefore I can only assume that it has not been delivered.

Senator FAULKNER: How much Commonwealth money was spent on this coach?

Mr Leverett: In round figures, \$250,000.

Senator FAULKNER: How do you know the money was spent?

Mr Leverett: The money was not provided in advance for services; it was paid on the presentation of receipts by Mr Frecklington. The government of the time decided that it would make a contribution towards the cost of the coach. Their description at the time was that it was in recognition of the quality of the Australian craftsmanship in the coach. But the government at the time also made it clear that it was not an official gift.

Senator FAULKNER: Has anyone from the government ever sighted the coach?

Mr Leverett: I cannot answer that. I can say that nobody from the Prime Minister's department has seen it.

Senator Evans: I think Mr Abbott and Ms Bronwyn Bishop, from my recollection, may have sighted it. Certainly, we were engaged with the issue at one stage. We might have taken an interest in this matter.

Senator FAULKNER: But no-one from the Department of Prime Minister and Cabinet sighted it?

Mr Leverett: No.

Senator FAULKNER: Has there been any investigation about whether or not the \$250,000 spent on this was an appropriate use of Commonwealth monies?

Mr Leverett: To my knowledge there was no investigation.

Senator FAULKNER: Would you expect any due diligence on this?

Mr Leverett: I believe there was due diligence at the time. There was—

Senator FAULKNER: What was it?

Mr Leverett: The matter went to cabinet and cabinet made a decision that it would make this amount of money available in recognition of, I think the words were, 'the quality of the Australian craftsmanship'.

Senator FAULKNER: Is it true that, as I have read, the coach is just sitting in a shed in the Northern Beaches in Sydney?

Mr Leverett: I cannot verify that, but I have read the same things you have read. But I cannot verify it.

Senator FAULKNER: So we do not know where it is?

Mr Leverett: No, I cannot answer that question.

Senator FAULKNER: Someone could have absconded with the thing and you would not know, even though you have spent a quarter of a million dollars on it?

Mr Leverett: I think it would be a difficult object to abscond with.

Senator FAULKNER: That is if it exists.

Mr Leverett: There are certainly photographs of it, and I think there are—

Senator FAULKNER: I am sure it does exist, but I am surprised that no effort has been made by the Department of Prime Minister and Cabinet to follow this through.

Mr Leverett: Staff from the office of the Prime Minister of the day did see it at the time.

Senator FAULKNER: How do you know that?

Mr Leverett: I am told by the officers concerned—

Senator FAULKNER: You were 'told' by them.

Mr Leverett: They told me at the time that they had been to Manly and seen it.

Senator FAULKNER: Do you know whether it is still at Manly?

Mr Leverett: No, I do not know.

Senator FAULKNER: Have any lessons been learnt by the Department of Prime Minister and Cabinet about expenditure of taxpayers' money in this way, or is this accepted as best practice?

Mr Leverett: I do not think I can answer that question. The decision was made by the cabinet of the day and the department had to implement the decision of cabinet.

Senator FAULKNER: Could I ask you, Mr Lewis, if this is regarded as good practice in terms of financial management and the expenditure of Commonwealth moneys? It seems a very odd situation to me. I was asking questions about this years ago, around the time of Her Majesty's 80th birthday. But I thought I would just come back to it five years later because I knew you would be interested.

Mr Lewis: I also recall sitting around this table and having discussions at the time about the coach. I think I would not want to offer any further comment than has been made with regard to the deliberations of a former government. I do not think that is appropriate. Those deliberations were made, decisions were taken and the money was expended, as Mr Leverett has described, with what was considered to be adequate due diligence at the time. What has happened to the coach since then is something that we have not monitored. I do not think we particularly would. But I cannot really offer anything more than that.

Senator FAULKNER: But you are satisfied that the \$250,000 was well spent?

Mr Lewis: It is not for me to decide whether it was well spent or not; that was a decision that was made by a former government. What I can say is that the money was spent in such a way that due diligence was exercised and adequate care was taken over the expenditure of public moneys.

Senator FAULKNER: Have any of your departmental audit processes been engaged in considering how this payment was made and whether it conformed with best practice at the time?

Mr Lewis: I do recall at the time that there was consideration given to that issue, but it is so long ago that I would have to go back and check the record to see exactly what was done. I do recall in our previous discussions about this that checks were made by the department pursuant, as I recall, to your questions around that issue.

Senator Evans: My recollection was that the maker of the carriage wrote a letter to the Prime Minister where he detailed his expenses for things such as gold leaves and gave an estimate of the costs. That was my recollection.

Senator FAULKNER: I said at the time, possibly ungenerously, about the Department of the Prime Minister and Cabinet:

So the department couldn't care less it was going to pay up to \$350,000 for an 80th birthday present for the Queen and ... didn't give a damn whether she got it when she was 90.

Well, she is 85. For your edification, the figure of \$350,000 came about because there was a suggestion at the time that the government would fork out another \$100,000 to pay for the thing to be transported to the United Kingdom.

Senator FIFIELD: I was here.

Senator FAULKNER: So it is now just a forgotten episode, is it?

Mr Lewis: I would not characterise it as a forgotten episode—

Senator FAULKNER: So it is a remembered episode?

Mr Lewis: It is very well remembered by a few of us around the table, but I think it was a matter that was settled to the satisfaction of the department in terms of the proper accounting for the moneys involved. Beyond that, I cannot add anything further.

