

## CHAPTER 5: THE REFORM GROUP ALLEGATIONS

### The Reform Group allegations

5.1 The first of the Reform Group's allegations about individuals received by the Committee were in Chapter 5 of the Group's submission. The Chapter contained 96 specific claims of malpractice and the Committee's staff, at the Committee's direction, chose for review 27 cases involving 37 of these claims as well as two from Chapter 2. In 20 cases the review involved examination of DFAT files as well as the seeking of written responses from DFAT and from individuals identifiable in the submission. The other seven were assessed on the basis of written responses alone. A staff report on the review of the sample of cases was prepared, copies of it were supplied to DFAT and the Reform Group in advance of a Committee hearing on 26 June 1992 and it was authorised for general publication at the hearing. A copy of the staff report is at Appendix III.

5.2 Representatives of DFAT and the Reform Group appearing at the hearing accepted the general accuracy of the Committee staff's report, although the Reform Group witnesses expressed concern that some of the cases chosen were of minor significance relative to cases not reviewed. However, the Group acknowledged that four of the cases had been the most highly ranked in a group of nine cases nominated by Mr Carroll as being significant and strongly supported by evidence (Evidence, p. 534). As had been the case in previous investigations by other bodies of claims made by Mr Carroll or the ORC, no further documentary evidence to support the allegations was supplied to the Committee. The Group did seek an *in camera* hearing to expand on its claims but the Committee did not agree to the request for a variety of reasons including the fact that there was no indication that the Group intended to use such a hearing to supply evidence as opposed to unsupported assertions.

5.3 On the basis of the staff report and extensive Committee discussion of it with representatives of the Reform Group and with DFAT itself during the hearing of 26 June 1992, the Committee concluded that:

- . many of the specific allegations made by the DFAT Reform Group were seriously inaccurate;
- . in none of the cases reviewed by the Committee was there sufficient evidence to justify action against any individual and, in a significant number of cases, the allegations against individuals were clearly disproved;
- . those cases which were partly or largely substantiated, including one nominated by Mr Carroll as significant, were of minor significance;
- . there was no evidence of any cover-up of improper or illegal behaviour;

given all this, the actions taken by Mr Carroll and the ORC in publicising such claims were improper, reckless and likely to have damaged the reputations of innocent individuals and to have been contrary to the public interest.

The cases reviewed by the Committee are described in Appendix III but it is worth briefly recounting a few here.

#### *Unfounded claims*

5.4 In one case, the Reform Group alleged that the basis on which leave without pay was granted to an officer had been changed from "private interest" to "public interest" late in the period of leave, permitting the officer to accrue benefits in the Commonwealth Superannuation Scheme for the period of leave. This was said to have been facilitated improperly by a senior officer of DFAT. The allegation had originally been made publicly by the ORC and investigated by the DFAT Special Investigator and the ANAO, both of whom rejected it. But, despite this discouragement, the Reform Group apparently still believed that there had been improper conduct and supplied the Committee with a copy of a letter to the department from the officer granted leave which it said was evidence to support the allegation. However, while the letter was not inconsistent with the Reform Group allegation, it was also open to an innocent interpretation.

5.5 The nub of the Group's concern, based on an incorrect inference drawn from the letter, was that a reasoned decision not to grant "public interest" status to the leave had been overturned late in the period of leave. The actual course of events was different. The Committee established that the officer had been offered employment with a non-government organisation (NGO) operating in a country of significance to Australian foreign policy. DFAT was prepared to second the officer to the position on full salary but the NGO preferred that there be no formal link with the Department and asked that she take leave from the Department. The officer was prepared to accept this arrangement, although the position offered remuneration considerably lower than her DFAT salary together with the certainty of significant discomfort and some risk. But, at the time of seeking leave, the officer applied for it to be granted on a "public interest" basis because of the relationship between the proposed work for the NGO and Australia's foreign policy interests. The application was supported from the beginning by DFAT and was properly and promptly approved by the Department of Industrial Relations. The senior officer alleged to have facilitated the approval was posted overseas when the application was processed and had no apparent involvement in the case, except for the effort to which he was eventually put in denying the ORC allegation. It was clear that the only evidence available to the ORC or the Reform Group in relation to this allegation was the letter from the officer to DFAT and this fell far short of being evidence of any wrong-doing.

