



COMMONWEALTH OF AUSTRALIA

Official Committee Hansard

SENATE

FINANCE AND PUBLIC ADMINISTRATION LEGISLATION
COMMITTEE

ESTIMATES

(Budget Estimates)

MONDAY, 26 MAY 2003

CANBERRA

BY AUTHORITY OF THE SENATE

INTERNET

The Proof and Official Hansard transcripts of Senate committee hearings, some House of Representatives committee hearings and some joint committee hearings are available on the Internet. Some House of Representatives committees and some joint committees make available only Official Hansard transcripts.

The Internet address is: **<http://www.aph.gov.au/hansard>**

To search the parliamentary database, go to:
<http://search.aph.gov.au>

SENATE

FINANCE AND PUBLIC ADMINISTRATION LEGISLATION COMMITTEE

Monday, 26 May 2003

Members: Senator Mason (*Chair*), Senator Murray (*Deputy Chair*), Senators Brandis, Faulkner, Forshaw and Heffernan

Senators in attendance: Senators Allison, Brandis, Carr, Jacinta Collins, Conroy, Faulkner, Heffernan, Mason, McKay, Murray and Robert Ray

Committee met at 9.03 a.m.

FINANCE AND PUBLIC ADMINISTRATION PORTFOLIO

In Attendance

Senator the Hon. Paul Calvert, President of the Senate

Department of the Parliamentary Reporting Staff

Mr John Templeton, Secretary

Ms Val Barrett, Group Manager, Client Services Group

Client Services Group

Mr Peter Ward, Group Manager, Technical Services Group

Mr John Walsh, Group Manager, Corporate and Strategic Development Group

Ms Judy Konig, Chief Finance Officer

Joint House Department

Mr Michael Bolton, Secretary

Mr Andrew Smith, Executive Leader (Operations)

Mr Peter Crowe, Executive Leader (Security)

Ms Tooley Elliott, Acting Executive Leader (Facilities and Corporate Services)

Department of the Parliamentary Library

Executive

Mr John Templeton, Secretary

Mr Rob Johnston, Assistant Secretary, Resource Management

Outputs 1 and 2

Dr June Verrier, Assistant Secretary and Head, Information and Research Services

Ms Nola Adcock, Deputy Head, Information and Research Services

Miss Ros Membrey, Head, Resource Development

Department of the Senate

Mr Harry Evans, Clerk of the Senate

Miss Anne Lynch, Deputy Clerk of the Senate

Mr Cleaver Elliott, Clerk Assistant (Procedure)

Dr Rosemary Laing, Clerk Assistant (Table)

Mr John Vander Wyk, Clerk Assistant (Committees)

Ms Andrea Griffiths, Usher of the Black Rod

Mr Joe d'Angelo, Chief Finance Officer

CHAIR—I declare open this public hearing of the Senate Finance and Public Administration Legislation Committee. On 13 May 2003, the Senate referred to the committee for examination the following documents: particulars of proposed expenditure in respect of the year ending 30 June 2004, [Appropriation Bill \(No. 1\) 2003-04](#); particulars of certain proposed expenditure in respect of the year ending 30 June 2004, [Appropriation Bill \(No. 2\) 2003-04](#); and particulars of proposed expenditure in relation to the parliamentary departments in respect of the year ending 30 June 2004, [Appropriation \(Parliamentary Departments\) Bill \(No. 1\) 2003-04](#). The committee is required to consider these documents insofar as they refer to the portfolios allocated to the committee by the Senate on 13 February 2002 and to report to the Senate on or before 19 June 2003. Agencies which are not listed on the program may have written questions directed to them on notice. The committee has set Thursday, 10 July 2003 as the date for the submission of written answers to questions that are taken on notice.

I remind you all that this committee is continuing its general oversight of the format of the portfolio budget statements. The committee's report on budget estimates will also consider the adequacy of the portfolio budget statements. The hearing today will commence with the parliament departments, followed by the Prime Minister and Cabinet portfolio. Examination of the Finance and Administration portfolio will commence on Wednesday, 28 May. I propose to proceed by opening with general questions and then calling on the outcomes and outputs in the order listed on the agenda.

I remind officers that the Senate has resolved that there are no areas in connection with the expenditure of public funds where any person has a discretion to withhold details or explanations from the parliament or its committees unless the parliament has expressly provided otherwise. I further remind officers that an officer of a department of the Commonwealth or of a state shall not be asked to give opinions on matters of policy and shall be given reasonable opportunity to refer questions asked of the officer to superior officers or to the minister. Evidence given to the committee is protected by parliamentary privilege. I also remind you that the giving of false or misleading evidence to the committee may constitute a contempt of the Senate.

[9.06 a.m.]

Department of the Senate

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

The PRESIDENT—No, Mr Chairman.

CHAIR—I call for general questions.

Senator ROBERT RAY—It is self-evident around the building that there has been increased security. Mr President, would you like to outline to the committee what advice you have sought and received to enhance security around Parliament House?

The PRESIDENT—As you would know, Senator—

Senator ROBERT RAY—I do know some of this, yes, but this is to put it on the record, Mr President.

The PRESIDENT—Fair enough. Both the Speaker and I have, as you know, had discussions about this and in fact commissioned Mr Podger to advise on extra security. Joint House have formed a security committee, where they receive advice from those agencies that they feel appropriate to advise them. In fact, they have made recommendations to the Speaker and me, and I think most if not all those recommendations have been carried out.

Senator ROBERT RAY—Which agencies have been consulted and given you advice about the security of the building?

The PRESIDENT—Perhaps it might be better when Joint House comes—

Senator ROBERT RAY—No, I think we will deal with these matters here, with due respect, Mr President. As you know, later on it will relate back to funding, so I do not think it is just a Joint House thing. You are the Presiding Officer in charge of all this, so I think we will deal with it now, if you do not mind.

The PRESIDENT—We have the security advisory committee made up of certain people including the security controller and others—Mr Bolton, the Usher of the Black Rod and the Serjeant-at-Arms. They are the security committee. They take advice and advise the Speaker and me on what they see as being appropriate measures for increasing security.

Senator FAULKNER—Yes, but who have you and the Speaker, as Presiding Officers, or the Security Advisory Committee sought advice from? What outside agencies—in other words, those outside Parliament House? Whose expertise have you drawn on?

The PRESIDENT—I understand it is the Australian Protective Service, a division of the Attorney General's Department—the Protective Services Coordination Centre and ASIO.

Senator ROBERT RAY—So they are the ones who have given advice?

The PRESIDENT—They have given advice to the committee, yes, and through the committee to the Speaker and me.

Senator ROBERT RAY—Clearly their advice has been to enhance security in the building.

The PRESIDENT—Yes.

Senator ROBERT RAY—In and around the building?

The PRESIDENT—Yes.

Senator FAULKNER—Was that advice sought from those agencies? How was this advice generated? I am not going to the advice; I am just wondering about the process for the establishment of it.

The PRESIDENT—I believe the committee looked at all areas of security in the building. I think it is patently obvious that some of the advice they had in light of what happened in Bali regarding explosives was the reason why certain enhancements were made at the front of the building. I do not know how far you want to go into that, but I am sure that the Black Rod and the Serjeant-at-Arms could perhaps fill you in more on that if you wished.

Senator FAULKNER—I think I made it quite clear but let me say it again: I do not want to go to the nature of the advice that was given. I did say that but let me be clear about it.

What I am trying to understand is the process behind the advice being generated. For example, did requests for advice come from the Presiding Officers or parliamentary departments?

The PRESIDENT—As you know, Senator, concerns were raised not just by security personnel but also by members of parliament. The Speaker and I took the view that we had a responsibility to protect members of parliament and people who work in this building. We asked for advice from the security committee that was set up. They obviously asked for advice from the Protective Services Coordination Centre and ASIO. The recommendations were put to us and, in most cases if not all, we agreed with the recommendations.

Senator ROBERT RAY—So that we are clear on what you are protecting, how many people work in the building?

The PRESIDENT—Just over 3,000.

Senator ROBERT RAY—So there are over 3,000 people working in what is pretty much a national symbol. How many visitors per year are there?

The PRESIDENT—I was told a figure of about a million a year.

Senator ROBERT RAY—Whilst in part these security measures are to protect MPs, the predominance of the protection is for staff and visitors, isn't it? The chance of an MP being injured in a terrorist attack here is far less than for the general public or staff.

The PRESIDENT—That is something I could not guarantee, Senator.

Senator ROBERT RAY—I am not asking for a guarantee, but members of parliament are only here for half the time and they constitute a small percentage of the occupiers of the building. Some people would assert that all of these measures are just to protect MPs; I am trying to say that they are to protect a much wider group of people.

The PRESIDENT—Senators, members and ministers are all in this building together at one time; therefore it has been assessed as being quite a high profile target and that is the reason that the Speaker and I believed that we needed to increase security measures at least to a similar degree to other parliaments and buildings around Australia and the world.

Senator FAULKNER—When was the security committee established, Mr President?

The PRESIDENT—In November last year.

Senator FAULKNER—November 2002?

The PRESIDENT—Yes. The Clerk might add something about the committee.

Mr Evans—Just to clarify a point: the Protective Services Coordination Centre, which is the Commonwealth government's peak security advisory body, has always advised on Parliament House security, informed by ASIO. That advice is now conducted via the security board which was established on the date that was mentioned. That simply provides a different mechanism for that advice to be conveyed, but basically the security measures taken around the building depend on the advice by ASIO as to the level of threat—the level of threat generally and to this building in particular and the security measures advised by the Protective Services Coordination Centre.

Senator FAULKNER—Did the security board request a briefing and information or a report from the PSCC as a result of the enhanced security environment post Bali?

Mr Evans—Yes.

Senator ROBERT RAY—Does the security committee operate out of Joint House?

The PRESIDENT—Yes.

Senator ROBERT RAY—And reports directly to the two Presiding Officers?

The PRESIDENT—No. Perhaps the Clerk can give you the full brief on how it works.

Mr Evans—There were two changes as a result of the reorganisation of the security function. One is that the staff and equipment are administratively located in the Joint House Department simply for convenience, to bring them all together in one place—or they will be when the change is fully effective. The other change is that you have the security advisory board which consists of the Secretary of the Joint House Department and the Serjeant-at-Arms and the Usher of the Black Rod, representing the two house departments. The funds for security are to be appropriated to the two house departments.

Senator FAULKNER—To whom does the security advisory board report?

Mr Evans—To the Presiding Officers.

Senator ROBERT RAY—Leaving aside today's proceedings, am I right in saying that in terms of accountability, scrutiny and consultation, the Appropriations and Staffing Committee is the only appropriate parliamentary committee where these issues are raised?

Mr Evans—Yes, that is the only committee.

Senator ROBERT RAY—There is no equivalent on the House of Representative's side, is there?

Mr Evans—No.

Senator ROBERT RAY—That puts a bit of a burden on you, Mr President, being the only accountable Presiding Officer.

The PRESIDENT—Yes, but I do have a very good committee on the Appropriations and Staffing Committee.

Senator ROBERT RAY—We would concur with that.

Senator FAULKNER—At least in part.

Senator ROBERT RAY—Are you satisfied, Mr President, that with these new administrative arrangements you have got it right?

The PRESIDENT—I think there is always room for improvement. In fact, I recently had the opportunity to view the security arrangements at the House of Commons and in Leinster House in Ireland. In discussions with the Deputy Usher of the Black Rod in London, quite obviously they have a higher risk than we have and probably in some ways a less secure environment because they have a river on one side and a road on the other. They flagged to us that they were seriously considering closing the road outside the House of Commons and I noticed over the weekend that they did just that. They have an ongoing review of their

security arrangements. I noticed that they had police outside armed with machine guns and with their fingers on the triggers. I guess that was a visual thing. I do not believe that we have reached that stage yet but obviously they have had intelligence that means they have upgraded their security arrangements again.

I found the same thing at Leinster House. I was quite amazed that they have a system like the one we used to have where you sign someone in and that is the only security you needed. They have no visual or mechanical screening devices that we have. On the day I was there, Prime Minister Blair was coming and a pipe bomb was planted outside the parliament, so they have decided to go on with their upgrading and they are putting in security arrangements similar to here. It is not just this place that is looking at security. It is something we will be doing, the Speaker and me, on an ongoing basis with the help of the Appropriations and Staffing Committee and with advice from the security committee and of course from outside agencies as to the appropriate level of security required in this place.

Senator ROBERT RAY—Do you believe that you have received full cooperation from members of parliament in this place?

The PRESIDENT—Initially there was some resistance from one or two, but I think they realise now that it is something we all have to accept. Basically I have had a couple of letters but really nothing very serious. I think the staff and members of parliament have cooperated very well.

Senator FAULKNER—What do you say to the critics—and we see sporadic but trenchant criticism in the press and the media—about the security measures here at Parliament House? What do you say to those critics?

The PRESIDENT—The Speaker and I have responsibility to take the appropriate measures to ensure the safety of members of parliament and people who work in this building. Some people say that we have not done enough; others may be critical of the amount of money we have spent, but I remind you, Senator, of the odd occasions when we have had demonstrations here. Security has been breached on more than one occasion. The Black Rod tells me when these things happen and what action has been taken and I guess we move on from there and make sure that those sorts of things do not happen again.

Senator FAULKNER—Given these security measures, is it a valid comparison to draw between the circumstances post Bali and what occurs in relation to demonstrations as do occur, obviously, in any robust democracy? Is that a valid comparison for you to draw, do you think?

The PRESIDENT—No, perhaps it is not a valid comparison, Senator, but, as I said earlier, I believe that we have to do the best we can to protect members of parliament, this building and the people in it. Demonstrations tend to highlight or give an opportunity for security people to realise their shortcomings and strengths.

Senator FAULKNER—These security measures are not about demonstrations, are they?

The PRESIDENT—No.

Senator FAULKNER—I am interested to understand how the effectiveness of these measures can be tested. Do you have professional advice that the effectiveness of new

security measures can be measured by the experience of people who are demonstrating outside the building?

The PRESIDENT—You may recall the breach of security when certain demonstrators climbed the flagpole. I think that raised the matter of the vulnerability of the roof area. As a result of that, recommendations were made and we now have it closed off. It is not pretty. I think we all regret that that has happened. The Speaker and I took the view that it was an area of high risk, so we took the appropriate measures. That is an example of a demonstration showing a weakness in our security.

Senator ROBERT RAY—That cannot happen again, do you think?

The PRESIDENT—I would not guarantee it, Senator. I could not guarantee that anything would not happen again, but at least now we have extra personnel. One of the costs involved is employing extra external personnel to cover those perceived weaknesses.

Senator FAULKNER—There has been criticism. I think you said that it is not pretty. I assume that that comment goes to the aesthetics of some of the measures; is that right?

The PRESIDENT—Absolutely, yes. But the Speaker and I are getting advice on the cost and alternatives to those temporary barriers—something that may be more appropriate and just as effective.

Senator FAULKNER—Do you think that those barriers are ugly?

The PRESIDENT—They do not fit in with the openness of the building, Senator. My personal opinion is that they are ugly. There was some suggestion that we should paint them another colour. I do not think that it will make any difference what colour we painted them; they would still look ugly. They look like Lego, actually.

Senator FAULKNER—Is that an issue as far as you are concerned?

The PRESIDENT—No, security is the issue as far as I am concerned, and we will do whatever we have to. You may have noticed that there has been a minor change to the barriers which we outlined to the Appropriations and Staffing Committee meeting. We have moved them closer so that cars coming around can now get access to the public car park. As always, with the help of the committee and others, we will be making arrangements and changes as we see it.

Senator ROBERT RAY—I noticed another change this morning that might have been implemented earlier—I have not been here for a week or so. We had APS or others directing traffic this morning. When did that start?

The PRESIDENT—Last week, I understand. It has been a problem on the Senate side.