Senator FAULKNER: I am glad that the PM&C was satisfied. When Mr Tanner was the finance minister he was not satisfied, was he? He had indicated at some point that he or his department might have a look at it, but that has not been followed through to your knowledge?

Mr Lewis: I was not aware of his interest. I am sure that it happened but I am not familiar with it.

Senator FAULKNER: I recall that being raised in a committee hearing. So time ticks on? Is there any hope that the carriage will be provided to Her Majesty by the time she is 90?

Mr Lewis: That would be a matter for Mr Frecklington, I presume.

Senator FAULKNER: Really? The Commonwealth does not have an interest in that given that it forked out a quarter of a million dollars?

Mr Lewis: It had an interest in the artisanship and the craftsmanship that was involved, as was described by Mr Leverett, but we would not have residual interest in what actually happens to the coach. That is a matter for Mr Frecklington, I believe.

Senator FAULKNER: Is it true that basically if you fork out you can get to eyeball the coach? Is that true?

Mr Lewis: I am sorry, Senator, are you saying that you pay to go and see it?

Senator FAULKNER: Yes.

Mr Lewis: I have no idea.

Senator FAULKNER: I was using the vernacular.

Mr Lewis: I have no idea.

Senator FAULKNER: Do you know about that, Mr Leverett?

Mr Leverett: I have seen press reports to that effect.

Senator FAULKNER: But you do not know if that is right?

Mr Leverett: I cannot verify it, no.

Senator FAULKNER: Do you think it might be reasonable for the Commonwealth to ask for its cut?

Mr Leverett: That is not a question I can answer, Senator. I do not know. I come back to the point that it never was a gift from the Australian government. The government of the day was asked if it would help defray the cost of construction. The government of the day decided

to do that, but in doing so made it very clear that it was not an official gift and that any ongoing relationship was between Mr Frecklington and the palace. That has been reaffirmed by two successive governments in writing: by Mr Rudd's office and more recently by Ms Gillard's office. Any ongoing discussion about the matter is for Mr Frecklington to deal directly with the palace. It has no official status.

Senator FAULKNER: When was it first determined that it would have no official status?

Mr Leverett: When the money was made available by the Howard government. Money was made available on the basis I described before and, in making that payment, it was made clear that the government was not buying into the gift and did not claim any ownership of the project.

Senator FAULKNER: Was there actually a contractual arrangement with Mr Frecklington?

Mr Leverett: I hope you did not interpret me saying 'buying in' as a contract. I was using the vernacular.

Senator FAULKNER: I think someone reading the *Hansard* might interpret it like that.

Mr Leverett: I am glad you brought it to my attention. I will clarify: there was no contract.

Senator FAULKNER: What was there if there was no contract?

Mr Leverett: Mr Frecklington wrote and asked the office of the former Prime Minister—

Senator FAULKNER: I believe Mr Frecklington's letter was provided to this committee on a previous occasion.

Mr Leverett: That is correct. And the matter was considered by government, and cabinet made the decision to make a financial contribution. That contribution was on the basis of Mr Frecklington producing evidence of expenditure. He subsequently did that. This was some years ago and I do not have the details, but I do know that not all the items he submitted were approved. The bulk of them were. The precise total was \$245,000. That was made available. As you rightly say, \$350,000 was identified. The balance was not necessarily for transport—it was up to that amount. That was an undertaking of the Howard government. When that government lost office the incoming government made it clear that it did not feel any need to honour that earlier undertaking and that all future dealings should be between Mr Frecklington and the palace.

Senator FAULKNER: So we do not know if there is any intention for this coach to end up in London?

Mr Leverett: I think it is clear from the various letters and so on that that is the intention. Whether it finishes there, I cannot answer. I think it is very clear that that is the intention.

Mr Lewis: I think that is a matter for Mr Frecklington.

Senator FAULKNER: You might consider so, but some people think that the Commonwealth is entitled to have an interest given it has forked out \$245,000. Don't you think?

Mr Lewis: The interest was in no way, as Mr Leverett has said on several occasions, in relation to some form of Commonwealth ownership of the coach. It was to do with restitution

of costs for some of the materials and recognition of the artisanship or the craftsmanship involved.

Senator FAULKNER: Do we know if there is any disappointment in the palace that the coach has not arrived?

Mr Lewis: I am not familiar with the response from the palace.

Senator FAULKNER: The issue of the coach was raised again at the time of the recent royal wedding, wasn't it?

Mr Leverett: Raised by whom?

Senator FAULKNER: The absence of this coach, which is sitting somewhere on the northern beaches of Sydney, from the recent royal wedding was noted by some. That is true, isn't it?

Mr Leverett: I do not know.

Mr Lewis: It certainly was not raised with us as a department. I do not know if anyone else has raised it. I am not aware of any—

Senator FAULKNER: It was the subject of some media commentary, but you may not have been—

Mr Leverett: I am sorry; I missed that media. I have seen much of the media commentary over the years, but I did not see that particular reference.

Senator FAULKNER: There it is. Anyway, we will see what develops in the period ahead. But I get the general impression that the department appears to have washed its hands of it.

Mr Lewis: I think we were satisfied that the money was paid in a proper manner in terms of the accountability, so we have no further interest in the coach beyond that.

Senator FAULKNER: Except that the impression was left that this would be a gift that would be provided to Her Majesty, but it remains firmly ensconced on the north shore of Sydney—nowhere near. It certainly has not been provided, some five years after Her Majesty's 80th birthday, as a gift.