5.6 The Reform Group's presentation of two other cases, offered as indicative of problems with the disciplinary system, also represented only part of the story and was misleading. It was alleged that a middle-ranking officer who succeeded in gaining promotion into DFAT from another department ahead of officers already in DFAT was, in retaliation, assigned to a post where financial problems were known to exist. It was further claimed that the financial problems worsened to the extent that the DFAT Chief

Auditor recommended that two heads of mission and the middle-ranking officer be charged but that DFAT sought legal advice calculated to exonerate the heads of mission so that only their junior was charged. In the second case, it was alleged that a head of mission, with the connivance of his spouse (also a DFAT officer), defrauded the Commonwealth of a large amount of settling-in allowance and was recalled to Canberra following exposure by the ORC of his misbehaviour. It was further claimed that the head of mission was permitted to resign with full entitlements while the spouse continued to work in the Department in Canberra.

5.7 The Committee established that both cases had been the subject of internal DFAT investigations before any involvement by Mr Carroll, the ORC or the Reform Group. These investigations had produced reports which were strongly critical of management failures in the central office of the Department as well as at the posts and the reports had been accepted and acted upon by DFAT. By and large the problems detected by DFAT, although serious, were not the problems "exposed" by the ORC and the Reform Group. In particular, the persons said to have been treated with undue leniency by DFAT had not been so treated and the fraud alleged in the second case had not occurred. The publication by Mr Carroll and the ORC of garbled and inaccurate versions of each case is likely to have caused damage to the individuals involved. It was calculated to damage the reputation of the Department generally and especially to damage the reputation of DFAT management in the eyes of departmental staff not familiar with the details of the cases.

5.8 A further case, raised by Mr Carroll at the hearing of 26 June 1992, involved the claim that DFAT had intervened to prevent the prosecution of an ambassador-designate for fraud. DFAT subsequently supplied the Committee with copies of letters from the Director of Public Prosecutions (DPP) indicating that the DPP had decided not to proceed with charges in that case because of the previous good character and present state of health of the officer concerned. The amount involved was less than \$1000 (Evidence, pp. S1174-5, S1180-1). On the Committee's understanding of the facts in this case, the DPP's decision appears to have been a normal and appropriate exercise of discretion. There is no indication of intervention by DFAT and no reason to suspect such intervention.

5.9 DFAT's response in these and other cases was hampered by the impossibility of its correcting the versions of events published by Mr Carroll and the ORC while meeting its obligation to protect the privacy of some of the individuals concerned. Incidents had occurred and had been dealt with under the established procedures. Publication by DFAT of full details of the incidents to counter the lurid and inaccurate versions circulated by Mr Carroll and the ORC would have imposed a significant and unjustified additional punishment on some of the persons involved and would probably have breached privacy legislation. DFAT instead denied the allegations and sought to buttress that denial by having them reviewed by the ANAO and the AFP but this was not sufficient to deter Mr Carroll, the ORC or the DFAT Reform Group from further attacks. Nor did it persuade all the outside observers that the Department and some individuals had been unfairly treated in the published allegations.

5.10 The recklessness of many of the allegations can be illustrated with two further examples. One claim was that two officers independently had conspired with a third to extend artificially their overseas postings so as to increase their entitlement to assistance with boarding school fees. In fact, neither officer had children in boarding schools and neither had sought to have his posting extended. When told this, Mr Carroll responded that he had been further informed that the malpractice related to tuition fees, not boarding school fees, and that he had been mistaken as to the identity of one of the officers. The Committee found that there was no evidence of any conspiracy to extend the duration of either posting and considered the conspiracy hypothesis implausible. There was, as Mr Carroll had eventually conceded, no motive in one of the cases.