Senator ROBERT RAY—Is that now sorted out? I was in here so early that I could not really tell.

The PRESIDENT—I understand that it has improved. I know it is rather difficult because access is restricted somewhat. The use of security passes for access to the car parks was long overdue, but we are still assessing whether we need to go further.

Senator ROBERT RAY—Are the roller doors working yet?

The PRESIDENT—They are not operational, as yet.

Senator ROBERT RAY—Do we know when they will be operational?

Mr Evans—We do not have a definite date. We will check on that for you.

Senator ROBERT RAY—Are the new detecting machines that the members of parliament go through working well?

The PRESIDENT—Yes, from my own observations when I come in of a morning they are working well. As you know, we allow others to come through there as well and it seems to work. In fact, the extra one that was put in for MPs initially has helped with the congestion of a morning at the entrances.

Senator FAULKNER—Regarding the physical barriers that have been placed around Parliament House, was there any need to consult with any authority, such as the National Capital Authority?

The PRESIDENT—I believe the National Capital Authority was consulted about that.

Senator FAULKNER—Who does that consultation?

The PRESIDENT—The Secretary of the Joint House Department.

Senator FAULKNER—What was the outcome of that?

The PRESIDENT—I presume they were satisfied. Nothing was brought to my attention.

Senator FAULKNER—Let us try to nail it down; let us make no presumptions. Let us see if we can be accurate about the advice we give the committee. My question is: what is the outcome of the consultations with the National Capital Authority? Can someone tell us?

Senator ROBERT RAY—We may as well call Mr Bolton forward at this stage. I am sure he will come forward and know when to escape.

The PRESIDENT—The Clerk has said that we can get that information for you.

Senator ROBERT RAY—I think we will get it now, if you do not mind.

Senator FAULKNER—Mr Bolton, you would have heard the discussion about the aesthetics of the barriers around Parliament House. I was interested in the processes that might have been needed to be undertaken in relation to any consultation with groups such as the National Capital Authority prior to the erection of the barriers.

Mr Bolton—Under the legislation which governs the parliamentary zone, if you want to erect something or makes changes, you are required to seek the advice of the National Capital Authority. In addition, you are required, following their advice, to put a resolution to both chambers of parliament for approval. That was done. Yes, we did have discussions with the National Capital Authority. Obviously, at officer level in discussions they did not particularly like the changes that were proposed. One of the things they were concerned about with these barriers was the diminution in the appearance of the building. They thought they would create a perception of Australian democracy being a little bit tougher and tighter, in other words, closing in access to Australian democracy. That was one of their perceptions. However, that was just in early discussions. When we put forward the final plans of what was required, they understood the security ramifications and that it was not just the institution of the parliament

but all the visitors to parliament and everyone else who needed to be protected and they agreed with the proposals. They did not ask us to move any of the barriers that had to be put in place.

Senator FAULKNER—Is that formalised in some way?

Mr Bolton—Yes, it requires a formal submission from any organisation to that organisation, which then supplies its advice. Its advice then goes to its minister, who happens to be Mr Tuckey. Then, in consultation with the appropriate organisation, which in this case was the Joint House Department—and therefore the Presiding Officers—he puts the matter before the parliament.

Senator FAULKNER—Are you obligated to seek advice from any other group apart from the National Capital Authority?

Mr Bolton—No.

Senator FAULKNER—Did you seek advice from any other outside organisation apart from the security agencies?

Mr Bolton—No, we did not.

Senator ALLISON—On that point, the Appropriations and Staffing Committee in fact moved that, instead of the plastic barriers, there be more semipermanent fencing arrangements. That decision was ignored. Can you explain why this happened?

Mr Bolton—I was not aware that was raised. I knew that there were some discussions because I attended the committee, but I was not aware that there was a resolution or decision taken by the committee not to use the barriers. We used the barriers because we could get access to them; they were available. The issue was timing. The approval that we have from the National Capital Authority—and we particularly made this point to them—is a 12-month one, so it is a temporary arrangement. It is incumbent on us in the very near future to start dealing with that authority and other people over whether it is required for a longer term and, if so, what will be done in the longer term. The resolution that went to parliament strictly said it was a 12-month approval. We believe there will probably be an ongoing need for security provisions and barriers. Obviously, we would like to see those done in the most acceptable way possible, and therefore there needs to be a whole lot more discussion. We have put something temporarily in place to create what we need. What we might come up with in the future is another matter because, if those things are going to be in place for a number of years, we would like to see them being aesthetically pleasing while we try to keep the appearance of this institution as open as possible.

Senator ALLISON—So you are not suggesting that the white plastic barriers will be in place for several years; this scheme will be replaced within 12 months. Is that correct?

Mr Bolton—I cannot guarantee that they will be replaced within 12 months but hopefully within that 12-month period we will have a longer term notion of what will replace them. We are talking about millions and millions of dollars. Obviously, it may take a period of time after there is some agreement—after there has been an approach to the government for funding to do that work—because this is a difficult building to do work around because of the way it

operates, and you would not want to disrupt its operations too much. As a result, it may take a few years to get rid of all the barriers.

Senator ALLISON—I know that for any work you will need to go to the NCA, ASIO and others. But, as the architecture of this building is very significant, is there not a need for a referral to either the original architects or another architectural firm to consider the aesthetic impact of whatever is the final solution as well as the temporary one?

Mr Bolton—We are continually doing work in the building and obviously we do get architectural advice as it is a very important part of that. In terms of coming up with a solution, yes, there will be discussions, when a brief has been put forward, as to the appropriate architectural advice.

Senator ALLISON—Has that process been started?

Mr Bolton—It has not been started yet.

Senator ALLISON—When and with whom will it start?

Mr Bolton—As soon as it possibly can. I would hope that within the next month we would start that process. We have been working virtually flat out to get in place the initial arrangements that were required for the building. Once we have those in place, we will then move on to the next stage as to what we do in the longer term.

Senator ALLISON—But those barriers have been up now for six or seven weeks.

Mr Bolton—Yes.

Senator ALLISON—And in that time, there has not been time to talk with—

Mr Bolton—We started working on those barriers last November but, by the time we went through all the approval processes, including having the parliament in place to authorise the work, it took us a long time. There are other measures that we are taking behind the scenes—other backup measures. They are the most obvious elements of the security upgrade but they are not all of them.

Senator ALLISON—Yes, I understand that. I am just concentrating on the barriers. Senator Ray says that it was not a decision of the Appropriations and Staffing Committee, but my recollection is that there was quite a lot of discussion about the roadside type barriers.

Senator ROBERT RAY—What I said was that the way you phrased it was not correct.

Senator ALLISON—As I understood it, the committee did talk about the existing fences that do not allow the public to go into certain spaces on the outside and that a simple solution would be to order more of those and put them up in the places where we now have the plastic ones. How much consideration was given to that alternative?

The PRESIDENT—My recollection of the meeting was that we were to put the barriers in place as soon as possible and then look at other options to do that same job but in a more aesthetically pleasing way. That is where it was left. We left Joint House to investigate, over time, other options to replace those barriers with something more appropriate and more aesthetically pleasing that will do the same job.

Mr Bolton—We have not been sitting on our hands. We have been thinking about that issue along with a lot of other ones. One of the issues we have to think about as well at this time is that you will see that Australia has not gone to the level of alert that places like the United States have done. They have gone to a higher level twice: during the war in Iraq and then, subsequent to that, following the events of recent weeks in Saudi Arabia. We have had to work and develop contingency plans for what would happen here if Australia went to that level. We have arrangements for that and, once again, they have had to be discussed with the Presiding Officers because we need authority from our political masters. Part of the longer term solution, we believe, was to get those things in place but it was not to immediately say, ‘Look, we will whack a fence here and a fence there.’ Fences become fairly permanent and, quite frankly, to put a reasonable fence on the roof—I am not saying it will not be the solution—is not an easy engineering solution.

Senator ALLISON—Nor an architectural solution.

Mr Bolton—That roof is really the ceiling of this building. It is on a sand base. If you want to make a fence fairly solid—to stop a four-wheel drive, and we have had four-wheel drives drive over the roof of this building in the past—you really have to get your engineering right and you have to make sure that you do not create ongoing problems like water penetration into this building through what you do. So it is quite a substantial exercise.

We have been thinking that maybe we have to put in place a barrier further out from the current barriers. If we were in a lower alert situation than the medium-level security alert that we are in at the moment, we may be able to do it via some vetting and checking at that level and get rid of a lot of these things around the House but we could fall back to that barrier if we go to a higher level security alert. We thought that by doing that we would have a less imposing barrier sitting right on the building. I do not know whether that can be achieved but that is the thinking that we have been going through so that we do not just put a whole lot of ad hoc fences around the place which then become permanent and make the place look fairly aesthetically displeasing and that are harder to take away in the longer term.

Senator ALLISON—In this thought process that you are going through, you are not using architects but you are using engineers. Is that correct?

Mr Bolton—Yes, we have engineers.

Senator ALLISON—These are consulting engineers who were involved the building initially, or not?

Mr Bolton—We have engineers on our staff and we also, from time to time, engage consulting engineers, yes.

Senator ALLISON—Are they structural engineers? What sort of engineers are there on staff?

Mr Bolton—We have some electrical engineers and structural engineers. We have not, at this stage, sat down and written that brief. We have just been thinking through various elements of it. The National Capital Authority have been very positive in this regard and have said, ‘We are happy to work with you on this.’ What they are concerned about, as you can imagine, is what would happen in this town if everybody just ran off and did their own

thing—the whole central area would start to look like a dog's breakfast, if I can put it that way. They have been gathering information from the United States and from other places which have had this sort of threat level in place for a lot longer than we have—many years, going all the way back to about 1995 and the bombing that happened then. They have been gathering information and studying it to see what can be done throughout the parliamentary zone. Quite frankly, I would like to see Parliament House become integrated with the whole parliamentary zone as opposed to sitting here on its own and sticking out as being absolutely different.

Senator FAULKNER—Let's nail this down, Mr Bolton: is there a higher level of threat at Parliament House than existed at the beginning of 2002? Can you say that the threat assessment has changed?

Mr Bolton—Bali changed the threat assessment—not the overall threat assessment, but it brought home to people the effectiveness of things like vehicle bombs. Therefore, a lot of work has been done in relation to that around this building.

Senator FAULKNER—Have there been any other changes to the threat assessment?

Mr Bolton—No, we still remain at what we call a medium-level threat assessment in this country, and that is checked on a weekly basis.

Senator FAULKNER—I am talking about Parliament House. I am just asking about the threat assessment—whether there have been any other changes.

Mr Bolton—No.

Senator FAULKNER—So it has remained static since November 2002?

Mr Bolton—Yes. It has not been upgraded since November 2002.

CHAIR—Senator Allison, do you have any further questions?

Senator ALLISON—Yes, I do. The barriers have by all accounts caused an enormous drop-off in the number of people who come here. Some of the arguments put by them, I understand, include the fact that you approach Parliament House and it is not clear how you get in. Has this been quantified? I understand the shop now has less than 50 per cent of its previous custom. Have we looked at these barriers in terms of what they mean for visitors? Are there other ways in which we can tell people how to get in so that they do not go off to the High Court instead of coming to Parliament House?

Mr Bolton—Yes, Senator, we have addressed that. We had to address it over a period of time. Last Friday we changed the location of the barriers at the front of Parliament House, so you can now approach Parliament House up Kings Avenue and Commonwealth Avenue, which are the normal approach roads for visitors and people coming to the building. By getting onto Parliament Drive at those locations, you can now enter the public car park at Parliament House. We were obviously aware that people were having trouble. We also found that 90 per cent of the Canberra population did not know how to get to Parliament House unless they came up those roads.

We felt confident in being able to look at the threat assessment. We went back to some of our sources who help up in this regard. We have not increased the ability for vehicles to get

closer to the building as such, but by changing those things we have now increased the manpower in particular and some other security provisions which have allowed us to offset what we did not have in the past. As I have said to a lot of people, we have dramatically increased the number of Australian Protective Service officers who are external to this building. We now have canine patrols—sniffer dogs who can smell explosives. Some APS people are now going through the landscape of Parliament House on a regular basis.

So we have a lot tighter controls in checking car parks and vehicles and a lot more visual observation in the external areas of Parliament House, which we did not have six months ago. But it takes time. That required a whole lot of people to be trained. They go through a training course which takes them about four months or so. It is a pretty thorough training course. We had to wait until those people could come on board. We do not have all of them; we have nearly the total number that we have requested, but we do not have them all yet. But now with those enhanced provisions we are able to say that we can change the barriers—because they have caused a problem to visitors. We believe we have done that within the threat that currently exists.

Senator ALLISON—I did not come past it this morning, but is there now a drop-off point outside the main entrance or not?

Mr Bolton—No. You can always drop off in the underground car park. What you can now do is come up Commonwealth Avenue, turn left, go around on the road you used to go on and go across the front of the building, further back on that extra road that goes down into the underground car park. If you come out, you can come back up onto Parliament Drive or go down to the back of Old Parliament House.

Senator ALLISON—So there is no intention of opening up that front entrance part of the road for buses or vehicles coming in to drop people off?

Mr Bolton—No, but they can do that in the underground car park. The threat assessment is that you do not leave vehicles standing in those places for any length of time.

Senator ALLISON—What about the signage? How will people know that this is the new system?

Mr Bolton—This is one area where we did have some discussion with the National Capital Authority. We wanted a whole lot more signage. We did not do this off the top of our head. We went to the local authorities in Canberra. We dealt with the NCA and with the Action bus people, who provide bus services to this building. We also engaged a traffic consultant that they recommended to give us all the appropriate advice on what would happen to roadways, what would happen further out in the city et cetera and how people would find the place. We came up with a whole range of signs. The National Capital Authority did not agree to all the signage that we wanted to put in place and we ended up going back and negotiating a compromise, if you like. Quite frankly, we found that that compromise did not work. Now we do not really need to have any signage because the existing signage will operate the same way as it did previously. It will cover the people coming up onto the hill, onto Parliament Drive, and getting to the car park. There are plenty of signs to show you how to get to the car park.

Senator ALLISON—Will you reassess the situation after a period of time?

Mr Bolton—Yes, sure.

Senator ALLISON—How will you judge whether what you have done is successful or not? Will we be looking at a return to 100 per cent of the numbers of visitors here or will we be accepting a bit less than that because of the barriers? What do you think is reasonable? Maybe, Mr President, this is a question for you.

Mr Bolton—We will assess it through the parliamentary guide service. Obviously, they bear a fair bit of the brunt of what happens when people first arrive at Parliament House. They know how people are feeling. That is where we were getting a lot of information about people's concern and the fact that even local people could not find their way. So we will be assessing it by using the guides and by checking with people whether they can get here easily and whether it is okay now et cetera. There has been a downturn in visitors. It is picking up now. There has been a whole lot of advertising. It is very easy to say that the drop-off was due to just the barriers at Parliament House. Unfortunately, the barriers being put up at Parliament House coincided with the major January bushfires in Canberra. Right across this town, a whole lot of people stayed away who would normally come here in the Christmas and January period. The extent of the television coverage meant that a lot of people thought a whole lot more of Canberra had been burnt out. We are part of the tourism industry in this town. I know from going to forums and discussing it that there was a massive downturn because of the January bushfires. There has now been a whole lot of television advertising to say to people: 'Canberra was not burnt down. Please come and visit us. There are plenty of things that you can do.'

Senator FAULKNER—What feedback were you getting from the guide service?

Mr Bolton—That people just could not find the car parks, based on the signage that was there, and that they were having difficulty. They were ending up on Parliament Drive, because they were coming up the two main feeder roads—which are Kings Avenue and Commonwealth Avenue—and the first car park that they could park in was the one at the ministerial end, by the landscaped garden.