Mr Leverett: That may be an impression. It was never a decision or a thought within government that it was a gift from the Australian government. On the contrary, it was made very clear that it was not.

Senator FAULKNER: Ex post facto?

Mr Leverett: No, no. As I said earlier, at the time of the original discussion with the Howard government, it was made clear when the money was provided that it was not an official gift and it had no official status from the Australian government's perspective.

Senator FAULKNER: Yes—so it became an unofficial gift.

Mr Leverett: No. It became a gift from Mr Frecklington.

Senator FAULKNER: As it turns out, it became an unofficial nongift. Still, I am sure Her Majesty is looking forward to receiving it sometime in the future, so we will just see what happens.

Senator Chris Evans: We are currently making the transportation plans for CHOGM in Perth in October.

Senator FAULKNER: Perhaps you could travel to Perth in the coach! That would be the first useful thing that has occurred with it—and it sounds like it is very comfortable, because it is certainly air-conditioned, isn't it?

CHAIR: No further questions, Senator Faulkner?

Senator FAULKNER: There will be, but not at the moment.

CHAIR: Any further questions? We are dealing with 1.1.4.

Senator FIFIELD: The government's emergency medal—would that come under here, like the National Australia Day Council? It seems almost anything can come under 1.1.4!

Mr Lewis: Yes.

Senator FIFIELD: Thanks. I am sure the officers at the table would be well aware that, on Australia Day this year, the Prime Minister—in Toowoomba, the scene of significant flooding—announced a new medal for people who perform extraordinary acts or services during a national emergency. The proposed new medal will be a permanent element of the national honours system. In her condolence motion to the parliament on 8 February, the Prime Minister said:

Next Australia Day, I am confident we will present our first awards to those who have performed heroic and selfless acts and volunteered their services across Australia in times of crisis. We will backdate those awards to include those who reached out to each other during Black Saturday.

How many medals have been budgeted for, or what allocation has there been in the budget to support this new medal?

Mr Lewis: Senator, I think it is safe to say that the details of eligibility and the mechanics around the award—and I am expecting this will go to the ratios of the award—are still being settled. That piece of work is not complete at this stage.

Senator FIFIELD: Okay. So there is no particular budget allocation for the medals?

Mr Lewis: Not as yet, no.

Senator FIFIELD: And we do not know how many medals are likely to be awarded. What part of government will administer the new medal and its awarding?

Mr Lewis: It is right to be asking that in this portfolio, but the medal is likely to be administered from Government House.

Senator FIFIELD: Have award criteria been developed?

Mr Lewis: No. There is a consultation happening.

Senator FIFIELD: That is underway?

Mr Lewis: Yes.

Senator FIFIELD: Will the public be able to nominate people for these awards, as is the case with other honours? Is that part of the consultation?

Mr Lewis: That is part of the consultation process.

Senator FIFIELD: I assume that a design has not been approved for the medal?

Mr Lewis: No.

Senator FIFIELD: Has any consideration been given by government to whether people who are awarded this medal and were involved in the Queensland floods will be exempted from the flood tax?

Mr Lewis: I doubt it. As I say, these processes are still ongoing but I have not heard any discussion to that end.

Senator FIFIELD: Okay, we will stay tuned on that. That is all I have on that particular item.

Senator FAULKNER: This is also on the recognition issue, and goes to the issue of the Australian Women's Land Army. There has been a longstanding view that there ought to be recognition of the Australian Women's Land Army as a fourth ancillary service. This is something, of course, that the Departments of Defence and Veterans' Affairs have had involvement in. By way of background, it is obviously fair to say it is not a defence honour and it is not in any way related to veterans' benefits. But there has been a suggestion, and I wonder if this has been drawn to the attention of the Department of Prime Minister and Cabinet—I think it appropriate that the question be raised here, given the circumstances—there are now around 450 living members of the Australian Women's Land Army remaining—of the appropriateness of now presenting to permanent members of the Women's Land Army who enlisted for the duration of World War II a brooch, a booklet and a certificate. Is this something that the department has been engaged in or is aware of? Can you assist me with that?

Mr Lewis: I am sorry, I cannot assist you. I am not aware that any approach has been made to the department, but I would not rule it out. There may have been some early approaches made. It certainly has not developed any momentum in relation to the work of relevant officers of the department to my knowledge. Perhaps if I could take that question on notice—I need to speak to the precise section that is doing this work—and we could come back to you.

Senator FAULKNER: I think that the issue here, which I am sure you would appreciate, Mr Lewis, is that the 70th anniversary, in 2012, of the Australian Women's Land Army is nigh. I support strongly the appropriate recognition of these women, who I think were quite remarkable in what they achieved for our nation. I think the situation we are faced with here is that there is strong support for such recognition broadly within agencies, within government and, I am sure, within the community; but I suspect it is a question of which agency might properly coordinate it. I think in the circumstances it is becoming more and more logical that this is something that falls to PM&C. Minister, I might ask you or Mr Lewis to have a look at this, because I think it is becoming more and more urgent. I stress that it is not a Defence honour, and of course it is not intended that there be a veterans entitlements or benefits issue. It is merely an appropriate acknowledgment and honouring of these extraordinary Australians. I might commend that to the minister at the table to perhaps pass on to the Prime Minister—and yourself, Mr Lewis, to see about some of the spadework that I know has been done in other agencies, particularly Defence where I am sure this has been carried out with very good will but an inability to progress through those agencies because it is effectively not a Defence honour.