5.11 In another case of apparently mistaken identity, two letters signed by Mr Carroll in 1991 and subsequently given wide circulation referred in derogatory terms to the then newly-appointed Director of the Internal Audit Section. The first letter clearly described but did not name the officer while the second named her, described her as "sycophantic" and "untrained" and said that she stood "guilty and damned [of] corrupting the audit process and conspiring to hide criminal actions" (Submission 43, attachment to Chapter 5). Copies of these letters were included in the DFAT Reform Group submission to the Committee (Submission 43, attachments to Chapter 5 dated 17.4.91, 7.10.91). However, at the hearing of 26 June 1992, Mr Carroll told the Committee that his remarks had been directed at a person other than the one he had named and denied naming her. He later confirmed this advice to the Committee in writing, again (wrongly) denying that he had named the first officer and not acknowledging the extent to which his story had changed or the possible damage that the earlier version might have caused to the person he had in fact initially named. (Internal audit is discussed in Chapter 8 but it should be noted at this point that the Committee does not accept Mr Carroll's comments as accurately describing either the officer he originally named or the one to whom he now attaches his remarks.)

5.12 Some of the Reform Group's claims were based on misunderstandings. In supporting a general point about wasteful use of diplomatic bags, for example, the Group claimed that a two-metre stepladder had been sent by safehand bag to Tokyo. The Committee established that two ladders had in fact been sent but that they were part of a five-tonne consignment of security equipment, supplies and tools required by the technical officers who were then installing a secure communications room at the embassy. The total cost of sending the ladders was \$77 and DFAT had checked prior to their despatch that the type of ladder required was not readily available in Tokyo. Significant costs could have been incurred by any delay to the work of a team of technical officers on Tokyo rates of travelling allowance. In all the circumstances, the Committee considered it reasonable for DFAT to have sent the ladders to Tokyo. Although the subject matter of this allegation might appear trivial, it had the potential to secure cheap and unfair publicity for a common stereotype of public service waste.

5.13 Other Reform Group allegations raised matters in which the Group's apparent disapproval of particular practices or employment conditions led to insupportable claims of illegality or impropriety. Several allegations relating to education assistance fell into this category. The Group claimed in some cases that officers who had received assistance with boarding school fees or reunion fares had obtained the assistance improperly when

it was apparent from reviews by the ANAO and the AFP of previous ORC claims that this was not the case. One allegation made by the Group - that the Auditor-General had required a senior head of mission to repay boarding school assistance after the matter had been reported by the ORC - related to a case in which the ANAO Report in fact commented that "the [Audit] review disclosed that the documentation produced by the officer to the Department fully supported his claim for assistance" (Auditor-General 1990a, p. 14). Officers of the ANAO also pointed out to the Committee that the Auditor-General does not have the power to direct public servants in DFAT to repay monies that have been incorrectly paid to them (Evidence, p. 556).

#### *Claims with some basis*

5.14 A small proportion of the cases raised by Mr Carroll, the ORC or the DFAT Reform Group did prove to be substantially correct although in some of these cases the contribution was no more than publication of information from reports prepared within and accepted by the Department. Perhaps the most noteworthy of the ORC successes was a claim in August 1990 that many Canberra-based SES officers were misusing the petrol charge cards issued with the private-plated vehicles supplied to them late the previous year as a condition of service. The Department's investigation of the ORC's claim found it to be correct and also found other serious defects in the management of SES vehicles in the first year that they were generally issued. The Committee's review found that the management failures appeared to have been corrected promptly and there was no evidence of any obstruction of the investigation or the follow-up.

5.15 The Reform Group was strongly of the view that there should have been prosecutions in this case but the Committee could not accept that prosecutions would have been justified given the small amounts involved and the confusion surrounding the initial issuing of the cars and charge cards. It appeared, in any case, that DFAT's management of the initial issue of the cars and charge cards had been so inept as to make it difficult for individuals to be prosecuted. The officers who had incorrectly used the charge cards subsequently refunded the amounts they had incorrectly charged. This matter is dealt with in more detail in the Chapter 11.