Senator FAULKNER—How do you monitor the comments coming from the guide service?

Mr Bolton—They approach people as they come into the building. We are continually checking with people: 'Why have you come to Parliament House?' and, at the end: 'Did you enjoy your visit?' We continually ask members of the public if they are happy with what they are getting here.

Senator FAULKNER—Was a report prepared on this? Or is this just word of mouth?

Mr Bolton—No. There is a provision made for visitors to write down anything they want, so people then have documents that they can work on. They were delivered to my office, large numbers from people—

Senator FAULKNER—So a pretty negative reaction?

Mr Bolton—A very negative reaction about getting into Parliament House.

Senator ALLISON—And that is the ones who made it.

Mr Bolton—That is the ones who made it, yes.

Senator ALLISON—I have some questions about the cost of the security measures. I do not know whether that is next on the program, whether we flow into that.

CHAIR—We are still on general questions relating to the Department of the Senate.

Senator ROBERT RAY—We will do it there. Do you want us to start off on that, because we were going to?

Senator MURRAY—I have some general questions in that area, before we get to costs.

CHAIR—We will give Senator Murray a go.

Senator MURRAY—I have two areas of questioning, Mr Bolton. As you know, one of the options for security is to secure the outside perimeter and to put the emphasis there and less so on the inside perimeter. That does have the virtue of meaning you have greater options to retain the integrity of the building and access and so on. How much exploration has there been of that issue?

Mr Bolton—We have investigated what we would need to do if we went to that much higher level of threat. That would mean closing off a lot of access roads to Parliament House and controlling access from Capital Circle, which—for people who know the geography of the place—runs around the outside of the building. In other words there would be control over which vehicles came onto the Parliament House site and onto Parliament Drive—at the moment it is still being treated as a public road. As I intimated to Senator Allison, what I am suggesting is that, when we discuss the longer-term impacts of security and what we need to do, we look at our current arrangements and consider whether or not we would be better to move that barrier out like that. If you wanted to stop everybody coming here, obviously it would become a much larger exercise and make it more and more difficult. I think there would be some public outcry about the fact that we were locking ourselves away and making it harder for people to access the parliament. However, it would cut down dramatically on the numbers of barriers and other impositions we would have to put on the hill.

Senator MURRAY—As you would be aware from elsewhere in the world, once people get used to it, and there is still access for buses and so on, people get used to the fact that that is how the system is. All I wanted to know is that it is an option you are looking at.

Mr Bolton—Yes, most definitely. I think we could do it. Also, in terms of physical barriers, I think we could do a lot more to integrate those barriers that we might need into the landscape, as opposed to being imposed on the landscape as they are here, and therefore the place would not look as though it was such an impregnable place. We could do a lot more of that. I have not solved the issue over the hill, I am afraid, Senator Allison. I think we may end up with some fencing or something there, but I have not solved the issue. Even if you did vetting down there, the question is to what extent you do your vetting. Do you vet every individual? If you get a bus turning up with 60 or 80 people on it, it would take a fair bit of time to go through that. Maybe it is possible. I will take advice on that from people who have done this.

Senator MURRAY—As you would be aware, in countries which concern themselves with that sort of thing sometimes people getting on the bus are checked getting onto the bus not at

their destination. I have another short question I want to ask you. I think I heard you say you were chair of that security coordinating committee?

Mr Bolton—The management board. Yes.

Senator MURRAY—Is the system properly tested? Is there a random system of SAS types probing the security to actually test whether the thing works? Plainly, if you are concerned with terrorism, the people will be trained. You need to test it on a proper basis.

Mr Bolton—As you say, Senator, that appears to be the only way you can decide whether what you have put in place will work. To date we have done some audits of ourselves by testing some of the barriers, testing whether people pick up things at the X-ray points et cetera. That sort of thing is ongoing. In terms of testing the overall systems of the place, I am actually putting out a circular this morning to let people know that on 27 May—tomorrow—a national exercise will be undertaken which will involve the ACT and some elements of security here at Parliament House. It will test our systems and our reactions to certain things. It will test the Australian Federal Police's responses to those incidents and it will test the response by the wider intelligence community and other forces. It will not just involve the ACT; it will be a national exercise.

Senator MURRAY—I am well aware that it is a terribly difficult job, but I am thinking of something quite different. I am really thinking of trained counterterrorism operatives just appearing at one o'clock in the morning and trying to get in, because until you know whether they can and whether they are able to breach your security, you will not know the true efficacy of your measures.

Mr Bolton—One of the government's initiatives under the counterterrorism initiatives is to have a substantial force of AFP officers who are counterterrorism people. I have asked that we set up discussions with those people. Some of the staff more junior to me have already met with some of their officers. We would be planning to offer them the opportunity, as you say, at different times, to come and test our system. Firstly, they need familiarity with the building if there is an incident here—they need some idea of how they operate here—and, secondly, it would be in order to test our systems, which would obviously help them in their operations as well.

Senator FAULKNER—Is someone from the parliamentary departments able to nail down this drop-off in visitor numbers in more detail?

Mr Bolton—Sure, Senator; that is no problem. I can give you very specific information because we have kept such information ever since the building opened. We can tell you, virtually on a weekly basis, how many visitors we have had through the door over previous years as opposed to the last year.

Senator FAULKNER—I would appreciate that. Will you take that on notice?

Mr Bolton—Yes.

Senator FAULKNER—Thanks very much. Has any formal brief been generated on this issue of complaints or is it just word of mouth?

Mr Bolton—No, it is not word of mouth; it is written. I have not received a formal brief as such, but I have been given copies of comments from people who have come into the building, and I have talked to the guide supervisor.

Senator FAULKNER—There is nothing that has gone to the Presiding Officers outlining these concerns and the like?

Mr Bolton—No. I have taken these issues and this information back to the Security Management Board and have suggested that we need to see whether we can alleviate the problem. The Security Management Board, after getting in some of the people who gave us the advice in the first place—some of the security agencies—have agreed to a change in the process which we believe will overcome the problem of people getting to Parliament House.

Senator FAULKNER—Have these significant complaints been drawn to your attention, Mr President?

The PRESIDENT—No.

Senator FAULKNER—So this is all news to you?

The PRESIDENT—The problem of access to the front of the building was brought to my attention and the Speaker and I approved the changes that have just taken place to improve ease of access.

Senator FAULKNER—But you did not know about this avalanche of complaints?

The PRESIDENT—No.

Senator FAULKNER—Well, you know now.

The PRESIDENT—Of course, you have to realise that there has been a drop-off in tourism, too, Senator.

Senator FAULKNER—So there has been a very significant increase in the number of complaints, while fewer people are coming to the building. That is more worrying, isn't it?

The PRESIDENT—It would be, yes.

Senator FAULKNER—You did not even know about it so it certainly has not had to worry you. I am not critical of that. If you did not know about it, why would you worry?

The PRESIDENT—Just as a casual observer it was easy to understand that not as many people were coming here as had in the past. But I just put it down to the fact that there had been a general drop-off in tourism, particularly international tourism.

Senator FAULKNER—Anyway, no-one had drawn to your attention—

The PRESIDENT—No.

Senator FAULKNER—the fact that, of the reduced numbers that were coming there was a massively increased number of complaints about access and so forth. You did not know.

The PRESIDENT—No.

Mr Bolton—I think that Senator Murray said—and I suppose this is my defence to the claim of when I told the President—

Senator FAULKNER—There is no need to run a defence, Mr Bolton. There is no attack. You only need to defend yourself if you are attacked. But you are going to defend yourself anyway so away you go.

Mr Bolton—I will. We found there was a drop-off. We noticed that over time it continued. We then again negotiated with the National Capital Authority to put some more signage up over and above what they initially allowed us to do. We came up with a compromise agreement with them about some extra things. We still had the problem. We then looked for a solution. Rather than go to the President and say, 'Here we have a problem but we do not have a solution,' we came up with a solution and then went back and informed the presiding officers and asked for their approval to put that solution in place, and that is what has happened. This has all been done in a period of three or four months. It took us that time because whenever you change anything—as Senator Murray says—it takes time for people to adjust. We found people were not adjusting. We hoped that they would adjust but we found that they were not.

Senator FAULKNER—That is terrific. My question to the President was: did anyone draw to his attention the reduced number of visitors going to Parliament House? There had been a lot of complaints about access and all the difficulties and so forth, and the President told me that it was news to him and that he has just heard about this morning.

Mr Evans—Could we just clear up that question about when the roller-doors will be operational?

Mr Bolton—The roller-doors have now been checked and cleared and given an engineering run. They are available to be used and they should be used now so they really should come into operation now.

Senator FAULKNER—Just before you retire to the backblocks there, Mr Bolton, I assume it is still the case that in relation to the physical barrier—what is the technical term for the white barrier—

Mr Bolton—I think they are used in America where they are called jersey barriers.

Senator FAULKNER—Are they on some sort of long-term lease?

Mr Bolton—No, Senator, they have been purchased. We looked at the economics of leasing them over a period of time as opposed to buying them and it was a little cheaper to buy them if we need them for any period longer than about nine or 10 months.

Senator FAULKNER—We can deal with those costings at a later stage but I can flag with you that we may go there and elsewhere.

Senator ROBERT RAY—Leaving aside the money allocated for the next year and the money that will have to be expended now, how much additional money have we spent on enhanced security so far?

The PRESIDENT—We budgeted for \$6.8 million for this year but I am not sure—

Senator ROBERT RAY—I am not talking about the money allocated in this year's budget, which is additional, or the expenditure in the out years, which will be additional, but what we have spent so far. I suppose the secondary question is: where does that money come

from? Enhancements occurred prior to the start of the next financial year and are under way and involve extra expenditure. I am asking: how much extra expenditure?

The PRESIDENT—I think the Black Rod might have the answer, or the Clerk, or even Mr Bolton.

Senator ROBERT RAY—I did not expect you to have it right there off the top of your head, Mr President. Please do defer.

Mr Evans—I am being given some figures here which I do not understand and I am just attempting to clarify them.

Senator ROBERT RAY—You have existed like that for years, Mr Evans.

Mr Evans—I am told that expenditure for the Senate department for this year so far is about \$300,000 above budget. I have been saying that this is only for this department.

Senator ROBERT RAY—Was the budget enhanced in any event for this year?

Mr Evans—No, it was not. The additional costs of security for this year were met out of funds available for this year.

Senator ROBERT RAY—I see. Before we go on to a couple of these other funding issues, have you been docked for an efficiency dividend in 2003-04?

Mr Evans—Yes, that is an absolute certainty.

Senator ROBERT RAY—How much?

Mr Evans—It is one per cent.

Senator ROBERT RAY—How many years in a row have you now been docked one per cent?

Mr Evans—Too long to remember. I am told it is 14 to 15 years.

Senator ROBERT RAY—So you are 15 per cent more efficient now than you were 15 years ago. Is that maths wrong? It probably is. It is cumulative so it would be a bit more.

Mr Evans—We are 15 per cent poorer, the President suggests. What Senator Ray is pointing out, and as we have pointed out here on numerous occasions, the efficiency dividend is unrelated to real efficiencies. It is just an arbitrary reduction in the budget.

Senator ROBERT RAY—Not all departments get the efficiency dividend, do they?

Mr Evans—It is Commonwealth wide, as far as I know.

Senator ROBERT RAY—It is not applied to the Department of Defence, is it?

Mr Evans—We do not have information on that.

Senator ROBERT RAY—When it comes to funding salary increases, you have to find those savings yourselves, do you?

Mr Evans—Yes, by further efficiencies.

Senator ROBERT RAY—So, impacting on your budget in any one year is an efficiency dividend and then efficiency gains to fund salary increases. Is that right?

Mr Evans—That is correct.

Senator ROBERT RAY—Approximately how much each year do the salary increases cost the department? I am talking aggregate, now.

Mr Evans—They do not go by year.

Senator ROBERT RAY—You could amortise them and average them.

Mr Evans—They cost about \$0.5 million a year, I am told.

Senator ROBERT RAY—That is the department of the Senate, is it?

Mr Evans—Yes.

Senator ROBERT RAY—That is about two per cent per year. Or is my maths wrong?

Mr Evans—Going on a figure of four per cent and taking it per year, that is what it would amount to.

Senator ROBERT RAY—I am trying to get that as a percentage of the total Senate budget allocation—what it cuts into, which I imagine is about two per cent.

Mr Evans—Yes, I am told it is about two per cent.

Senator ROBERT RAY—In this upcoming year—correct me if I have the accounting wrong—you basically have to find either savings or efficiencies of three per cent to fund pay rises and the efficiency dividend?

Mr Evans—Yes, that is about right.

Senator ROBERT RAY—For the enhanced security measures, each department—that is the Department of the House of Representatives, which we are not looking at but which we have to mention for completeness, and the Senate—has been funded \$3.4 million for the year 2003-04. Mr President, how much have you been allocated in the forward estimates—2004-05?

The PRESIDENT—For the out years from 2004-05 to 2007 it is \$18.8 million in total.

Senator ROBERT RAY—That is the expenditure that has been committed. I am asking: how much funding have you been allocated in those years?

The PRESIDENT—We have been funded for the extra security arrangements only for the coming year.

Senator ROBERT RAY—The answer to my question is that you have not been funded in the out years 2004-05, 2005-06 and 2007. You have been allocated nothing.

The PRESIDENT—No, so far.

Senator ROBERT RAY—What do you mean ‘so far’? You have to be very clear about forward estimates. Forward estimates must reflect all knowledge at the time. So you cannot say ‘so far.’

The PRESIDENT—It is a matter that the Speaker and I will be taking up with the government.

Senator ROBERT RAY—Yes, but the reality is that the forward estimates say that you get nothing in those out years.

Senator FAULKNER—What is the situation with the other parliamentary departments in relation to funding in the out years? Can you help us with that, Mr Evans?

Mr Evans—That figure the President mentioned is a figure for reductions in the out years of the parliamentary departments. In its notional forward estimates the Department of Finance and Administration has split that reduction up equally between the five departments.

Senator ROBERT RAY—I will take you to Budget Paper No. 2. Do you have it here?

Mr Evans—We do not have it here, but the figures for the forward estimates are included in our portfolio ones.

Senator ROBERT RAY—But I want to go broader than that in my questioning of the President. I will go to pages 75, 76, 77 and 78 of Budget Paper No. 2.

Mr Evans—Yes, we now have it.

Senator ROBERT RAY—Mr President, you will notice that there is a summary of A Safer Australia measures. Is that right?

The PRESIDENT—Yes.

Senator ROBERT RAY—You can see that across those four pages there is funding for government departments and agencies on a recurrent and a capital basis. Is that correct?

The PRESIDENT—Yes.

Senator ROBERT RAY—In terms of those departments—and I mention all of them now: Attorney-General's; Education, Science and Training; Foreign Affairs and Trade; Transport and Regional Services; Defence; Immigration; Prime Minister and Cabinet—am I correct in saying that only one of those total departments and agencies is required to put up a savings measure or to include a savings measure? It is on page 75 at the third department down—the Department of Foreign Affairs and Trade—and it is minus half a million dollars in one year. So isn't that the totality of the amount of savings measures returned to the budget under this heading 'A Safer Australia'?

The PRESIDENT—It would appear so.

Senator ROBERT RAY—So, of all those departments that have been given money for good reason to enhance security, only one of them has put up a savings measure of half a million dollars in all those out years, yet you are required to put up well over \$18 million in savings to fund it?

The PRESIDENT—That is correct.

Senator ROBERT RAY—I note for the record, in case anyone believes I have not been accurate, that in the case of the Department of Transport and Regional Services there are revenue measures to do with X-raying containers et cetera. But in terms of saving measures yours is the only department, apart from that minor example of Foreign Affairs, that has to fund its own enhanced security on government advice through savings measures. Why is that?