Senator Chris Evans: We will make some inquiries and I am sure Mr Lewis will take up the question of PM&C engagement just to see where developments in this matter—

Senator FAULKNER: I hope that, if there has been no communication from either the Department of Defence or the Department of Veterans' Affairs it might be something where PM&C themselves could take an initiative. This is obviously something that would not be at all controversial or costly to government, but in the circumstances I think it is time to act on it.

Mr Lewis: Senator, whether the department has or has not been advised is something I will come back to you on as a question on notice. With regard to the sentiment that you express, I understand that precisely and we will certainly check out exactly where this matter lies.

Senator FAULKNER: I can say to you, Mr Lewis, that there are no questions with the other two agencies I mentioned—Vets and Defence. There has been formal communication. I think the difficulty is the technical issue of where this responsibility lies. I suspect the other agencies now acknowledge that it is more likely to be with PM&C because of the specific circumstances. Thank you for that.

Senator FIFIELD: While we are on recognition, if I could go back to the emergency medal for a moment. I neglected to give the minister at the table the opportunity to give his view as to whether he thinks that people who might be recipients of an emergency medal for their actions in flood-affected areas should be exempt from the flood tax.

Senator Chris Evans: Senator, that is a policy question that the government may consider when we are further down the track. I do not have any particular information on that. I am happy to take it on notice, but I think the department have indicated they are still in the development stage of the awards process. I think as we move down that path we will get more clarity about these issues, but I will take on notice whether there has been any consideration given to that. It is not primarily an issue in terms of the medal, but I am happy to take it on notice.

Senator FIFIELD: Thank you. One of the criteria for determining who is exempt from the flood tax is if they have been directly affected and you would have to think that people who were given emergency recognition awards for their efforts in flood areas must by definition have been directly affected.

Senator Chris Evans: Some of them may not actually choose to be treated in that way, Senator. Some of them actually regard their contribution to the reconstruction efforts as being important.

Senator FIFIELD: They could find themselves in a situation where they are effectively paying for their own medal through the flood tax levy. We would not want to see that situation.

Senator Chris Evans: I certainly would not characterise it in that way, but I do not assume that people who have made a great effort and shown leadership in a crisis are necessarily focused on whether they are affected by the levy. Anyway, we will take it up as a policy question.

Senator FIFIELD: I am sure they are not, but maybe we should be focused on that. I appreciate that the government at the moment cannot rule out that those people who are awarded that honour may have to pay the flood tax.

CHAIR: Is there anything further on compensation and legal?

Senator LUDLAM: Chair, if we do not get through outcome 1 tonight—for example, on national security and international policy, we are running the clock down—will these officers still be available first thing in the morning?

CHAIR: Yes, I do not see why not.

Senator Chris Evans: They will be back bright-eyed and bushy tailed.

Senator LUDLAM: As will we. Thank you.

[22:21]

CHAIR: As there are no questions on freedom of information and privacy policy or the National Australia Day Council, we move on to program 1.1.5, Commonwealth Heads of Government Meeting 2011.

Senator FIFIELD: Mr Lewis, I understand that the department is planning to spend up to \$1.9 million on the opening ceremony for CHOGM, according to contract notice CN374304.

Mr Lewis: Mr Sterland will field this question.

Senator FIFIELD: I am referring to contract notice CN374304 which is headed 'CHOGM Opening Ceremony' and there is a contract value of \$1.9 million. This is from the AusTender website.

Mr Sterland: This is for the opening ceremony?

Senator FIFIELD: That is right. That is the amount that the department is looking at for the CHOGM opening ceremony, \$1.9 million?

Mr Sterland: That is what my advice is. I indicate the head of the CHOGM task force, with a good part of his team, is in London for organisational meetings at the moment. If at some point you need too much detail, I will indicate that, take it on notice and the team will look at it on return. We have information about that.

Senator FIFIELD: Thank you. I just want to make it clear: the \$1.9 million is just for the opening ceremony? I see other contract notices that cover hotel rooms, accommodation et cetera.

Mr Lewis: That is correct.

Mr Sterland: I am not sure whether, in a sense, some of the other contracts may relate in some way to the opening ceremony, but that contract is specifically for the opening ceremony. If there is other venue preparation which is going to be used for more than the opening ceremony, that would be included under some of the others.

Senator FIFIELD: So it is at least \$1.9 million.

Mr Sterland: It is \$1.9 million for the opening ceremony per se.

Senator FIFIELD: I know there is a cost to these international events. I thought \$80,000 for a community cabinet meeting was a large figure but I will not prejudge the figure. Are you able to provide a breakdown of what is envisaged at this stage? As I say, I will not prejudge it because—

Mr Sterland: For the whole event—

Senator FIFIELD: For the opening ceremony.

Mr Sterland: We will take it on notice.

Senator FIFIELD: If you could. The breakdown may tell the story and who knows what the view might be after having that breakdown. Would that opening ceremony figure also include the purchase of official gifts for delegates?

Mr Sterland: We will take that on notice.

Senator FIFIELD: If you could and also if any thought has been given, or if any conclusion has been reached, as to what those official gifts may be.

Mr Sterland: The conclusion has not been made at the moment so it will be a subject of future estimates, no doubt.

Senator FIFIELD: Thank you. Is the department intending on enlisting the help of any external media management professionals for the CHOGM event, given the number of international media who would be attending, or are these details yet to be worked out?