5.16 The Group also objected to the fact that officers involved in notorious and very serious abuse of diplomatic car privileges in Indonesia in the mid-1980s, although disciplined at the time, had subsequently been promoted or posted to desirable locations. The Department confirmed that one officer who had been disciplined in 1987 had been promoted in 1989 and again in 1990. Two of the officers disciplined in relation to the matter had subsequently been posted (Evidence, p. S1268). The Department informed the Committee that the officers' disciplinary records had been taken into account in the promotion and posting decisions as had the guideline in the Public Service Discipline Handbook that "the existence of previous disciplinary actions should not unduly prejudice an officer's chance of promotion" (Evidence, p. S1268). The Committee noted that the Auditor-General's report on the ORC and other claims had criticised several aspects of DFAT's management of the disciplinary process, including inappropriate advancement of an officer who had been disciplined. In the case cited by the ANAO, an officer who had been demoted two ranks in October 1987 was, within three months, given long-term higher duties allowance at the equivalent of three grades above his new substantive level.

This clearly breached the Public Service guidelines which require that disciplinary directions be applied for a sufficient period for management to assess their rehabilitative effects before considering disciplined officers for promotion or higher duties (Auditor-General 1990a, p. 25). The issue of the disciplinary system is discussed further in Chapter 12.

5.17 Another serious management problem in DFAT raised with this Committee by the Reform Group had already been extensively dealt with at hearings of Senate Estimates Committee B and in the ANAO report on the ORC allegations. This was a long-standing failure by DFAT to monitor and control effectively advances to and debts owed by staff. The ANAO report revealed that debts recorded in Central Office as at 30 June 1990 totalled \$366,000 and overdue advances of \$400,000 were on record in Central Office in May 1990 (Auditor-General 1990a, p. 7; Evidence, p. S45). The ANAO report also revealed that one senior officer had had unacquitted advances totalling \$37,502 outstanding at February 1990 and that he was required to repay \$9,786 to the Department when the advances were acquitted (Auditor-General 1990a, pp. 30, 35). Strong criticism of DFAT's management of debts and advances, resulting from the estimates committee hearings and the ANAO report, led to rapid reductions in the levels outstanding of the order of 90 per cent and 75 per cent respectively. The figures provided in the ANAO report and in DFAT's later responses do not include debts and advances on record at overseas posts and do not include advances of representation allowance. They thus understate the cost implications of the Department's past failure to control debts and advances and the overall costs of this failure must have been significant

5.18 Another issue raised by the Reform Group was that DFAT had failed in its responsibility as an employer to ensure that locally engaged staff met their income tax liabilities, whether locally or, in the case of Australian residents employed as LES, in Australia. However, DFAT and the Australian Taxation Office had been grappling with the complexities of this issue since it was raised in a Senate estimates committee hearing in 1990. To the extent that there had been delays and errors since that time, the Australian Taxation Office accepted most of the responsibility. This issue is discussed further in Chapter 9.

5.19 But as far as this Committee was concerned the problems raised by the Reform Group had been resolved. Debts and advances in DFAT's Central Office have now been reduced to acceptable levels and debts and advances at overseas posts are now maintained on commercial accounting computer software linked to Central Office. The Reform Group raised one case of failure by a senior head of mission to acquit quarterly representation allowance advances for six successive quarters as indicative of the continuation of an unacceptable attitude to financial accountability in DFAT's senior ranks. The Committee found that the head of mission did have a lamentable record in acquitting these advances but that in the most recent episode the Department had ceased payment of advances to him until the acquittal forms were provided, shifting the carrying costs of the failure to the officer himself. The officer told the Committee that he had been late in lodging acquittal forms because he had given priority to the policy and substantive work of the mission. He commented that, since DFAT was "now" according a very significant priority to this sort of documentation, he would comply with the rules in future. Other Reform Group allegations of impropriety in this case were not supported

by the evidence. The Committee concluded that the case indicated an improvement in DFAT's management controls rather than continued failure.