The PRESIDENT—That is a direction from the government. The government have funded us for the next year. They have told the Speaker and me that funding for the additional

security measures in the out years 2004-07 should come from increased efficiencies in the parliament.

Senator ROBERT RAY—But I would have thought you would be entitled to an explanation as to why you have been treated differently from anyone else, otherwise they are treating you contemptuously. They must have given you a reason for why parliament is an exception. Why is it different from the Department of the Prime Minister and Cabinet, the Department of Defence, the Department of Foreign Affairs and Trade, the Department of Education, Science and Training and the Attorney-General's Department, who all have a motser of money and have not provided a saving other than half a million dollars in one year—not even an out year—from the Department of Foreign Affairs and Trade? What was the reason?

The PRESIDENT—We were not given a reason.

Senator ROBERT RAY—No reason at all?

The PRESIDENT—No.

Senator ROBERT RAY—Do we have any Department of Finance and Administration officials with us today? They usually observe these proceedings. Could any come to the table and assist us? We have done this before.

Mr Evans—We appear to have no volunteers, Mr Chairman.

Senator ROBERT RAY—I will make it clear that I was not asking them for a policy thing. I thought they may have had, at some stage in their documentation, a reason for treating this parliament with absolute contempt. It appears to me that they take some vicarious pleasure in slapping around the presiding officers, Mr President. None of your ministerial colleagues have been treated this way. What do you have to say to that?

The PRESIDENT—It appears that the government have asked us to make savings and to fund an increase—

Senator ROBERT RAY—They have not asked anyone else to make any savings. Just how much does it cost to protect the executive wing here—the people who have made these decisions? Do you know, Mr Bolton? I thought you would have retired by now! You should have slipped into the back of the room! You just came in within my vision.

Mr Bolton—I tried to work it out, Senator, because I thought you might ask me that question.

Senator ROBERT RAY—And I thought you might have been smart enough to work it out, so we are—

Mr Bolton—I think it would be, on a per annum basis with the increased measures we have put in place, about \$4½ million.

Senator ROBERT RAY—So if you were to cancel that, it would only be \$1½ million short, Mr President. Cancel their security.

The PRESIDENT—The Speaker and I have been looking at all options, Senator.

Senator ROBERT RAY—It is good enough for them to actually—

Senator FAULKNER—Let's be serious: that's not a realistic option, is it?

The PRESIDENT—No, it is not.

Senator FAULKNER—It is not a realistic option. So did they just see you coming at ERC?

Mr Evans—It is an option that I have suggested from time to time.

Senator ROBERT RAY—Yes, but the terrorist who gets into the executive wing will take out the President at possibly the same time as they take out anyone else, so it is not an option. We cannot leave part of the building vulnerable, can we?

Mr Evans—No. When I have suggested that, I have not been optimistic that it will be adopted, no.

Senator ROBERT RAY—For instance, you give the Attorney-General \$4.3 million—I do not criticise it—for an armoured VIP limousine, but there is no suggestion that the Attorney-General's Department generates savings to pay for it, nor should there be. Why the parliament? Surely there is some explanation.

Mr Evans—We have no explanation for either, Mr Chairman, short of speculation.

Senator FAULKNER—You do not attend ERC, do you?

Mr Evans—No.

Senator FAULKNER—You attend on your own, do you, Mr President?

The PRESIDENT—No, the Speaker and I attend together.

Senator ROBERT RAY—Do you have any staff support?

The PRESIDENT—We have our Senate advisers.

Senator ROBERT RAY—That is appropriate.

The PRESIDENT—I must say that we did not stay there very long.

Senator FAULKNER—It sounds like it was highly unsuccessful.

Senator ROBERT RAY—We can talk about the results but we cannot talk about the process in the room; we understand that. But I think we still are entitled to ask you—we will be asking others—for an explanation as to why the parliament is being treated differently. Let's move it on: as the government gave you the direction to make up the shortfall, how do they suggest you do it?

The PRESIDENT—As you know, they said it could come from efficiencies in the parliament. The Podger review looked at security matters. Mr Podger identified savings of up to \$5 million a year. As I think you would realise—I pointed this out to the Appropriations and Staffing Committee meeting, which has not made a decision on that yet—with those savings there still would be a shortfall. That is something that we will be discussing with the department heads to see whether there is any room to move. I understand that there is not much room to move in the Parliamentary Library. Certainly, as you pointed out earlier, with the efficiency dividends and increases in certified agreements, we do not have a lot of room to move, but we do have some time to look at this and we will be doing it.

Senator ROBERT RAY—The average optimistic view of the Podger report is that over time it could generate up to \$5.2 million of savings. Is that fair to say?

The PRESIDENT—That is what he estimated.

Senator ROBERT RAY—Which would leave you \$1.6 million short in any event over those out years. Have you identified any savings measures that that \$1.6 million could—

The PRESIDENT—I have not identified anything, Senator, but I am sure the departments would be looking at whether there are any ways to save. My concern is that at the end of the day if savings have to be made it will be at the expense of senators and members, and that is untenable as far as I am concerned.

Senator ROBERT RAY—We have two department heads at the table. Have they looked at any savings measures?

Mr Evans—In relation to the Senate department, savings can only come by the sort of exercise that we went through in 1996, when an arbitrary figure of \$10 million was taken off all parliamentary appropriations. Basically, in the Senate department it consisted simply of cheeseparing, of paring off bits and pieces here and there. You would remember that we proposed to save \$70,000, I think, by abolishing the press cuttings and things like that. That is the only scope that we have in the Senate department because basically its budget consists of the salaries of people who are delivering services to senators. If savings of that order were to be made, they would have to be made basically in the capital area of expenditure.

Senator ROBERT RAY—So how much fat have you got to offer up, Mr Bolton?

Mr Bolton—Not a lot.

Senator ROBERT RAY—Not a lot?

Mr Bolton—No.

Senator ROBERT RAY—Can't you find a lazy \$1.6 million per year for three years?

Mr Bolton—No, Senator, not without some major changes.

Senator ROBERT RAY—Have you looked at any major changes yet?

Mr Bolton—No, I haven't. The reason being that I was waiting to see what the Senate's deliberations might be on the Podger report which would obviously then impact on what we may have to find in addition to that. Obviously if the Senate rejects the Podger report, I will have to very quickly start working out what we would have to give up for the following financial year.

Senator ROBERT RAY—For the record, Mr President, would you like say what is involved in implementing the Podger report vis-à-vis the Senate because some people would not realise what it would mean—or perhaps the Clerk could outline it?

The PRESIDENT—Basically it means the amalgamation of the five departments into—

Senator ROBERT RAY—No, sorry; what steps have to be taken to get approval to implement it? There are historic resolutions. I was asking you to put it on the record.

The PRESIDENT—The matter is being discussed by the Appropriations and Staffing Committee at the moment and no resolution has been made there. Once a recommendation comes from that committee it goes to the Senate for a decision on whether to adopt it or not.

Senator ROBERT RAY—So if you accepted the assumptions in the Podger report—and we will come to that later in the morning—and the Senate passed it, presumably the savings so generated would offset the expenditure in the next financial year. You are already funded for security for 2003. I understand that the implementation of Podger in terms of redundancies and other matters is about \$1.2 million. Is that correct, Mr Evans?

The PRESIDENT—I think that is correct.

Mr Evans—Well, that is Mr Podger's estimate which is not necessarily accepted.

Senator ROBERT RAY—Do you have a different view?

Mr Evans—I believe that the figure given by Mr Podger is somewhat inflated and that it does not take account of the costs of implementation.

Senator ROBERT RAY—I am sorry, we are going on the cost of implementation first of all. Do you think that the \$1.2 million figure is accurate or not accurate?

Mr Evans—I would say it is optimistic.

Senator ROBERT RAY—Do you think it would cost more?

Mr Evans—Yes, I believe so.

Senator ROBERT RAY—But would it be balanced off in that first year by potential savings? Would you be able to retrieve that in the first year? I would not expect anyone to generate \$5.2 million worth of possible savings in the first year of implementation, but let us say this went through the Senate in late June: could you generate enough savings in the first year of its operation to pay off the outgoings, the costs of setting it up?

Mr Evans—I think that would be overoptimistic.

Senator ROBERT RAY—So we could be up for an increased expenditure in the first year?

Mr Evans—Quite possibly, yes.

Senator ROBERT RAY—Where do we get the money for that, Mr President, if that is the case?

The PRESIDENT—That is a matter that the Speaker and I would have to take up with the government to find extra money. If Mr Podger's figures are correct, he has estimated that there will be savings in the order of \$3.7 million in the first full year.

Senator ROBERT RAY—Except you will not have a first full year, will you? You will not be able to get it implement from 1 July.

The PRESIDENT—No.

Senator ROBERT RAY—For the moment I am working on the assumption that the \$5.2 million is there in the out years—and we may challenge that later—the question is: what

happens in the next financial year we are looking at? Will we be in the red by implementing it and where will we get the money from?

The PRESIDENT—I think we have two options: the Speaker and I will have to go back to the government and ask for extra funds or savings will have to be found from the parliamentary departments.

Senator ROBERT RAY—When were the findings of the Podger report sent to Department of Finance and Administration?

The PRESIDENT—I am not sure about that.

Mr Evans—I have no knowledge of that. It was a report to the Presiding Officers.

The PRESIDENT—I tabled the report in the Senate but I do not know whether they received any information before that.

Senator FAULKNER—Did you formally send it to the Department of Finance and Administration?

Senator ROBERT RAY—That is what we are asking.

The PRESIDENT—I don't believe so.

Mr Evans—No. There was a report to the Presiding Officers which was then made available to the two houses.

Senator ROBERT RAY—What I was getting to is that there is a more detailed KPMG report, isn't there? This whole thing was delegated in part from Mr Podger to Mr Early and then to KPMG. It is a bit like a cleaning contract—it gets sublet all the way down. Did that KPMG report, which I think was supplied to the Finance and Public Administration Committee, ever go to the Department of Finance and Administration?

Mr Evans—We don't know that. It was PricewaterhouseCoopers.

Senator ROBERT RAY—Sorry; so it was.

Senator FAULKNER—But you would know whether it went from the Senate to the Department of Finance and Administration?

Mr Evans—It did not go from the Senate department.

Senator ROBERT RAY—There is no other way it could go there then, is there?

Mr Evans—I would not guarantee that.

Senator ROBERT RAY—But you should be able to.

Senator FAULKNER—Why can't you guarantee that?

Senator ROBERT RAY—You should be able to guarantee it.

Mr Evans—What Mr Podger did with his report and his subreports before they were presented to the Presiding Officers, we don't know.

Senator ROBERT RAY—Hold on; you paid for them. You commissioned them. They don't get sent anywhere else, do they?

Mr Evans—They should not, no.

Senator ROBERT RAY—I think we can presume they were not.

Mr Evans—The Presiding Officers were the people who commissioned the report.

Senator FAULKNER—What were the contractual arrangements in relation to the provision of the report? Was it made clear that it would be presented to the Presiding Officers and no-one else?

Mr Evans—That was certainly specified, yes.

Senator FAULKNER—So we can be certain, then, can't we? Otherwise it would be a breach of contract, wouldn't it?

Mr Evans—You should be able to be certain.

Senator ROBERT RAY—What I am wondering is how the government, on the advice of the department of finance, can be sure that the Podger recommendations can deliver the savings. I want to know—and you cannot tell me this directly—how they put the heavy roller over this to see that the figures added up. As part of that I want to establish whether they had all the information available to them. Yes, they could have had the Podger report as tabled in the Senate, but they could not have had the accompanying documents, which have been questioned, unless they got them through the back door, which I assume they did not.

The PRESIDENT—They certainly did not get them from me.

Senator FAULKNER—We have heard that. No doubt some Finance officials will be listening to this, even the reluctant ones who will not come to the table, so we can find that out. We will find it out.

The PRESIDENT—I think you should ask them because it certainly did not come from us.

Senator FAULKNER—We will find out if and when the report went to the department of finance.

Senator ROBERT RAY—Given what is in the budget documents we can be left in absolutely no doubt that the two issues are linked—that you have to implement the Podger report essentially in part to pay for the security measures. That is right, isn't it?

The PRESIDENT—There were two options: either implement the Podger report or find the savings somewhere else.

Senator ROBERT RAY—But in the budget documents, in relation to A Safer Australia, they then say, 'See also the related expense measures titled Parliamentary Departments: Efficiency Measures in the Parliamentary Portfolio.' The two things are linked. There were not two separate decisions—absolutely separated decisions. You got the increased money for one year; you did not get it for the three out years. In this document it says that it is linked to your efficiency, isn't it?

The PRESIDENT—That is correct.

Senator ROBERT RAY—So, in effect, you either have to find \$6.8 million worth of savings generally on top of efficiency dividends and money you generate—this is across the

five departments—to pay for salary rises or you implement Podger and then find other savings measures. That is a fair summary, isn't it?

The PRESIDENT—That is correct.

Senator ROBERT RAY—And it is fair enough to say that, for the last 20 years, the department of finance has been advocating the amalgamation of the parliamentary departments. That is correct, isn't it?

The PRESIDENT—I believe so. I think the first time it came up was in 1912.

Senator ROBERT RAY—Why am I wrong in asserting, then, that the department of finance and the government are using security enhancement to blackmail the parliament into implementing the Podger report and the amalgamation of departments? What in that question and that statement I have made is wrong?

The PRESIDENT—I don't think it is wise for me to comment on that. You have made the statement.

Senator ROBERT RAY—I am just looking for a countervailing argument. You can't think of one?

Mr Evans—We don't know of any.

Senator FAULKNER—Mr President, when did you become aware of the fact that savings for the enhanced security measures were not required from other departments?

The PRESIDENT—Could you repeat that?

Senator FAULKNER—I am talking about the point Senator Ray made, when he began his questioning, in relation to the different way the parliamentary departments have been treated compared to other departments. When did you become aware that other departments were not being requested to find savings for enhanced security measures?

The PRESIDENT—I was not sure until the budget. I suspected that that was the case but, until Senator Ray raised the matter here this morning and went through the budget papers, I was not aware of it, but I was pretty certain that no other departments had been asked.

Senator FAULKNER—So you did not realise until this morning that the Department of the Senate was being treated so differently from other departments?

The PRESIDENT—I knew that some other departments were being treated differently. I knew that some other departments were receiving extra funding to enhance security measures. I also knew that the five parliamentary departments were being asked to fund security measures from savings.

Senator FAULKNER—Yes, but when did you realise that departments outside the parliamentary departments were not required to fund those measures from savings?

The PRESIDENT—When the budget documents were produced.

Senator FAULKNER—So not this morning?

The PRESIDENT—There was one matter that Senator Ray raised—the \$500,000—that I was not aware of but, generally speaking, I was aware that none of the other departments were funding the measures.

Senator ROBERT RAY—Incidentally, Mr President, I suspect that that \$500,000 saving is because they are spending a lot more money on a sophisticated system and are saving it on a less sophisticated system. That other department does not have to make a heartbreak savings measure.

Senator FAULKNER—Since you became aware of it, when you read the budget papers, have you had communication with either the Treasurer or the Minister for Finance and Administration?

The PRESIDENT—No, but I have had discussions with the Speaker and we will be having more discussions, I presume.

Senator FAULKNER—You will be having discussions with the Speaker?

The PRESIDENT—Yes, because it affects both departments.

Senator FAULKNER—What are the outcomes of your first discussion with the Speaker?

The PRESIDENT—We have to wait to see what decisions are made by the Appropriations and Staffing Committee on the proposals in the Podger review before we go too much further. It hinges on the decision that the Senate makes on that. Depending on that decision, we will have further discussions about where the funding is going to come from.

Senator ROBERT RAY—Don't you think the decision of the Senate is less likely now? The possibility of the Senate voting for an amalgamation of the departments, to implement the Podger report recommendations, is at least a fifty-fifty proposition until the Senate thinks it is being blackmailed. Now it has virtually no chance of going through.