Senator CHRIS EVANS: In addition to Premier Barnett?

Senator FIFIELD: In addition to Premier Barnett, who is the premier of the host state. He does a good job.

Mr Sterland: I know there are facilities at the event. I will take on notice the precise details of what contracting is happening.

Senator FIFIELD: Okay. Has a CHOGM secretariat been established?

Mr Sterland: Yes, a task force has been established.

Senator FIFIELD: I imagine that will naturally grow over time as the event gets closer.

Mr Sterland: It is the nature of these events. It has grown already, and we are now getting into the final stages of planning for such a big event.

Senator FIFIELD: How many staff are involved full time with the CHOGM task force?

Mr Sterland: I have not got those details on me. I will take that on notice. There are a number of permanent PM&C staff on it. There are some non-ongoing staff because it is a one-off event and contractors; it would be better for us to specify those on notice.

Senator Chris Evans: I might say that people tend to think of CHOGM in the context of a previous occasion in Australia at Coolumb—was it?

Mr Sterland: Yes.

Senator Chris Evans: This is going to be a very big thing. The business observers program, for instance, has gone gang busters. Western Australian business are really supportive of the program; various peak industry associations have been supporting it, et cetera. Their registrations are going through the roof. So there are a whole range of activities around the CHOGM meeting that are really taking off. I think the expectation now is that it will actually be the largest event conducted in Perth since the Commonwealth Games, and perhaps it will surpass the Commonwealth Games in terms of the number of people coming.

Mr Lewis: If I might just go back to one of the earlier questions about the staffing of the task force. As of the 4th this month, there are 57 members on the task force.

Senator FIFIELD: Thank you. Mr Sterland, I appreciate your having taken those questions on notice. I appreciate that it is a big logistical exercise, but we will look forward to your answers.

CHAIR: Senator Ludlam on the same issue of the Commonwealth Heads of Government Meeting 2011.

Senator LUDLAM: It is in my home town. Have you started shifting PM&C staff across to Perth?

Mr Sterland: Yes. I believe a small leading contingent has gone—the ones involved with facilities, as I understand it. And then they will progressively transfer there.

Senator LUDLAM: Okay. Can you give us an idea of how many are already there?

Mr Sterland: It is changing as we speak. Now is the time when the move is underway. I have not got precise numbers on me. I would say that it is around 10 or under at the moment out of the numbers that I mentioned earlier.

Senator LUDLAM: Could you on notice confirm for us whether that is accurate—the number of staff from PM&C that you have there now relative to the numbers that you will have in Perth when the thing actually kicks off.

Mr Sterland: When the financial year kicks off—

Senator LUDLAM: Sorry, the event.

Mr Sterland: The event. My understanding is that the bulk of the team will be heading over during the month of June.

Senator LUDLAM: Okay.

Mr Sterland: It will be substantially there at the start of the year and then planning intensively.

Senator LUDLAM: So you can provide us with those numbers when you can verify them.

Senator Chris Evans: Senator Ludlam, I would be happy to organise something for you. I am trying to think of the name of the gentleman who is heading up the Western Australian side of the operation now.

Mr Sterland: Terry Crane is the head of the taskforce. He is based here but he is there now.

Senator Chris Evans: There is one guy in Western Australia already.

Mr Sterland: Terry stays all the time.

Senator Chris Evans: They offered me a briefing, because I was doing a couple of events around this. But it might be useful for us to organise for all the Western Australian senators and members to be briefed, because increasingly you will be asked to be involved and there will be various issues coming up. We can organise that.

Mr Sterland: Yes.

Senator LUDLAM: I think that we should take you up on that offer. The Western Australian government is proposing some fairly severe law reforms, if you could call them that, some of which I understand will be temporary and will be in force only for the duration of the event. Some of them might last a bit longer, as the ones around APEC did in New South Wales. Has the Commonwealth advised the state of Western Australia or has there been contact between the Prime Minister's office and the Premier on the nature of the laws that they are proposing to pass?

Mr Lewis: I will have to take that on notice. I am sure that the answer is no. What laws are passed in Western Australia is a matter for the Western Australian government. If they were of the view that laws needed to be adjusted for some reason or other to meet the security needs of this event then that would be a decision for them. You asked about consultation. There is what I would describe as ongoing and continuous engagement between the federal and the state security agencies with regard to the security arrangements for the event. I would be very surprised if there was advice being given with regard to the specifics of legal changes that are required in Western Australia.

Senator LUDLAM: Would I be better off pursuing some of those questions with the Federal Police, for example? Who is in charge of security for the event?

Mr Lewis: Security for the event is first and foremost a matter for the Western Australian government and the Western Australian Police Force, because it is in their jurisdiction. We run, if you like, a laminated system of security arrangements, where the security of the venue—that is inside the venue—is a matter that the Commonwealth has a say in but which is delivered by the state government. The security beyond the venue is then a matter for the state government. The federal government will put, where necessary, an overlay over the top—for example, if there was a requirement for the use of the ADF or any federal assets by way of security. So it is a fairly well-trying and tested standing arrangement, which we used, for example, at APEC and other major events that we have run here. On the division of responsibility between the states and territories and the Commonwealth, the Attorney-General's portfolio is the best place to ask that question. They have specific carriage of that division between federal and state authorities with regard to security.