### **The Reform Group's credibility**

5.20 The Reform Group's credibility was a major issue for the Committee to consider and it suffered in the Committee's view from cases like the ones summarised above and in Appendix III. Oral evidence by Mr Carroll and another Group member, Alistair Gaisford at the public hearing of 26 June 1992 added to the adverse impression gained by the Committee. In one case, Mr Carroll told the Committee that his knowledge in relation to one allegation had been gained by his entering a room in "a public, accessible area of the basement" of the Administrative Building in Canberra where DFAT is headquartered:

You simply walk down the ramp ... a member of the public can walk down to an open door there and deliver a parcel, as many of them do. ... I, as a member of the public, walked down and had a look through the door and walked out again (Evidence, p. 531).

Mr Carroll told the Committee that he had visited the relevant area of the basement "once every few months ... [to] say hello to an old friend" (Evidence, p. 533).

5.21 The Committee established that the room in question, while not within the security perimeter of the building, is behind a gate controlled by the security guards at the main door of the building and normally kept closed. Members of the public are admitted if they have a reason for entry satisfactory to the guards but there was no indication that Mr Carroll had been granted entry by the guards during the relevant time period and this was not what he claimed had occurred. While it would have been possible for Mr Carroll or another member of the public to have gained entry to the area by following a delivery vehicle through the entry gate or by persuading a person within the basement to open the exit gate, Mr Carroll could not simply have walked down the ramp, looked through a door and walked out again, as he said he had done.

5.22 Mr Gaisford told the Committee at the hearing that he had been denied access to some documents on the personal file held on him by the Department because the documents contained references to third parties. He said that such references could be included in documents on personal files specifically to preclude access to the documents by the persons on whom the files were kept (Evidence, pp. 513-4). Richard Harding, an Assistant Public Service Commissioner, told the Committee later in the hearing that this "was not a claim that I found particularly credible" (Evidence, pp. 591). DFAT flatly rejected the suggestion that Mr Gaisford had been denied access to documents on his file, telling the Committee:

Mr Gaisford has sought and has been granted access to his CP file on several occasions. At no time were any documents withheld from him on the basis that they contained third party references.

It is the case that in July 1991 some 37 pages of documents, relating to a grievance that Mr Gaisford had lodged against certain officers of the Department, were transferred from his CP file to a separate Grievance File. ...

At no time did the Department refuse Mr Gaisford access to his Grievance File. Indeed, our records show that Mr Gaisford sought and was given access to his Grievance File in November 1991, and that he requested, and was given, copies of certain pages (DFAT letter to Committee dated 22.7.92).

Mr Gaisford acknowledged that DFAT's system of personal files had been reviewed by a member of the Privacy Commissioner's staff (Evidence, pp. 509-10). The Committee concluded that, while the possibility of a misunderstanding could not be excluded in Mr Gaisford's case, the claim that officers were denied access to papers on their departmental personal files was not credible.

5.23 In general, the Committee concluded that so many of the Reform Group's allegations were seriously inaccurate as to destroy the Group's credibility in regard to allegations about individuals. Consequently, it declined to accept the parts of the Group's submissions containing such allegations (except for the ones reviewed in the sample, to which responses were sought from persons named or identifiable in them). By not accepting the parts of the submissions containing specific allegations, the Committee removed any possibility of the allegations being protected by parliamentary privilege. It also removed the need, otherwise imposed by the Senate's privileges resolutions, for the Committee to seek responses from numerous individuals and from DFAT, a process which would have caused unnecessary inconvenience and expense to all involved.

5.24 Since the Committee reviewed only a sample of the Reform Group's specific allegations, it cannot exclude the possibility that some of the claims it declined to accept have some validity. However, the sample reviewed by the Committee was large, covered a range of types of alleged malpractice and included some cases selected to allow a review of previous investigations. The sample also included four cases specifically nominated by the Reform Group (at the Committee's request) as being strongly supported by evidence and significant but these did little to advance the Group's cause. Since the sample was drawn mostly from cases in which departmental files could be expected to contain evidence relevant to the claims, many of the allegations not reviewed by the Committee were less likely to have been provable than those selected for review. Given all this, the Committee saw no justification for committing further large quantities of scarce parliamentary and public service resources to the investigation of the Reform Group's allegations.