The PRESIDENT—That may be correct. I always thought it was going to be tough anyway.

Senator ROBERT RAY—You acknowledge that the last time the Senate looked at these proposals the savings were \$1 million, not \$5.2 million. I think it deemed that it was not worth the pain for the \$1 million. It might have regarded the pain as being worth it for \$5.2 million, but not with a gun pointed at the head by the government. It is very hard to accede to that sort of proposal when we do not get an explanation as to why the departments of the parliament have been singled out.

The PRESIDENT—I think the government believe that there is room for efficiencies. Savings is another issue, but I think they are looking for efficiencies in the parliamentary departments now.

Senator ROBERT RAY—They are looking for efficiencies, but in PM&C they can put on an extra 30 to 50 staff to create an extra subdivision on terror and security. Are they being asked for savings? Where are the savings measures of the premier department of the government? Surely it is a question of power, Mr President? They find it easy to slap you and the Speaker around, but not their colleagues who have political power. Unfortunately, that is ultimately what this is about and what you are a victim of. There is no blame attached to you on this. It would not make any difference which party was in power or anything else: that is what they are doing and that is what we have to object to. Do you think there is any scope for savings, Mr Bolton, Mr Evans or you, Mr President? Is there any scope to pare back some of

the security arrangements now? What is the risk involved in that? Do you think there is any possibility of trying to make some of these savings or of not having that level of expenditure?

Mr Evans—The amount that was sought as a new policy proposal for the increased security measures is, of course, an estimate. Like all estimates, you cannot tell whether the security measures you are proposing will actually cost that much; you may make savings on them or they may cost more. Similarly, as you make adjustments as you go along with the actual security measures, they might cost less or they might cost more. But, as Senator Faulkner pointed out, we have a heavy responsibility to make the building secure not only for members and senators but also for the visitors and staff in the current environment. If we did not think so, I am sure we would be very quickly told that it would be irresponsible to be cutting down on the security measures that we have been advised by the government's peak security advisory body are necessary.

Senator FAULKNER—So you are over a barrel?

Mr Evans—Yes.

Senator ROBERT RAY—Tell me how much the Parliamentary Education Office budget is each year. If you are looking for a big-ticket item, not that I am suggesting it, but you might have to—

Mr Evans—A figure of \$837,000 appears in our portfolio budget statement for the total cost of the PEO, which is split between the two houses.

Senator ROBERT RAY—The parliamentary appropriations bills that are coming up will only cover the \$6.8 million allocated for the next financial year, won't they?

Mr Evans—For the increased security measures?

Senator ROBERT RAY—Yes.

Mr Evans—Yes.

Senator ROBERT RAY—So the parliament in a legislative term will not have a chance to scrutinise the government's decision for another 12 months in legislative way?

Mr Evans—Yes, that is correct. The cuts proposed by the government are in the forward years.

Senator FAULKNER—Do you feel, Mr President, that you and the Speaker have been played for suckers on this?

The PRESIDENT—No, but I think there is still room and time for more discussions with the government. Obviously, the government is looking for efficiencies in the parliamentary departments.

Senator ROBERT RAY—Why is it obvious that they are looking for efficiencies there and not in the other nine or 10 departments that are getting funding? They have linked the two. If they had not linked the two, I could fall for that line, but I cannot. They have linked security and savings measures together in the Podger report on the amalgamation of the departments. You cannot argue that, surely?

Senator FAULKNER—No minister has to find savings, but the Presiding Officers have to find savings to fund security measures. In the case of these particular security measures, the proper security of the executive—all those ministers and the ERC ministers and everybody else who works in this building—is a significant part of it.

The PRESIDENT—All ministers would be looking for efficiencies at all times, I believe. In this particular case, as it turned out, we had the Podger review that was instigated before my time. But, as you know, I had no alternative than to bring the matter forward to the Appropriations and Staffing Committee because it did show, rightly or wrongly, that there may be efficiencies and savings there. I believe that is why the government took the view they did that, if these matters were taken in hand, there may be savings and that they could be offset against the out years for security purposes.

Senator FAULKNER—We have not even worked out yet whether the department of finance had copies of the Podger review or any of the other iterations—

The PRESIDENT—That is a question for them. You would have to ask them, I suspect.

Senator FAULKNER—I asked you and you said that you did not provide it to them.

The PRESIDENT—No, I did not.

Senator ROBERT RAY—And, more importantly, you did not provide the Pricewaterhouse—I will correct the record; I may have said KPMG—report.

The PRESIDENT—I personally did not but—

Senator ROBERT RAY—The department did not.

Mr Evans—No. Nor did the Senate department.

Senator ROBERT RAY—I do not know if Senator Allison has questions. We will come back to the Podger review after the morning tea break.

CHAIR—Are there any further questions on this topic?

Senator ALLISON—Yes. What work has been done by you, Mr President, to look at where the savings might come from? It has been established that they are going to come from staffing. Have you put together some analysis or assessment of how many people and what effect that would have on services? Don't you need a document of this sort in order to go in to bat with the government?

Mr Evans—Perhaps I can answer it this way: the Podger report envisages savings by reducing staff in the corporate service areas of the departments by amalgamating the three joint departments, with each of them reducing their total staffing levels in the corporate services area, and then by the chamber departments outsourcing what is called the 'processing functions' of their corporate services areas to that new joint department, which is an interesting question in itself. The savings are basically staff reductions in the corporate services area of the departments—the joint departments, not the two chamber departments. Mr Podger has done the figures to justify his figure of \$5 million savings. Even so, his figure is only an estimate.

Senator ALLISON—I understand that, Mr Evans, but I thought that we had already established that there are savings to be made over and above Podger. Even assuming \$5

million is available from the Podger review, which we all doubt, there is a further \$1.2 million which is required to be found if we are to balance the books. Have we done the work to show where that money might be saved?

Mr Evans—‘Done the work’ is putting it too highly. There are things that you can lop off, such as—I am safe to mention this in the absence of Senator Ray—the press-cutting service to senators. As I said, in the Department of the Senate, it is cheeseparating—little bits and pieces here and there.

Senator ALLISON—We have already established that we have done that, though.

Senator FAULKNER—In Senator Ray’s absence, let me respond to that. I have noticed that while the clipping service has not been pared back it appears to be arriving later in the morning. Would I be right in suggesting that to you?

Senator MURRAY—Are you suggesting that it is a cash flow issue?

Senator FAULKNER—It is a serious point.

Mr Evans—I am told that it was a purely temporary problem with the provider of the service, which will not continue.

Senator FAULKNER—It is true that the clipping service has been arriving later; is that correct?

Mr Evans—Yes. There has been a lateness in arrival in recent times.

Senator FAULKNER—You would appreciate that that would affect its utility?

Mr Evans—Yes, certainly.

Senator FAULKNER—So I can be assured that that has been addressed?

Mr Evans—Yes. That particular problem of lateness has been addressed, I am told.

Senator FAULKNER—When?

Mr Evans—It is a problem with the service provider. I am told that we have had a problem with our delivery system, which we have now rectified.

Senator FAULKNER—What was the problem with our delivery system?

Mr Evans—It was an absence of a staff member, I am told, who has the responsibility for that particular distribution—this is the physical distribution to the senators’ offices.

Senator FAULKNER—Yes. This is attendant services or something like that, is it?

Mr Evans—Yes.

Senator ROBERT RAY—Is this the clips? They come with the newspapers. The newspapers came and the clips did not, so how could that be an explanation?

Mr Evans—There has also been a problem with the volume in recent times, which means they take longer to print.

Senator ROBERT RAY—Going back to the delivery, they come with the newspapers, so I do not see how someone’s absence could change it, because the newspapers came on time and the clips came five or six hours later.

Mr Evans—If they are printed in time, they should get delivered with the newspapers.

Senator ROBERT RAY—They were not printed on time.

Senator FAULKNER—So have there been any changes in procedures in relation to the delivery of the Senate books?

Mr Evans—No, I think not. The system is the same. It is a matter of making the system work.

Senator FAULKNER—What are the current arrangements for their delivery?

Mr Evans—I will ask Ms Griffiths to outline the current arrangements.

Ms Griffiths—They are delivered by Media Monitors early in the morning. I have a staff member from the printing unit that prints them who starts, I think, at 7.30 and then one of the mail deliverers arrives—that may be at 7.30 or 8 o'clock. If they are printed in time, they will go out with the newspapers; otherwise, I have a separate person to specifically deliver the clippings. As the Clerk said, in the last couple of weeks the volumes—particularly for Monday—have been huge. You will note that today there is a whole ream of paper in the newspaper clippings. They take a lot longer to produce.

Senator FAULKNER—I think that those that undertake the physical task of delivering the clips have done an outstanding job for a very long period of time, but I did want to be assured that there were no changes in procedures or cutbacks to staff or changes in arrangements that were affecting this particular service.

Ms Griffiths—There are no cutbacks to staff. We have just improved the communication lines a little after that incident.

Senator FAULKNER—Thank you. Anyway, I just did that in Senator Ray's absence because you raised his name.

Mr Evans—Mr Chairman, I am sorry I led to that diversion.

CHAIR—No problem. It is time for a coffee break, Mr Evans.

Mr Evans—I was just referring to a notorious occasion in the past.

Proceedings suspended from 10.47 a.m. to 11.07 a.m.

CHAIR—I call the committee to order.

The PRESIDENT—Before you call for further questions, Mr Chair, may I make a brief statement?

CHAIR—Yes, Mr President.

The PRESIDENT—Earlier today Senator Faulkner asked for the details of the membership of the Security Management Board for Parliament House. The board was established as an interim measure by the former President and the Speaker early in 2002 to better coordinate security access across the five parliamentary departments. In late 2002 the Speaker and I confirmed the board as a permanent entity. I table the list of the membership of the board for the information of the committee.

CHAIR—Thank you, Mr President. I now call Senator Murray.

Senator MURRAY—Through the President to Mr Evans, I think we might have previously had some conversations on this, Mr Evans, but I personally hold the view that a genuine separation of powers means that the financial independence of the parliament should be secure from the executive. But I guess that is a bigger issue for another day and a more enlightened discussion. To continue on from Senator Allison's questions: the essence of what she is driving at is that for there to be savings of \$1.2 million accepted by the presiding officers there would have to be a knowledge that those savings can reasonably and realistically be made. The only example I have heard you give of any area where savings might be possible is the Senate clippings area. One point two million is a lot of money. To my mind, it would need a chopping of people—I do not see how else you would achieve it. So really her question was: is there specificity as to how that \$1.2 million could be met? If it cannot be met the message from the presiding officers back to the government needs to be: it cannot be met.

Mr Evans—The mention of the press cuttings was simply an illustration by me using, as I said, a notorious example from the past of what I meant by the cheeseparer which would go on in the Senate department. In other words, it would mean cutting relatively small costs here and there to try and make some figure which would be the agreed Senate department contribution to the savings. As I said before, basically the bulk of the savings would have to come out of the capital expenditure area. But that was simply an example of the sort of exercise that the Senate department would undertake to try to make its contribution to whatever savings figure you were trying to meet. To achieve a saving of \$1½ million you would have to shed functions and shed staff, and shedding staff includes an immediate cost; it is not cost free.

Senator MURRAY—The questions that Senator Allison was going after arrive at this conclusion: will the department be providing the Presiding Officers with an outline of what action would have to be taken and in what areas and at what cost? If they think it is impossible to achieve, will they be providing them with a recommendation to go back to the government and say that it cannot be achieved?

Mr Evans—That would certainly be the process, yes.

Senator MURRAY—When would that process be accomplished? I ask that question, having in mind the probable arrival of the parliamentary appropriations bill.

Mr Evans—It is a fine question as to when the appropriate time would be to do that. One of the things that I do not want to be doing is assuming that these cuts proposed, as I keep saying, by the government are written on tablets of stone and totally unavoidable at this stage and therefore we have to now start thinking of things we can cut to make them up. The President said that he will engage in further discussions with the Speaker and with the government so I suppose it is a tactical question of when we would start seriously looking at measures that would have to be undertaken. I would rather not do that at this stage. That is all I can say until we are closer to next year's budget, and of course it impacts on next year's budget.

Senator MURRAY—You do not think that it would assist the Senate's debate of the parliamentary appropriations bill to have a clear understanding from the presiding officer that such cuts would not be achievable or might be achievable or might be partly achievable?

Mr Evans—We cannot say that they are never achievable. We can achieve them by cutting functions and cutting staff in the Senate department. Any proposed cuts are achievable by radical measures of that sort. But taking the figure that has been allocated in the forward estimates to the Senate department, we could put something together and say, 'This is the sort of thing that you would have to do.'

Senator MURRAY—I gather you agreed with senators Ray and Faulkner—they did not use exactly these words—that the efficiency dividend is a good idea gone mad. It is a logical absurdity to require a one per cent efficiency dividend eternally. Eventually you will end up working for nothing. It would be the year of volunteer gone mad.

Mr Evans—As Senator Ray has pointed out, the department eventually disappears.

Senator MURRAY—That is right.

Mr Evans—Perhaps that is an aim which some have in mind.

Senator MURRAY—Yes. I am not really satisfied with your response, if I may say so, and I do not mean that in any rude sense. I mean it in the sense of being equipped to argue a case in the parliament concerning the parliamentary appropriations bill. As Senator Ray has clearly indicated, if there is a thought in the Senate's collective mind that it has been blackmailed and that our Presiding Officer has been rolled, or whatever the emotive word you want to use, the Senate might be of a mind to get difficult over that appropriations bill. We need to be equipped not only with a view on the Podger matter but also on the efficiency dividend matters. The forward estimates have to be part of our consideration during the discussion on the bill. I ask you again: is it possible for you to advise the Presiding Officer in advance of the areas of savagery that you might be forced to consider if you had to implement the \$1.2 million savings?

Mr Evans—We could certainly do that, yes. And we will do that if it is believed that that would be helpful.

Senator MURRAY—It is my view; I do not know whether the committee concurs. I would find it of assistance.

Mr Evans—I think that is sufficient for us to perform that sort of exercise in the next few weeks.

Senator MURRAY—Thank you. That is all I had.

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

Senator ROBERT RAY—We will not spend too much time on the Podger report, but we have gone to the alternative savings measures so let's actually go to the Podger report. How many people's jobs have to be sacrificed to implement it?

Mr Evans—That is an area that is in dispute. Mr Podger proposes a figure of 38 staff in total, but that of course depends on identifying exactly what staff are performing what tasks, and Mr Podger's calculations in that area are not agreed to either.

Senator ROBERT RAY—What are you suggesting? Would it be higher or lower, or are you saying that you cannot determine which are the 38?

Mr Evans—I think it would be lower and, as I have said before, I think the cost of the change has been underestimated. I think the staff figure would be lower.

Senator ROBERT RAY—I know you have looked at this in great detail, Mr Evans. What is your best assessment of the likely savings if you could implement the Podger report in a practical way? What is your estimate of the generation of savings?

Mr Evans—Of the monetary figure?

Senator ROBERT RAY—Yes.

Mr Evans—My difficulty is that, while you say I have looked at this in detail, I cannot really do a detailed calculation in relation to the other departments. Mr Podger himself has not done that. We have entered into correspondence with Mr Podger, and my colleague Mr Bolton has entered into correspondence with Mr Podger about his calculations and he keeps getting the answer, ‘Well, these are just estimates and it will depend on the implementation and what you do in the course of the implementation.’ Those sorts of calculations are very difficult to undertake. I am not sure that I am willing to put a figure on it.