Senator LUDLAM: Thanks. I will pursue that there a little bit later in the week. You can defer to other portfolios if you wish, but I understand that there was some controversy around proposals to move homeless people out of sight or to get them out of the area so that delegates and guests and people arriving for CHOGM would not see any homeless people when they visited Perth. Was the Prime Minister's office consulted about that or should I pursue with the housing ministers?

Mr Lewis: No, I have no visibility of that at all, and I do not believe we do in the department.

Senator LUDLAM: All right. That is fine. I can pursue that with the housing ministers. One issue that is concerning me greatly is the apparent very high visibility of state police, presumably riot police, dignitary protection police. You have mentioned the possibility of the Army. I am just wondering to what degree you are able to tell us that that enormous placement of force in the city of Perth is about genuine security from terrorism, for example, or attempts to violently disrupt the event, as opposed to people who might be gathering to express political views or dissent around CHOGM itself?

Mr Lewis: I am sorry, Senator. The point of your question is whether the security arrangements are designed to provide security against, for example, politically motivated violence that might go to acts of terrorism or whether they are designed to meet the issue of what one might describe as legitimate dissent and demonstration?

Senator LUDLAM: Yes.

Mr Lewis: I think the answer is probably that the entire spectrum will be addressed. At the lower end of that spectrum—that is, the expression of dissent and so forth—so long as it is lawful, that will continue, but, where that breaks the bounds of the local law, that would be a matter for the Western Australia Police. At the top end of the spectrum, that is definitely a matter for the triple layered arrangement that I spoke of earlier between the federal and the state authorities—that is, inside the venue, around the venue and then the more global posture of Australian security arrangements.

Senator LUDLAM: Who will actually be in charge, though? Is there an officer in control or a particular agency in charge?

Mr Lewis: Yes. There will be a Western Australia Police officer. I cannot tell you who that will be, but there will be a senior Western Australia Police officer who will be responsible for security of the event.

Senator LUDLAM: I will leave it there, thanks.

[22:37]

CHAIR: As there are no further questions on that, we will go back now to 1.2, National security and international policy.

Senator LUDLAM: I am wondering whether this is an appropriate place to ask about WikiLeaks and the direction, I suppose, of the Prime Minister specifically.

Mr Lewis: Yes, Senator.

Senator LUDLAM: I am interested to know when the department first started to provide advice to the PM on WikiLeaks, or when you first advised the PM of the existence of this group.

Mr Lewis: I will call on Dr McCarthy to field the detail of these questions. Dr McCarthy chaired, at least in the first instance, an interdepartmental committee for managing across government the issue of WikiLeaks.

Dr McCarthy: We certainly provided briefing to the Prime Minister ahead of the first publication of that material on the internet, but I do not have the exact date of the first—

Senator LUDLAM: Sorry, which material? They have been publishing for years.

Dr McCarthy: The US Department of State cables. I do not have the date with me of the first brief provided to the Prime Minister on that.

Senator LUDLAM: I will ask you for some fairly specific information that I will not expect you to have with you at the table. You have said you briefed the Prime Minister at some stage before the Department of State document drop occurred. WikiLeaks had been in existence for years before that. They had released material that had been sensitive, if not controversial, before that, and it was also, I think, reasonably well understood that the Department of State had lost control over a huge volume of documentation months before. It was apparent that newspapers were going to be publishing it. I am interested to know when the department first provided advice to the Prime Minister that Australia might be implicated in some of the material that was to be released by that website or through news organisations.

Dr McCarthy: It certainly was not months before the first publication. I will need to take on notice the question of when the first brief was provided to the Prime Minister.

Senator LUDLAM: Thanks; I would appreciate that. Did your office or the department provide a briefing after the release of the film *Collateral Murder*, which was released in April?

Dr McCarthy: Not that I am aware of.

Senator LUDLAM: Can you provide us with some information on the number of times that you provided briefings to the Prime Minister when you became aware that the documents were about to be leaked from the US Department of State?

Dr McCarthy: I do not have the information with me about exactly how many briefs were provided but I can take that on notice. My apologies; I have just found a reference to the preparation of 12 briefs for the Prime Minister on WikiLeaks. I do not have information on what period that took place over.

Senator LUDLAM: Are those briefs delivered verbally or does the Prime Minister receive them in writing?

Dr McCarthy: They are written briefs, written advice.

Senator LUDLAM: They are all written briefs. So there are 12. Are you able to provide us—not tonight, I understand—on notice the dates of those briefings?

Dr McCarthy: I could do that.

Senator LUDLAM: Thank you. Is there a particular unit, office or working group charged with investigating what WikiLeaks is doing?

Dr McCarthy: As I explained at the last estimates hearings, the Department of the Prime Minister and Cabinet continues to coordinate a whole-of-government effort in relation to assessing the information that is released, providing information to ministers and monitoring the media, but I would not call that an investigation. If you mean 'investigation' in a legal sense, it is not a legal investigation; it is a coordination function.

For a time the WikiLeaks task force operated out of the Department of the Prime Minister and Cabinet, staffed by members of the Department of the Prime Minister and Cabinet and other agencies. But towards Christmas the operations of the task force were located within PM&C. That was from Monday 29 November to Monday 13 December. On 13 December, following a meeting of the interdepartmental committee that I chaired regularly over that period, we agreed that, given the very slow release of the material into the public domain, task force members could continue to assist in that coordinated effort from their home agencies.

Senator LUDLAM: Is that task force still a standing group?