5.25 It is important to note, however, that, despite the unreliability of the Group's specific allegations, the Committee found that many of the claims were concentrated in areas in which there had been some serious management failures, albeit failures that had mostly been corrected by DFAT before the Committee reviewed them. The Committee will discuss general standards of management in DFAT in its main report but acknowledges here that the Group's submission was useful in giving the Committee an



insight into aspects of DFAT's management. The fact that there were genuine management problems in DFAT may help to account for the actions of Mr Carroll, the ORC and the Reform Group, even if their actions were misdirected and inappropriate.

5.26 It should also be noted in fairness to DFAT that, although a particular systemic fault in DFAT's management might appear serious in isolation, some errors will inevitably occur in any large organisation. To merely recount examples of management failure does not by itself condemn an organisation. The extent, importance and frequency of management failures have to be taken into account against some performance standard. Neither Mr Carroll nor the other known members of the Reform Group are necessarily in a good position to judge how management standards in DFAT compare with those applying in the wider public service or in large organisations in Australia generally.

5.27 A major factor in the inaccuracy of the Reform Group's specific allegations appears to have been the nature of the Group itself. In his account of the formation of the ORC, Mr Carroll wrote: "I went to see senior Departmental officers whom I knew supported deep-seated reform of the Department but who needed someone to act as a public focal point. I volunteered." (Evidence, p. S942). Until shortly before the hearing of 26 June 1992, it was not clear whether the Group's membership actually extended beyond Mr Carroll himself. Mr Carroll had been the only known member of the ORC. At the hearing, an additional member of the Reform Group, Alistair Gaisford, a DFAT officer who had been in the Department of Trade until 1987 when the two Departments were amalgamated, appeared with Mr Carroll. Mr Gaisford told the Committee that he had become associated with the Reform Group after this inquiry was established, implying that he had not been a member of the ORC (Evidence, p. 465). Two other persons were named by Mr Carroll as members of the Reform Group but they were not able to attend the hearing.

5.28 When asked at the hearing about the membership of the Group, Mr Carroll commented:

There are four people; but there are other serving officers, including two officers who are now serving overseas as ambassadors, who certainly could not afford to come forward.

...

We do not have members as such. The majority of staff in the Department have supported our activities (Evidence, p. 464).

Mr Carroll told the Committee "we know that we have had that broad base from hearing it around the departmental corridors and the embassies" (Evidence, p. 464). The ORC and its successor were thus presented to the Committee as the mouthpieces of widespread dissent rather than as a formal organisation.

5.29 In fact, analysis of the specific allegations put to the Committee by the DFAT Reform Group suggests a narrow range of information sources. Of 96 specific allegations in Chapter 5 of the Group's submission, 64 related to matters likely to have arisen in sections of DFAT in which Mr Carroll or Mr Gaisford had been employed. The Committee concluded that most of the Reform Group allegations originated with Mr

Carroll or Mr Gaisford. Other claims had probably been heard "around the corridors and embassies" along with the claimed expressions of support for the ORC or had been inferred by the few Reform Group members from the limited information at their disposal. A minor exception to this general conclusion is that the ORC and/or the Group appears to have had access to some internal audit reports and also to accurate information from the Travel Sub-Section relating to incidents occurring around 1989. Nine of the 96 Chapter 5 claims appeared to fall into these categories but there was nothing to indicate that current members of either unit had supplied the information to the ORC or the Group.

5.30 Whatever the source of the allegations, most of them proved to be, as the AFP found other allegations by Mr Carroll to be, mostly based on supposition or hearsay. In many cases they were supposition built upon hearsay.

5.31 The Reform Group's self-assigned role as mouthpiece for discontented officers is a dangerous one. It is an important principle of justice that those making allegations be required to stand by their claims. The existence of a group prepared to be a vehicle for the broadcasting of claims made by anonymous informants would be undesirable, even if the claims were generally accurate. In this case, very few of the allegations had the redeeming feature of accuracy. Mr Carroll admitted in two cases out of 30 that he had incorrectly identified the subjects of serious allegations. In many other cases where he or the Reform Group maintained that they had correctly identified their targets, the claims were simply wrong. Many of these incorrect claims had been recklessly publicised in circumstances where the victims faced serious limitations on their ability to respond.