Senator ROBERT RAY—You see, Mr President, we have this difficulty that on the presumption that the Appropriations and Staffing Committee meets on the first Wednesday of the next two weeks of sittings, and on the presumption, which I think is reasonable, that you will get a positive motion out of there to implement the Podger report, it then goes to the Senate. The difficulty is: how can the Senate have a rational discussion about the implementation of a report when we do not know the extent to which it can deliver savings? Do you see the dilemma we will be in?

The PRESIDENT—You are a member of that committee and you know that we did have Mr Podger in.

Senator ROBERT RAY—Yes.

The PRESIDENT—And you did have an opportunity to discuss with him his recommendations and how he arrived at them.

Senator ROBERT RAY—I think it is fair to say that we were not satisfied at that point. We did not have closed minds, but we were not satisfied that we could achieve \$5.2 million in savings; it was a lesser figure. What we could not establish was how much less. If there is already a discrepancy of \$1.2 million which has to be made up, if that become \$2.2 million or \$2.5 million, we have to know because it affects the judgment on whether you implement Podger. In the end, if it comes down to saving what the previous amalgamation report saved, that is not worth the pain and agony of going through. We just need to know and I wonder how we are going to know.

Mr Evans—I don’t think you can know that. Mr Podger himself cannot give exact calculations. He says they are estimates. They are his best estimates and it will depend very much on the implementation. He has repeated that in this latest correspondence. The approach of the professional reorganisers, if I can put it that way, to these things is: you never know how much you are going to save; you know you are going to save something but you go

ahead with the change on the basis that you are going to save something. This is the estimate that he has come up with. Other people have other estimates, but you do not know how much you are going to save.

Senator ROBERT RAY—How does the Department of Finance and Administration know? It obviously knows more than you do—it has clipped you for the money.

Mr Evans—This is the point I was about to make: Mr Podger was compiling his report on the basis that efficiencies would be achieved in the parliamentary administration by these changes and that savings would be available to put back into enhanced services for senators and members. With that sort of exercise, you could rationally go ahead with it on the basis that you are going to make some savings but you do not know how much. When it becomes a matter of paying for something else, like enhanced security, and having to pay, according to the government's decree, for something like that, it becomes a much more difficult and different exercise.

Senator ROBERT RAY—Do you think there would be anyone in the Department of Finance and Administration, maybe left over from the IT cluster area, who could give you advice on how to make savings? Could they come in with expert advice?

Mr Evans—I would not rely on it, if I were of a mind to take it.

CHAIR—Are there any further questions on the Podger report? No. Are there any further general questions of the Department of the Senate?

Senator FAULKNER—I wonder whether you could tell us where the Senate essay prize is up to.

The PRESIDENT—I have had responses from the people I have asked to do the judging, and I thank them for that.

Senator ROBERT RAY—Have you picked the judges?

Senator FAULKNER—You are not keeping up with the play, Senator. Not only did he say he had but he thanked someone on the committee.

Senator ROBERT RAY—Yes, but I am asking who they are.

Senator FAULKNER—It is not public.

The PRESIDENT—The Leader of the Opposition in the Senate—

Senator FAULKNER—A very, very good choice.

The PRESIDENT—whom I know respects the Senate and has a lot of respect for the value of the Senate.

Senator FAULKNER—I will bring all my objectivity to the task.

The PRESIDENT—Senator Vanstone is very supportive of the initiative; a representative of the ANU, Dr John Uhr—

Senator ROBERT RAY—Yourself, no doubt?

The PRESIDENT—No; Senator Murray, of course—

Senator ROBERT RAY—Round up the usual suspects.

The PRESIDENT—the current president of the press gallery, Malcolm Farr; and of course the Clerk has nominated Dr Laing to stand in for him. My understanding is that it closes at the end of July. I do know that one entry came from my own Rosny College in Tasmania, so obviously the message has got through to the remote parts of Australia.

Senator ROBERT RAY—Can we have an update on the dictionary of Senate biography—how we are going with that? We had a report last February.

Mr Evans—The manuscript, to use the old-fashioned term, is with the publisher, and the editing process is now taking place. Between that and getting a book out normally takes about a year.

Senator FAULKNER—Any future volume would be at risk because of this need for you to find savings, would it not, Mr President?

The PRESIDENT—That is one of the things that I suppose will be considered, if we get that far.

Senator FAULKNER—So that is on the hit list, is it?

The PRESIDENT—No, it is not, but it is one of the things that I guess will be looked at. All things are looked at when you try to make savings and efficiencies.

Senator ROBERT RAY—Do you think there is any possibility when you launch this book that you could have Senate standing orders apply to the speaking times—perhaps 20 minutes maximum?

The PRESIDENT—I will be asking senators to be brief, I would hope.

Senator ROBERT RAY—It was not the senators last time that took us well through the dinner break. It is embarrassing seeing everyone leave because they are hungry, that is all.

The PRESIDENT—The Clerk says that it has been taken on board.

Senator FAULKNER—I assume the Senate essay prize may well founder as a result of the need for you to find savings in the Senate department. I suppose all these things will be under the microscope?

The PRESIDENT—It could well be.

Senator ROBERT RAY—Do you think you might have to cut out the tea and coffee at committee meetings?

Mr Evans—There's an idea.

The PRESIDENT—There's a very good idea, in fact.

Senator ROBERT RAY—How much does that cost per year?

Mr Evans—We have changed the system. In more recent times it is being provided internally, as it were, by departmental staff rather than the outside caterer.

Senator ROBERT RAY—So there is not much scope for saving there?

Mr Evans—I am told that it is about \$1,000 per round of estimates hearings.

Senator JACINTA COLLINS—Were you looking at a compilation of the quality essays that come out of this process? Were you looking at printing a document?

Mr Evans—It is envisaged that they will be works that will be published in other places.

Senator JACINTA COLLINS—So that would not be a potential cost?

Mr Evans—No.

Senator FAULKNER—But there is a major saving with the prize—\$3,000. You could buy half a barrier or something for that.

Senator ROBERT RAY—That is 0.3 per cent of the cost of the armoured limo.

The PRESIDENT—If it were as popular and as successful as I hope it would be, we may find some alternative sources of financing for the Richard Baker prize.

Senator ROBERT RAY—It is probably not the best time to raise this, given the stringent fiscal position you are in, but I usually raise this at estimates. You promised to have a look at it. I think I am not verballing you, Mr President. I refer to the funding of committee travel, in particular the foreign affairs, defence and trade committee. They might have had approval of late to travel the south-west Pacific to enhance their report. I think you know the problem: you have a joint committee that writes reports on countries overseas but can never actually visit the countries. I am asking this question not inviting the complication of them actually having formal hearings overseas and involving problems of privilege. I am assuming none of that occurs and that they are just on the normal fact-finding thing. Has there been any advance regarding that issue?

The PRESIDENT—I have written to the Speaker to formally advise him of the discussion which took place at the last estimates and to invite his thoughts on the matter of travel by Senate, House of Representatives and joint committees. Once we have discussed that matter I believe we will be obliged to talk to the Prime Minister and Minister for Foreign Affairs to seek their views. We have to keep in mind that whatever the reason for a group of Australian parliamentarians travelling abroad we would have to be aware of the foreign relations impacts, of course. Funding comes into it too. One of the matters I raised with the Speaker was whether he would agree to fund the travel by one committee each year, perhaps on a roster basis between the two chamber and joint committees. I also outlined to the Speaker the points the Clerk made in the February hearings, that committees could not conduct formal hearings overseas and witnesses were not being covered by privilege and all that sort of thing. That is where it is at. It is something I will be discussing further with the Speaker. As you quite rightly point out, there was a committee—and there are committees—travelling at the behest of the Minister for Foreign Affairs from time to time, but I take your point that it should be on a regular basis.

Senator ROBERT RAY—I just make the point that a badly travelling committee, such as the Joint Foreign Affairs, Defence and Trade Committee, could have ramifications overseas but those would be nowhere near the ramifications of bringing down an ill-informed report on a country. Often, as you know, the reports are about Australia's relations with A, B and C, and the first reaction is, 'But you did not come and visit and discuss these issues with us.' What I am suggesting in the first instance, for the life of this parliament, is that we just look at the joint foreign affairs and defence committee. I especially say that because I am not a member of it, so that will not be self-serving. But that is the committee which probably most needs a

degree of funding and which is replicated in a lot of overseas parliaments—not all, but quite a few. You see the committees visiting here.

The PRESIDENT—At the risk of repeating what I said in February, the trade committee recently travelled to Europe—and I believe their report will be coming down soon—basically using their Senate allowance. From my own point of view, when I was a member of the rural and regional affairs committee, we did travel to New Zealand, and there is no doubt in my mind that going to see on the ground the matter we are looking at certainly makes a bigger impact than being told by other people what is going on. I agree with you; it is something that probably would have more value than some of the ordinary delegations that go out on a rotational basis which, other than enhancing relations between our countries, do not really have a set reason for going.

Senator ROBERT RAY—I will conclude on that point by saying, Mr President, that I am not suggesting that each committee on each occasion has to put a submission to you and the Presiding Officers so that you actually have to make decisions, et cetera. I just think that the foreign affairs, defence and trade committee should have a travel budget so it is at their discretion how much they blow on an individual trip or otherwise. I think they would be pretty abstemious in the use of funds, knowing that, if they use funds on one trip, they will not be available for another part of the committee for another trip. I think that is the best approach. I think that, if you were to be placed in a position where you had to make the decision every time, it would not really be fair to you or to Mr Speaker.

The PRESIDENT—I would agree with that.

Senator FAULKNER—Mr President, has the issue of the future of the HMAS *Australia* table which is currently placed within the Senate opposition party room here at Parliament House been raised with you?

The PRESIDENT—Yes, it has been raised with me. It is something that we are going to be discussing the next Senate government party meeting.

Senator FAULKNER—At the government party meeting?

The PRESIDENT—If you recall, one of the reasons it came up here is that it used to be in the opposition party room in the old place. It came up and it is now in the opposition party room in this place. I am going to flag the issue with our party room about whether it should go back to Old Parliament House. I personally think it should, but I want to seek the views of other senators, and I would hope that we would get some views from your party room as well.

Senator FAULKNER—The table has historically been associated with Old Parliament House, hasn't it?

The PRESIDENT—It has.

Senator FAULKNER—And it has been specifically associated with the Senate opposition party room in Old Parliament House?

The PRESIDENT—Yes, that is right.

Senator FAULKNER—And it is an item of quite major heritage significance, isn't it?

The PRESIDENT—Yes.

Senator FAULKNER—I could not imagine that anyone would not think it is a good idea, given that the opposition party room at Old Parliament House is being refurbished. I could not imagine not thinking it is a good idea for it to go back to where it rightly belongs, as the centrepiece of that refurbishment.

The PRESIDENT—If my memory serves me correctly, I think it was brought up here to save it from deterioration.

Senator FAULKNER—You did not do much of a job, if that is the case because, when it was inherited by the current opposition, we had to go to the trouble of putting a glass top on it and the like so that it would be protected from the sort of handling it had had when it was in the opposition party room when another party was in opposition.

The PRESIDENT—For quite some time, I believe.

Senator FAULKNER—That is right. Fortunately, you will be pleased to know that we went to the trouble of putting a glass top on the thing, not for any other reason but to protect it. It has been protected since then. It seems to me to be a really logical thing for us to send it back. I do not know what it has to do with the government party room.

The PRESIDENT—I thought it was something I should mention to them, but I am inclined to agree with you: it should go back to Old Parliament House.

Senator FAULKNER—That is what I strongly believe is the case and so do my colleagues. We do not intend to carry it down there ourselves.

The PRESIDENT—Do you want to keep the glass?

Senator FAULKNER—That will be a matter for Old Parliament House but I am sure you would appreciate that a table of such significance needs to be protected, given that it is in a working room here in the new Parliament House. People might even sit on it or put their drinks on it or whatever, and apparently have.

The PRESIDENT—I guess it has had all sorts of things on it over a period of quite some time.

Senator ROBERT RAY—Let's not go into too big a detail.

Senator FAULKNER—So you agree with me that it would be a good thing to get that done?

The PRESIDENT—Yes, I do. I have already told the Usher of the Black Rod that I think it should go back but I wanted to let my colleagues know what is going to happen.

Senator ROBERT RAY—Senator Mason wants to retrieve it.

Senator FAULKNER—You agree, don't you, Senator Mason?

CHAIR—Yes.

Senator FAULKNER—Thank you very much. It has the support of Joint House, does it, Mr Bolton?

Mr Bolton—It does, indeed.

Senator FAULKNER—Does it have the support of the Black Rod, Ms Griffiths?

Ms Griffiths—Yes.

Senator FAULKNER—Good. Does it have your support, Mr Evans?

Mr Evans—Yes, absolutely.

Senator FAULKNER—Well, it is a certainty then. Let's try to move this along can we—

The PRESIDENT—Absolutely.

Senator FAULKNER— because it is an important part of their refurbishment down there and the table is the centrepiece of it. Perhaps this is better directed to you, Mr Bolton; I am not sure. How are we going with the new pager system? Or is this Ms Griffiths's area?

Mr Evans—It is actually DPRS's responsibility.

Senator FAULKNER—We will wait for them, then. I do not have any further questions on the Department of the Senate.

CHAIR—There being no further questions for the Department of the Senate, I thank you very much. The committee now calls the Department of the Parliamentary Library.

[11.38 a.m.]

Department of the Parliamentary Library

CHAIR—Mr Templeton, officers, welcome to this morning.

Senator FAULKNER—Could I ask Mr Templeton: are we going to be represented at the World Library and Information Congress: 69th IFLA General Conference from 1 August to 9 August 2003 in Berlin?

Mr Templeton—We certainly are.

Senator FAULKNER—That is a relief to hear. How many representatives will we have?

Mr Templeton—I think Dr Verrier, Ms Adcock and Mr Johnston are going. Dr Verrier is on the executive committee of IFLA.

Senator FAULKNER—Does that take much time for you, Dr Verrier?

Dr Verrier—It can take quite a lot of time. I normally write a paper for the conference and we do provide quite a lot of support to other parliaments that are less well resourced and less well developed in these kinds of services than ourselves. Certainly in the build-up to the conference there is quite a lot of work. I expect that over the next year, because I am in that position on the executive, there will be an ongoing amount of work which I hope will not interfere with the main duties for which I am employed in this parliament.

CHAIR—I did not catch the acronym.

Dr Verrier—IFLA.

CHAIR—What is that?

Dr Verrier—The International Federation of Library Associations. There is within it a parliamentary libraries and research services section.

Senator FAULKNER—So we have a delegation of three going?

Mr Templeton—Yes.

Senator FAULKNER—What is the cost of that?

Mr Templeton—The total cost for three will be about \$45,000. It is about \$15,000 per person.

Senator FAULKNER—Do you have a disaggregation of that, Mr Templeton?

Mr Templeton—Only by individual.

Senator FAULKNER—Even I can divide \$45,000 by three.

Mr Templeton—Ms Adcock has estimated \$15,052; Dr Verrier, \$14,328 and Mr Johnston, \$15,209. They are estimates.

Senator FAULKNER—Have the moneys for that been paid?

Mr Johnston—Yes, certain moneys have been paid—the fees for IFLA itself, and there have been certain commitments made for hotels and airlines.

Senator FAULKNER—When you say that certain moneys have been paid, what does that mean?

Mr Johnston—For example, for a hotel, a deposit in some cases is required and in other cases is not required. It depends on the arrangements which were made for particular hotels. In general, all participants are staying at hotels recommended by the section or by IFLA itself.

Senator FAULKNER—These payments are not made by the individuals; don't you go as a delegation?

Mr Templeton—No, they are made by the department, but the department has made most of the payments that are required in advance. I would assume—Mr Johnston can correct this—that travel allowance has not yet been paid.

Mr Johnston—No, travel allowance has not been paid—incidentals and matters of that nature. The policy of the department in relation to any overseas trip is that it be paid in sufficient time for people to get allowances but not greater than that.