Dr McCarthy: Yes, it still exists in what we refer to as a virtual form, if you like. It is not co-located but there are members of the task force operating from their home agencies and we could reconvene it in the Department of the Prime Minister and Cabinet should circumstances change such that that was necessary.

Senator LUDLAM: Are you still its virtual chair?

Dr McCarthy: I am its real chair, but I have not chaired any of the interdepartmental committees now for some time. As I said, the material is being released very slowly.

Senator LUDLAM: What fraction of the material has been released into the public domain?

Dr McCarthy: As of this morning, my colleague tells me, 12,600 cables have been released on the WikiLeaks website—obviously not all of them referencing Australia. The information I have here is that as of 2 May approximately 200 referenced Australia.

Senator LUDLAM: Out of about a quarter of a million cables, they have dropped somewhere between—

Dr McCarthy: As I have just indicated, a quarter of a million cables have not yet been released into the public domain—it is some 12,600 or so, as I have just mentioned.

Senator LUDLAM: Who has contacted the United States government to ask for what they think has gone missing? Have you requested briefings on what has gone, and what were you told?

Dr McCarthy: Yes, at the time that the task force was set up and the issue first arose, we were in contact with the United States and the embassy here in Canberra provided a number of briefings to the Australian government, primarily to the Department of Foreign Affairs and Trade.

Senator LUDLAM: How forthcoming has the State Department or whoever you have been dealing with been on what they think they have lost?

Dr McCarthy: It was the policy of the US government not to make the cables available, so we were provided with briefings of a more general nature.

Senator LUDLAM: So WikiLeaks have them but they will not provide them to the Australian government, so they will be released on a timetable of that organisation's choosing and the Australian government will not be given a heads-up by the US State Department. Is that satisfactory behaviour?

Dr McCarthy: As I said, it was the policy of the US government not to provide the cables. We respected that policy, and against that background the United States did what they could to advise other countries, including Australia, of what the material might contain.

Senator LUDLAM: Have they made reasonable efforts to advise us of that? It does not sound as though they have done anything of the kind.

Dr McCarthy: I think against the background of the policy of the US government not to provide the actual cables, and given that Australia was one of many countries who may have been mentioned or referenced in the cables, I think the United States was having to advise a large number of countries within a very limited period. It was against that background that they made the efforts that they could.

Mr Lewis: It is safe to say that we would have preferred to have had full knowledge of the cables, and I think it was made plain perhaps not in this hearing but certainly during the last Senate estimates hearings that we would have preferred a quicker start for that information to flow. But, as Dr McCarthy has described, we have been given descriptions of those cables ahead of their release on a progressive basis.

Senator LUDLAM: Is it Australian government policy to seek the closure of the WikiLeaks website?

Dr McCarthy: Not that I am aware of, no.

Senator LUDLAM: Minister, do you want to address that? It is probably not fair to ask the department.

Senator Chris Evans: I have no knowledge of any such policy, but I am happy to take it on notice.

Dr McCarthy: I am as sure as I can be, Senator, that there is no such policy.

Senator Chris Evans: That would have been my first reaction but, rather than give you evidence that I was not sure was absolutely correct, I thought I should take it on notice.

Senator LUDLAM: Thanks. Dr McCarthy, you said that the task force that you were the chair of, before it virtualised itself, while it was still meeting, was not investigative as such; it was monitoring what was occurring—and information sharing, it sounds like. Can you tell me how you reconcile that with the fact that it appears that Australian security and intelligence organisations have been investigating WikiLeaks personnel? Were they doing that not under the direction of the task force? Was it some separate activity that was occurring or was it being done with the knowledge of the task force?

Dr McCarthy: I am not going to depart from the long-standing convention of not commenting on speculation about the activities of Australia's intelligence agencies.

Senator LUDLAM: I am not asking you to speculate; I am asking you to tell us whether they—

Dr McCarthy: It is a longstanding convention not to comment on intelligence and security matters.

Senator LUDLAM: The agencies themselves are reasonably—

Dr McCarthy: And you should take nothing more from that than that I am observing a longstanding convention.

Senator LUDLAM: The agencies themselves are generally willing to put a certain amount of information on the record. ASIO in particular have been forthcoming about the broad parameters of what they do and do not do.

Mr Lewis: Perhaps it would be better to direct that question to the agencies. I just reinforce Dr McCarthy's point that it is a longstanding convention; we would not go into the detail of what intelligence agencies are or are not doing. The statutory officeholders that head up those agencies would be better able to field those questions.

Senator LUDLAM: Okay. Can I just clarify then, before we move on: did that task force have any investigatory role or not?

Dr McCarthy: It was a coordinating body.

Senator LUDLAM: Can you provide us with the membership—not necessarily the names but the agencies that were members—of that task force?

Dr McCarthy: I can.

Senator LUDLAM: Would you be able to table that for us now?

Dr McCarthy: I can tell you that the task force comprised representatives from the Department of Prime Minister and Cabinet, Department of Foreign Affairs and Trade, Department of Defence, Attorney-General's Department, Office of National Assessments and the Australian Federal Police.

Senator LUDLAM: I don't think I caught ASIS or ASIO in that or DSD? Were they not there?

Dr McCarthy: They were not part of the task force.

Senator LUDLAM: I presume the AFP would be the lead agency as far as—did you list the AFP?

Dr McCarthy: I did list the AFP.

Senator Chris Evans: The officer listed the Department of Defence, Senator.