### **The results of the Reform Group's campaign**

5.32 While it is true that the activities of the ORC and latterly the Reform Group have brought to public notice some general deficiencies in DFAT's management systems, it is clear that in this episode, unlike that of the early 1980s, the Department itself was prepared to act on systemic problems. Indeed, in several cases, DFAT action generated the information that formed the basis for later ORC/Reform Group "exposures". Thorough external reviews of ORC/Reform Group claims by the ANAO, the AFP, and this Committee turned up no evidence of conspiracy to cover-up improper or illegal behaviour and little evidence in the legal sense of any such behaviour that had not already been dealt with appropriately by DFAT. In the end, there is little benefit to set against the costs of a series of investigations which had the potential to cause significant damage to some individuals, to management-staff relations in DFAT and to DFAT's general reputation.

5.33 Nor is it clear that this costly episode is over. The Reform Group apparently remains convinced that there is large-scale corruption and inefficiency in DFAT and that its publication of allegations about individuals is an appropriate response. In his opening statement to the Committee on 26 June 1992, Mr Carroll said:

The DFAT Reform Group's submission names many corrupt ambassadors. This seems to excite a great deal of attention. Again, this is a means to an end. We detail a lot of their activities. Importantly, we

examine and expose the motivations of the DFAT SES establishment, including the intricacies of their secret - perhaps until now - regeneration systems. ... We are happy to expand on these matters and I personally am happy to provide details of the censored chapters of this submission to the media, should the Committee decide not to accept and proceed on those chapters (Evidence, p. 458).

At a late stage in the inquiry, Mr Carroll suggested that the Committee might refer some or all of the specific allegations made by the Reform Group to the House of Representatives Standing Committee on Banking, Finance and Public Administration for review as part of its inquiry into fraud on the Commonwealth.

5.34 This Committee decided not to pass the allegations on. As noted above, the Committee does not accept that the Reform Group's specific allegations have any value other than as a rough indicator of areas in which there have been problems in DFAT's management systems. This Committee is the third external review body to reach such a conclusion. The Committee consists of Government and Opposition senators and its inquiry fully involved the Opposition and Democrat spokespersons on foreign affairs and trade. It believes that it would be better from every point of view if the DFAT Reform Group and Mr Carroll were to cease their efforts to reform DFAT. Any benefits obtainable from their campaign have long since been realised and continuation of the vendetta of the past three years can only damage all concerned in it, including the complainants themselves.

5.35 In any case, the Committee **recommends that no Commonwealth investigative or administrative review agency inquire into any further allegations about DFAT made by Mr Carroll or the DFAT Reform Group unless and until they provide substantive evidence to support the allegations.** The requirement that evidence be presented would permit the investigation of matters of genuine concern but would filter out the numerous allegations based on hearsay or supposition. The Committee will write to the relevant bodies drawing their attention to this recommendation.

5.36 None of this should be taken as indicating that the Committee would support sanctions against members or associates of the DFAT Reform Group. The Group was entitled to raise its concerns with the Committee. The Group, as distinct from Mr Carroll and the ORC, has not, to the Committee's knowledge, publicised any of its claims in any improper way.

5.37 Mr Gaisford is still an employee of DFAT. The Reform Group claims to have other members or associates in the Department. Any formal or informal sanction directed at their actions in approaching the Committee, whether by the Department or by individual officers, could be raised as involving a contempt of Parliament. Because of the inherent difficulty of proving this type of contempt, Parliament's record in protecting witnesses to its committees has not been perfect but DFAT and its officers should note that this Committee would take a very serious view of any harassment of its witnesses. Harassment of internal dissenters can be counterproductive, whatever satisfaction it might give individual harassers. There is, of course, also an obligation on those Reform Group members or associates who still work for DFAT to behave ethically and with regard for

the legitimate interests of their Department and their colleagues. The Committee believes that this case illustrates the need for a better process for dealing with whistleblowing-type complaints in the Australian Public Service and that issue is discussed in the next Chapter.