Senator FAULKNER—Things like hotel advance payments and so forth are all paid for by the department?

Mr Johnston—By corporate credit card where they are paid, yes.

Senator FAULKNER—Corporate credit card?

Mr Johnston—Departmental credit card. It used to be called the Australian government credit card.

Senator FAULKNER—What about plane fares?

Mr Johnston—I am not sure how many of the tickets have been obtained. Certainly they have been booked and we are trying to ticket at the moment.

Senator FAULKNER—Registration fees?

Mr Johnston—Paid.

Senator FAULKNER—Corporate credit card again?

Mr Johnston—Yes.

Senator FAULKNER—Basically the travel costs have been booked, have they?

Mr Johnston—Yes.

Senator FAULKNER—Is that how you normally do it?

Mr Johnston—Usually we will book sufficient time in advance to obtain the appropriate fares where a discount can be obtained for a prepayment and we will make sure that bookings can be made within the normal time frames. The particular trip also involves a preconference of three days at Prague. So the departure date for people would be on about 26 July.

Senator FAULKNER—Is that associated with it?

Mr Johnston—Yes, it is part of the conference arrangements. The section which Dr Verrier mentioned, of which she is president, traditionally has had a three-day preconference prior to the main conference.

Senator FAULKNER—Do any particular advantages accrue to the department by paying by corporate credit card?

Mr Johnston—There are processing advantages. We use the corporate credit card quite substantially in DPL because in our collection we have a large number of small purchases which are made overseas, and in the old days when we used to have to go through department of finance officers in Washington and London we had real hassles. We do a substantial number of overseas credit card payments for that. In terms of travel, corporate credit cards are held by the senior members of the department and the bills are paid by the corporate credit card, so it is a direct payment. Where that is the case, clearly, for domestic travel, GST refunds are more readily obtained than payment of an allowance.

Senator FAULKNER—Do frequent flyer points accrue on these corporate credit cards?

Mr Johnston—No.

Mr Templeton—Under our travel arrangements we book through Qantas and we have an arrangement where the departments do not get frequent flyer points.

Senator FAULKNER—Is that relatively new?

Mr Templeton—That is in the contract that is about three years old now. We were negotiating a new contract at the time Ansett collapsed. One of the major advantages of the new contract with Qantas was the elimination of frequent flyer points for individuals.

Senator FAULKNER—How many corporate credit cards are there in the Department of the Parliamentary Library? How many of the senior officers there hold corporate credit cards?

Mr Johnston—In total there are about seven—no, maybe nine corporate credit cards in the Parliamentary Library. They are held by the people who do the purchasing for the collection of serials and monographs, for very small items and particularly overseas items, as I mentioned. In addition, the program administrative officers or travel officers hold a corporate credit card because when we book hotels for all staff in Australia we try and make payment through those processes for GST refund reasons. Apart from Mr Templeton, the four members of the department's management committee—that is the program head and the deputy head of each of the two programs—hold a credit card. They are used for a variety of purposes. In the

case of Ms Membrey and I, we cover absences of collection staff as well as where we have an occasional executive need for it.

Senator FAULKNER—Perhaps Dr Verrier is best to explain this: what is going to happen at this conference? What is the value of it professionally?

Mr Templeton—I will ask Dr Verrier to explain, but can I say that as a department we put great store on IFLA. The association, as its name suggests, covers a comprehensive range of information service providers. Dr Verrier and Ms Adcock have been to previous IFLAs. When Dr Verrier comes back each time I think we get a considerable amount of professional and organisational ideas and refreshment. But I would suggest that Dr Verrier is better placed to answer this because she actually goes.

Senator FAULKNER—I did not mean to bypass you, Mr Templeton, but it sounded like Dr Verrier was an expert.

Mr Templeton—I was just saying that, whatever Dr Verrier is going to say, the department also values what we get quite substantially.

Senator FAULKNER—Fair enough.

Dr Verrier—Senator, as Mr Johnston has explained, there is a preconference, which is normally in an adjacent country in another parliament, so we have the opportunity to have a look at the workings of a local parliament. The theme of the seminars on those days is normally on what the parliaments in the region are doing in terms of developing their information research services. Then there is the main IFLA conference itself. IFLA is a huge organisation which was established back in the 1920s. It has been primarily and still is a librarians' forum. We on the research side are late ring-ins, if you like, in the parliamentary section. That is because we work closely with parliamentary librarians and there are issues that cross our different professional fields. We then spend one day dedicated to looking at research issues that are coming up. Countries around the world are encouraged to put on the table initiatives they might be taking to improve their services. We might report back on things that we think we have done and done well. In general, it means that the newer struggling parliaments can learn from their counterparts about things they have tried that have worked in their systems.

Representation is at a very senior level—it tends to be the heads or the deputy heads who go along—and that means there is normally very good dialogue. I would add that I have been personally strongly campaigning for efficiencies in this organisation. There is down time, rather too much of it in this conference; it is sloppy. It was designed in the 1920s by lords of the realm so as to travel to fine places and have a good time, and the structure is still rigidly controlled by the IFLA hierarchy. We in our section have really built up to use the time: we even work on Sundays and Saturdays because we think that, if we are overseas at considerable cost to our organisations, we should be using the time as best we can. But in our own section there has been a lot of fervour about thinking hard about whether we should actually jump ship from IFLA and do our own parliamentary conference, to avoid what effectively works out at being two weeks overseas. In my own personal judgment no conference should run for more than three days.

Senator FAULKNER—You said that there was a preconference. What are the dates of that?

Dr Verrier—I do not actually have them in my head.

Mr Johnston—They are from 29 to 31 July.

Senator FAULKNER—That is in?

Mr Johnston—Prague. The main conference runs till the closing ceremony on 9 August.

Senator FAULKNER—That is in Berlin?

Mr Johnston—Yes, that is in Berlin.

Senator FAULKNER—When does that kick off?

Mr Johnston—1 to 9 August.

Senator FAULKNER—When is the delegation returning home?

Mr Johnston—Dr Verrier plans to leave early, for various reasons. I will leave on 9 August. Ms Adcock has permission to leave on 10 August but at her own cost.

Senator FAULKNER—I would tend to agree with you, Dr Verrier. I must say it does seem a long time for a conference.

Dr Verrier—There are lots of library professional things going on. There tends to be an exhibition by all the providers on the latest technology and there are quite a lot of side-things that go on and visits to other libraries—but I think, even so, there is an argument. While there has been particular pressure from our section, there is a growing feeling that senior professionals have not got that much time to spend at these conferences these days, so I suspect there will be over time a move that will go on encouraging them to streamline it.

Senator MURRAY—Do the National Archives go to this as well?

Dr Verrier—I do not know. We could find out for you. The National Library certainly does—it is well represented there—and I think the head of the National Library has been a chair of the National Library's grouping. We could find out about Archives. Other related industries do come along. There are more and more IT people there these days, for obvious reasons, so the librarians have been taken over—or at least joined—by those in other relevant professions, because that is the way the services are running these days. We could find out about Archives. I suspect there might well be an archiving section. There are sections on handicapped libraries, multicultural libraries and providing services in other languages. There is a whole range of subseries of issues that are dealt with, and I strongly suspect there might be an archives section as well. I can find that out for you.

Senator FAULKNER—But there is a part of this that deals with parliamentary libraries.

Mr Johnston—In the main conference as well there are specific days which have been organised by Dr Verrier and the section in relation to research elements: special arrangements at the Bundestag, for example, rather than at the main conference. At the main conference itself there are, particularly this year, a number of particular issues which are of interest to Ms Adcock and me in relation to the online provision of services, electronic licensing and issues of that nature, for example. For the last couple of years Dr Verrier has been the only person

who has attended but this year there are particular issues for which the department as a whole felt there was benefit in having additional attendance.

Senator FAULKNER—Is a formal report provided of the proceedings and outcomes?

Mr Templeton—I understand there is a formal report. When Dr Verrier returns, she always provides me with a written report on the conference and her assessment of its worth and usefulness, and possible avenues for us to gain from it further.

Mr Johnston—As you would be aware, Senator, there is usually a brief report to the Joint Library Committee of the parliament, where at times particular issues have been discussed in past years.

Senator FAULKNER—What is actually happening at the premeeting at Prague?

Mr Templeton—The preconference, I think it is called.

Dr Verrier—There is a meeting in the parliament to look at what is happening in the local parliament. The countries from the surrounding area will be talking about their services. The focus there is east European and the developments that have taken place in democratising their parliaments and providing information and research services, in their case with a lot of help from the Congressional Research Service.

Senator FAULKNER—Are you satisfied we need three people for that premeeting at Prague?

Mr Templeton—I think so. I think the work of the parliamentary libraries section is an integral part of the overall conference. My personal view is that I cannot see why those preconferences need to be in a different location. But they have traditionally been held in a different location and, as Dr Verrier said, Australia is leading a fairly concerted push at the moment to get a bit more rationality into the structure of that conference. I believe the benefits of both conferences are such that we will gain from them. But I would prefer that both conferences were at the one venue, but obviously we do not organise those conferences.

Senator FAULKNER—What is the relevance of these eastern European libraries to Australia, Mr Templeton? I can understand what has been said about the Berlin conference; I am struggling a little more with the preconference, I must say, and its relevance and the need for such a substantial representation. I am happy to be convinced.

Mr Templeton—I have not been to one of these conferences, so I have to defer largely to Dr Verrier, who has. My understanding of the preconference is that it is a very significant time where, if you like, the parliamentary libraries can concentrate very heavily on their own issues and issues common to each other, whereas the larger conference relates a lot of those issues back to general trends happening in the bigger libraries, particularly in IT and in information management generally. Dr Verrier may wish to happily contradict that.

Senator FAULKNER—My question to you, Dr Verrier, is: do we need three representatives at this preconference in Prague?

Dr Verrier—I think that is a judgment that could be made one way or the other. On this occasion, as Mr Templeton has explained, there might be a different range of issues to be covered in the Berlin conference. If you are going to the one, then I guess you go to the lot.

As I have already indicated, it is my very, very firm view that the preconference is an indulgence in organisational terms, and that the one serious day of work that we do there—and it is one serious day of work; there are three around it—could be lifted into the down time of the main conference. There are several things going on at this conference. It is a major conference, normally with up to 3,000 people attending. There are lots of things on offer and, in a sense, you pick and choose the sorts of things you want to focus on, although of course the expectation is that you will spend most of your time in the parliamentary section.

I think there is enough room for manoeuvre to pick up the value of that extra day within the confines of the IFLA conference so that it becomes a confined Monday to Friday exercise as opposed to a 10-day or a 10-day plus exercise. That is our view, and Australia is on the record as having put that view. There is a long tradition of the preconference. People enjoy it enormously, of course—it is a wonderful experience to see how other parliaments work. There is no doubt that the eastern Europeans enjoy the opportunity to pick our brains. They are beginning. They are learning. To talk to us—and we are regarded as world leaders in our field—about things like quality control of product, dealing with difficult senators and members or whatever it might be is extremely valuable for them. It really is that sharing among senior people of how to deliver the best kind of services within resources. But it is not efficient; it could be done more efficiently, without the shadow of a doubt.

Senator FAULKNER—I accept your analysis. It sounds like a pretty objective analysis to me, as someone who is no expert in these things. I suppose I come back to the point that it is a three-day preconference; is that right?

Dr Verrier—It is called a three-day preconference.

Senator FAULKNER—But the reality is that it is a one-day preconference.

Dr Verrier—It is one day of work, yes.

Senator FAULKNER—And two days of what?

Dr Verrier—There is a reception the night before and they have to get to Berlin the day after.

Senator FAULKNER—There is a bit of sightseeing and that sort of thing; is that right?

Dr Verrier—Yes, it is.

Senator FAULKNER—That is fair enough. You have been very frank about that. So I come back to the fundamental question: can we justify sending three senior library people to this three-day—in reality one-day—preconference in Prague? Can that be justified?

Mr Templeton—I think it can; notwithstanding, as Dr Verrier said, it is not as efficiently organised as it could be if it were either shorter or more sensibly in the same location as the main conference. But, given that it is the gathering of the parliamentary libraries, I think it is worth while and, given that the major cost to the department for attendance will be air fares—

Senator FAULKNER—We have basically been told that it is an indulgence—

Mr Templeton—I think Dr Verrier said that it is excessively long and it could be tightened up.

Senator FAULKNER—No, she didn't. She said that it was an indulgence actually, to be fair. Why send three people to an indulgence?

Mr Templeton—I think the part of it that is not an indulgence relates to parliamentary libraries. It is relevant to the Commonwealth Parliamentary Library.

Senator FAULKNER—I wondered whether we were not overrepresented at an indulgence. Anyway, I am assured by you—

Mr Templeton—We would not normally have three people attend, but I think the issues that are being discussed at both the preconference and the conference this year justify that level of representation.

Senator FAULKNER—Did you ever watch *Dr Who*, Mr Templeton?

Mr Templeton—Very, very infrequently, Senator. I had a deprived childhood; we did not have television in my house until I was 15.

Senator FAULKNER—Me too, but wasn't there a character or thing called TARDIS in *Dr Who*?

Mr Templeton—TARDIS, I gather, was the phone booth that people used to travel through time.

Senator FAULKNER—So TARDIS has travelled through time and it has plonked itself now in the Parliamentary Library, has it?

Mr Templeton—It certainly has, for a couple of years, not in quite the same form. TARDIS in the Parliamentary Library is the activity and the time attribution recording system that the library staff use.

Senator FAULKNER—What happened to good old SPIRIT that we used to talk about?

Mr Templeton—TARDIS, if you like, came down and landed on top of SPIRIT and took its place.

Senator FAULKNER—So SPIRIT is history.

Mr Templeton—SPIRIT is history.

Senator FAULKNER—And now we have TARDIS. What is the difference between SPIRIT and TARDIS?

Mr Templeton—It is a more comprehensive system. Again, I am happy to defer to Dr Verrier and Ms Adcock. It gives us significantly greater information. Dr Verrier chaired the committee that introduced TARDIS, or was that SPIRIT?

Dr Verrier—That was SPIRIT. I might defer to Ms Adcock. I will begin by saying that the challenge with TARDIS has been to count more accurately the cost of a job that we provide for you. When my brilliant scientist gives you an oral briefing on the phone in 10 minutes, to put that job down as a 10-minute job is to debase the coinage and to fail to comprehend the fact that the reason my brilliant scientist could do that for you is that he is a brilliant scientist who spends a lot of time building up his expertise and maintaining his touch with his field and has a lot of experience in knowing exactly what you want. So we have been trying, through TARDIS, to capture not just the fact that your request took 10 minutes or 10 hours but what

we might be doing that we can justify as a client cost by allocating time to what we call resource building—it might be attending conferences, it might be writing preparatory briefs, it might be reading up for preparatory briefs. So the TARDIS beast does what SPIRIT did not do—that is, count more broadly for the hours we spend in the office in the day. It also accounts for the actual time we are in the office. On that front—on the superflex front—I think Ms Adcock is more familiar with it than me.

Senator FAULKNER—You would appreciate that I asked a number of questions over what appears to have been an inordinate period of time about the confidentiality issues in relation to SPIRIT—

Mr Templeton—And those concerns were picked up in the design and implementation stage.

Senator FAULKNER—I suppose that was what I wanted to ask. In the professional assessment of the officers at the table, have we any outstanding confidentiality issues in relation to TARDIS and how is the confidentiality of senators and members being protected?

Mr Templeton—I would say the confidentiality of senators and members is significantly better protected, if you like, under TARDIS than it was under SPIRIT, because the concerns that you raised at a number of estimates hearings were taken into account in the design of TARDIS and there was a proper audit trail and there were proper security mechanisms applying to TARDIS. That was a significant issue in the design.