Senator LUDLAM: Thank you. I will put these questions to ASIO when we get them a little bit later in the week but I presume they will refer me back to the minister because they are policy questions and not strictly operational. There is a report in the *Sydney Morning Herald* and the *Age* this morning that the government is moving through a bill that is before the Senate at the moment—it is with the Senate Legal and Constitutional Affairs Legislation Committee—to expand substantial liaisons, ASIO's capacity to investigate civil society organisations. I am wondering if you can tell us whether that policy has flowed, as the reporting seems to state? Does the Australian government feel that its intelligence agencies need greater capacities to investigate organisations like Wikileaks?

Dr McCarthy: The amendment you are referring to has not flowed from the Wikileaks events as described in that reporting this morning. The amendment you are referring to, Intelligence Services Legislation Amendment Bill 2011, is designed to provide a consistent meaning of foreign intelligence and a consistent approach to foreign intelligence between three related acts: the ASIO Act, the Intelligence Services Act 2001 and the Telecommunications (Interception and Access) Act. The Attorney-General's portfolio will be able to answer more detailed questions on that. But the amendment is not as reported in this morning's press flowing from the Wikileaks—

Senator LUDLAM: I understand that the bill may not be; I am referring to a specific amendment which departmental officers apparently refer to as 'the Wikileaks amendment'.

Dr McCarthy: That is the first time I have ever heard that amendment referred to as 'the Wikileaks amendment'.

Senator LUDLAM: You should obviously spend more time in the Attorney-General's Department. I thought it was worth putting to you. So, in your view, if you are refuting—I guess, I do not want to put words in your mouth—some of the implications of that article, does the Australian government feel that it needs additional surveillance powers over civil society organisations such as Wikileaks or do we have sufficient capacity in that regard already?

Dr McCarthy: I think those questions are best directed to the Attorney-General's portfolio.

Senator LUDLAM: So long as they don't refer me back to you.

Senator Chris Evans: The legislation as you know is the Attorney-General's legislation before the parliament. There is a Senate legal committee inquiry and obviously there is opportunity to ask questions of the Attorney-General's Department later in the week. That is where those matters are best pursued.

Senator LUDLAM: I will just ask one final one, because I presume this does relate directly to PM&C. Can you update us on what is currently being done to provide Mr Julian Assange protection as enshrined in the rule of law—his citizenship entitlements, essentially?

Dr McCarthy: Those questions are best directed to the Department of Foreign Affairs and Trade. That goes to consular matters.

Senator LUDLAM: I am very happy to do that, as long as you are ruling out for me that the PM's office is having anything to do with that issue at all. The PM made very strong statements that Mr Assange had broken the law, so I am just trying to test whether she is retaining an interest in this or whether it has been devolved entirely to the Attorney-General's Department.

Dr McCarthy: Consular matters have always been a matter for the Department of Foreign Affairs and Trade.

Senator Chris Evans: Senator, you referred to citizenship. I did not quite pick up the question. What is the question?

Senator LUDLAM: He is under threat of extradition. You would be aware of the circumstances that he is facing at the moment, and at one time the Prime Minister had prejudged that he had broken the law, which was later retracted. I am wondering whether he has asked formally or what kind of requests for assistance he has put to the Australian government. I am happy to be referred to specific places, as long as they do not later in the week refer me back to PM&C.

Senator Chris Evans: No, I think you are best asking DFAT.

Senator LUDLAM: All right. When was the last time the Prime Minister was briefed on matters directly relevant to WikiLeaks cables?

Dr McCarthy: I do not have that information.

Senator LUDLAM: I will just tack that on to the list of things I asked you to take on notice earlier, if I could. I will leave it there.

Senator TROOD: I have a question about this Assange matter. On the last occasion we were here I asked some questions about advice that the Prime Minister and cabinet department had received in relation to WikiLeaks. I also asked you to take a question on notice. Dr McCarthy and Mr Lewis, you were involved in questioning. It was question 21 and you provided me with an answer to the question as to what advice was given. You said that you provided the Prime Minister with some advice on possible laws which had been broken, as I understand it.

Dr McCarthy: I have the answer to the question on notice here, and it was that—

Senator TROOD: No, I have the question, so you do not need to read it out to me.

Dr McCarthy: Can I just clarify. The phrase was 'possible US laws that may have been breached by Mr Assange and/or WikiLeaks'.

Senator TROOD: I accept the literal reading. Can you just tell me who provided that advice to the department?

Dr McCarthy: This was not by way of formal legal advice. As the answer to the question indicates, it was advice to the Prime Minister about US laws that may have been broken. It was very general advice and we would have consulted with the Attorney-General's portfolio in providing that advice.

Senator TROOD: This was advice that you passed on to the Prime Minister?

Dr McCarthy: We would have consulted with the Attorney-General's portfolio—

Senator TROOD: I will get to that, but my question is—

Dr McCarthy: This was a brief from us.

Senator TROOD: Is this advice that you briefed the Prime Minister about with information provided from the Attorney-General's Department? Is that correct?

Dr McCarthy: To my recollection, that is correct.

Senator TROOD: Can you tell us when they made that advice?

Dr McCarthy: I do not have that date with me.

Senator TROOD: Perhaps you could take that on notice for tomorrow morning, would you?

Dr McCarthy: Certainly.

Senator TROOD: Thank you.

CHAIR: I thank the witnesses and invite you back tomorrow morning to continue. Drive safely.

Committee adjourned at 22:58