Senator FAULKNER—As I recall it, there was an issue of being able to search on a member, senator or client of the Parliamentary Library, and certain use of the library could perhaps be searched by another staff member who was not directly involved in providing the service. Perhaps that is a clumsy explanation of the issue in relation to SPIRIT, but that is my broad understanding of the concerns of the time.

Mr Templeton—It is not possible in the library to quarantine absolutely every individual job so that no-one else will know of it, or to seal it. Many jobs are multidisciplinary, many jobs involve a number of people working on them together, and many jobs also involve going back to previous work to build on, expand or amplify it. What has been put in place with TARDIS is a proper audit trail so that we know exactly who has been accessing what field and when.

Senator FAULKNER—Is that new? Is the audit trail new?

Mr Templeton—It is not the only major difference, but it is a major difference between SPIRIT and TARDIS.

Senator FAULKNER—That is good to hear. How do you check the audit trail? Is it done irregularly or are there spot checks of the audit trail, or not?

Mr Templeton—At the moment we would only check the audit trail if there were a problem. The staff of the library—long before we had TARDIS or SPIRIT or CRIS, which was SPIRIT's predecessor—have had a very good tradition and a very good history of confidentiality of client requests, and that is one of the core values of the library. I think that, overwhelmingly, it is respected and very much practised by the staff. This is part of it.

Senator FAULKNER—It can be checked if necessary?

Mr Templeton—Yes.

Senator FAULKNER—And you can give us a guarantee about confidentiality in relation to the new TARDIS system?

Mr Templeton—I can give you a guarantee that the new TARDIS system has the audit trail capacity to check who has been into the system and what they have been seeking, yes. It is not totally isolated, so if you are doing a particular job you have the capacity to see what other jobs have been done for that particular senator or member, as I understand it.

Senator FAULKNER—But there are certainly obligations also on staff members, aren't there, in relation to this?

Mr Templeton—Absolutely.

Senator FAULKNER—So you can give a guarantee about those?

Mr Templeton—Yes, I can give you a guarantee that confidentiality of client requests is one of the absolute core values of the Parliamentary Library and any breach of that would be regarded very, very seriously.

Senator FAULKNER—I want to take you to page 21 of the portfolio budget statements, which is about your plans for 2003-04, and the dot points at the bottom of the page. What does the statement 'continue development of the electronic document and record management system' actually mean to a layperson such as me?

Mr Templeton—The electronic document and record management system is a system we are developing which will allow us to very much more easily and effectively keep track of the documents that we have and the material the Parliamentary Library generates and which it keeps in its collection. Perhaps Mr Johnston can go into greater detail because it will be basically driven through his program. It is a major system we are looking at to cover the field of all our information holdings.

Mr Johnston—There are two components to this proposal and at this stage the department has just received the report of the original consultancy. The management committee of the department still has not had a chance to consider that report. That is scheduled for its next meeting.

Senator FAULKNER—What was the original consultancy?

Mr Johnston—We have had a consultancy exercise which has provided a report to cover how to improve client service and administrative processes for electronic documents and records. That report has been received by the department but has not yet been considered by the management committee.

Senator FAULKNER—Who were the consultants there? Is it in the PBS? You can point it out.

Miss Membrey—I do not think it is.

Mr Johnston—I cannot think of the exact title of the firm but essentially it is Brenda McConchie and a group of people who have assisted her. I will take the title of the firm on notice.

Senator FAULKNER—What was the cost of this consultancy?

Mr Johnston—It was \$45,000 net.

Senator FAULKNER—What were they asked to do?

Mr Johnston—They were asked to look at how to improve client service delivery in an electronic environment. You may be aware that we are trying to improve our online services on a 24-hours-a-day, seven-days-a-week basis, and have been for some years. In addition, you may be aware that components of the collection have over a number of years become increasingly electronic—not just paper, for example, but journals and things of that nature.

Senator FAULKNER—Are you going to tender this records management out?

Mr Johnston—Once the management committee has had a look at the report and decides which recommendations it accepts then there will be, over some years, a structural or scoping exercise as to where our IT system should be developed in the future within the broad environment of the Department of the Parliamentary Reporting Staff content management exercise for the parliament as a whole. In essence, this is the basis for our IT strategic development over the next three or four years. That is why at this stage there have been no decisions made because there are a number of issues which have to be looked at in relation to client service delivery and the finances of the department.

Senator FAULKNER—How is this going to help client service delivery?

Mr Johnston—It will provide a better and more common access path to different types of electronic material for clients in conjunction with our intranet developments and it will also enable staff to access this material more readily. It also has an administrative component in relation to making our registry files electronic.

Senator FAULKNER—The decision to engage these consultants was obviously reported to the Library Committee?

Mr Templeton—We discussed EDRMS at the Library Committee and I think we have also discussed what is being done in the electronic media monitoring unit, the new upgrade of that.

Senator FAULKNER—Let's go back a step. Was the fact that this consultant had been contracted reported to the Library Committee?

Mr Templeton—I believe so but I will check and take it on notice.

Senator FAULKNER—Are you planning to report to the Library Committee what the outcomes of the consultancy are?

Mr Templeton—Yes, and before we go down any path, once we have assessed what is the recommended path, it would be reported to the Library Committee and any work that was to be done would be put out to tender.

Senator FAULKNER—That is just taken as read, isn't it, but you have not decided what work might be done?

Mr Templeton—That is what the scoping study is dealing with and which the management committee will consider at its next meeting.

Senator FAULKNER—It is \$45,000. Do you reckon that is more value than the IFLA conference? That was \$45,000 too. Do you have an assessment on that for us?

Mr Templeton—I would say both of them should provide significant long-term benefits to the library. Certainly the scoping study, in terms of the way the information management technology has developed, will be very important.

Senator FAULKNER—Have you read this consultant's report?

Mr Templeton—Yes.

Senator FAULKNER—So when are the next steps going to take place, Mr Johnston? When is your management board going to look at this?

Mr Johnston—It is scheduled for the next meeting of the department's management committee.

Mr Templeton—Which I think is next Tuesday.

Mr Johnston—Next Tuesday.

Mr Templeton—Which is 3 June. The management committee is sitting at the top table.

Senator FAULKNER—This means more online service in the library, does it?

Mr Johnston—It could potentially mean improved online access for senators and members but it also means that some of the ways we do our business at present, some of the manual processes, would be automated in an integrated whole. For example, there is a perennial problem with what goes on to a registry file in this modern world with emails. Many organisations have now moved to electronic registries. That is a component of it as well. It also ensures that we comply fully with archives and other legislation. There are different components in relation to how we store records and documents electronically.

Senator FAULKNER—Am I right to think that clients are more likely, as a result of this, to get services from the library online?

Mr Johnston—Yes. That is the intention.

Senator FAULKNER—So that means more self-help, if you like, for clients of the library.

Mr Johnston—It means more availability of self-help services, yes, at the same budget level.

Senator FAULKNER—Is it then not reasonable to suggest that this would lead to less service?

Mr Johnston—No, because it is intended that this would be done within the current budget for this area and therefore, subject to the issues you talked about earlier today, the budget for the commission services would remain the same within the limits of efficiency dividends and other matters.

Senator FAULKNER—I have to say that it sounds a bit woolly.

Mr Templeton—It may sound a bit woolly and, if it does, we may not have explained it particularly well. Essentially, it is a long-term strategic approach to the way we develop information technology to assist the library to provide services and manage its own internal

information flows. That does not necessarily mean anything in relation to services except, as Mr Johnston said, there may be more material available more easily into the future.

Senator FAULKNER—Could a copy of this consultancy report be made available to the committee?

Mr Templeton—Yes, I am more than happy to do that.

Senator FAULKNER—That would be very useful. I will try to understand what is in it, Mr Templeton, and we might ask some questions in a later round. I hope that the Library Committee is going to be kept abreast of all these developments.

Mr Templeton—It will be, but this is very much a preliminary scoping study to work out where we need to go and what sort of issues there are.

Senator FAULKNER—But I would have thought that, before you headed off down that track with a \$45,000 consultancy from an unnamed consultant or a partly named consultant, there might have been a bit of consultation with the Library Committee. Mind you, I could not bear being on the Library Committee anymore; I just had to get off. But I thought I could ask questions here.

Mr Templeton—We weren't that terrible, were we?

Senator FAULKNER—There were difficult meetings, Mr Templeton. There are meetings and meetings, but this one was not compulsory to go to. Anyway, you will table the report?

Mr Templeton—Yes, I am more than happy to.

Senator FAULKNER—We can look at it. You are certainly going to take the—

Senator ROBERT RAY—One copy only.

Senator FAULKNER—How am I going to get a copy if it goes to you?

Senator ROBERT RAY—On a more general matter, you sat in on the discussion this morning about future funding. How much do you think you will be able to ante up of the \$6.8 million, the \$1.6 million or the in-between figure in terms of savings to make up the shortfall to pay for security? Out of the library, what do you think you can cough up?

Mr Templeton—The answer to the first question is that we do not know how much we are going to be asked to cough up. The second answer is that we basically have no capacity to cough up anything, but if we are required to and forced to—

Senator FAULKNER—If we abolished the library, how much would we save?

Mr Templeton—If you abolished the library?

Senator FAULKNER—Yes.

Mr Templeton—The appropriations for the library are around \$16 million to \$17 million a year.

Senator ROBERT RAY—That would fund a few overseas trips as well. I am not really suggesting it, but we have to look at big-ticket items.

Senator FAULKNER—It has been suggested in the past.

Mr Templeton—I am aware of that.

Senator FAULKNER—But fortunately one or two of us thought that that was not a very good idea at the time.

Mr Templeton—It depends how much we are asked to contribute. The library—

Senator ROBERT RAY—What I am really asking is: you have no obvious big-ticket items.

Mr Templeton—No.

Senator ROBERT RAY—I am not talking about savings; I am talking about a sacrifice.

Mr Templeton—The library has the difficulty that 85 per cent of its total funds goes either on salaries, which is about 75 per cent, or the collection, and the collection is absolutely fundamental to the library's ability to do its job. So that leaves us with about 15 per cent allegedly discretionary, and there are lots of things in there that aren't discretionary. If we were required to ante up, depending on how much it was, as with a lot of the projects that we were talking about a minute ago, for example, we would probably have no capacity to do anything on EDRMS. Those sorts of things are short-term savings that have significant long-term costs when you get five years down the track and your systems are not up to date and your systems are not doing what everyone else's systems are doing, and people say, 'Why not?' We will say, 'Five years ago, we had to cough up all this money.' If we are asked or if we are required to cough up, we would certainly go down the track of trying to get as much of it out of our capital as we could, but my priorities would be to protect the collection first and staff numbers second.

Senator ROBERT RAY—We will put your two hats on here because that will mean we are operating more efficiently. As head of the library and as head of DPRS, have you looked at the Podger report? How realistic do you think the potential savings are there?

Mr Templeton—I actually think the savings can be realised. My recollection of the figures that Andrew had put to the Appropriations and Staffing Committee after consultation with the five departments was, I think, about 25 staff in the corporate areas.

Senator ROBERT RAY—How many would your two areas lose?

Mr Templeton—We were not going to lose all that many because the library has outsourced most of its corporate processing to DPRS anyway, but my recollection is that between the two departments I think we lost about five. I am sorry, can I take that on notice and get the exact figures for you for both departments? We were not a huge contributor to the 25.

Senator ROBERT RAY—Does that mean you are really in a good position to know whether savings can be delivered or not?

Mr Templeton—I am, in the sense that I have read the report and done the calculations. The calculations seem right to me.

Senator ROBERT RAY—So you think \$5.2 million is a realistic figure?

Mr Templeton—Over time, yes. I don't think we would get it in the first year.

Senator FAULKNER—So what have you got earmarked?

Mr Templeton—I am sorry; I am not with you.

Senator FAULKNER—What have you got in mind? What goes?

Senator ROBERT RAY—How much does your budget reduce by in, first of all, the library, through this? How much of the \$5.2 million will be saved from your budget that you will be deducted for to get to the \$5.2 million?

Mr Templeton—Can I take it the other way: if Podger were implemented, there are no separate budgets for DPRS, DPL and JHD. There is one budget for the new department. From that you would start to make savings against the corporate areas, starting with the 25 jobs that were involved. But bear in mind that the staff savings were not the only savings that Mr Podger identified. There were things like licensing costs, savings in not producing three annual reports—instead there would be one. You would only have one lot of internal audit fees instead of three, and all the triplication.

Senator ROBERT RAY—Taking all that into account, taking into account the library budget and your other budget and adding them up to get what they currently are, how much can we deduct and put towards the \$5.2 million? That is not an unreasonable question. I want to benchmark you.

Mr Templeton—I don't think it was expressed that way in the way Andrew put the figures to the appropriations and staffing committee. We can tell you how many of those 25 are ours, and he has put in figures—for example, X hundred thousand dollars in savings by not producing three annual reports. You just divide those by three, and we would be saving two-thirds of it.

Senator ROBERT RAY—I am trying to get to the basis. You were fairly confident a minute ago about the figures in Podger.

Mr Templeton—I am.

Senator ROBERT RAY—But when we actually ask you how much you are going to ante up in savings, you can't be as certain. So that throws doubt on your first statement.

Mr Templeton—The point I am making, Senator, is that the three departments do not continue to exist if Podger is implemented; there is one budget.

Senator ROBERT RAY—I think I can actually grasp that concept, but at the moment there is money allocated to the library, there is money allocated to the others; that is two. When you add those two together and then you merge the departments, or do whatever else, I want to know how much in savings will be generated out of those two. We will come to Joint House another time.

Mr Templeton—I am quite happy to get the list, go through what Andrew—

Senator ROBERT RAY—But if you don't know it now, I don't know how you can be confident that the Podger figures can be delivered.

Mr Templeton—Because I have gone through the calculations that Mr Podger has put to the committee.

Senator ROBERT RAY—I want to put the test to you to see whether you are a good calculator. I want to know how much you are going to ante up so I can measure it in a year,

two years or three years time and say, 'There you are; you've delivered on what you said you could.' And if you can't, I want to clip you for not being a good judge. That is fair.

Mr Johnston—Senator, if there are three personnel areas and there is one in the future, with respect to the individuals who are the component of that new personnel area in the longer term, it is not clear. You cannot say necessarily that that one saving was made from Joint House, or from DPRS or from DPL. You can state that there can be a saving made in the integrated area.

Senator ROBERT RAY—We can't find anyone, other than the Presiding Officer, to take responsibility for failure to deliver savings. That is what we are looking at. We have had all of this confidence in the past. We have in fact had it from the Department of Finance on a whole range of savings measures in their own department. Then they have to write a letter on a better view that they could not deliver them. You might be confident that you can deliver them. I am trying to get below that to see whether you can actually deliver them and, if not, what the penalty will be on you for not delivering.

Mr Templeton—In both departments we have had a good track record of delivering savings in our corporate areas. In the library we have outsourced the finance and personnel processing, and that has resulted in a benefit to the library of about \$250,000 to \$300,000. In DPRS we did a thorough review of our overheads last year and we reduced staff across the overheads areas by about nine in the space of a year. We are serious about making efficiencies and finding savings, and have been for many years. But if you put all the personnel areas together, I can't say who is going to go out of those—whether they are presently from Joint House, DPRS or DPL.

Senator ROBERT RAY—How will that impact on your potentiality of finding savings for efficiency dividends and funding pay rises, when in fact those long-term efficiencies that I acknowledge you have been pushing and achieving have gone to fund those sorts of things? They are not going to be available to fund those sorts of things if you are funding security around this building.

Mr Templeton—That is the fundamental problem, Senator. We can't do both. You cannot—

Senator ROBERT RAY—What you are in fact doing is protecting the security of this building by making 25 people very insecure—that is, unemployed.

Mr Templeton—It is unfortunate that the—

Senator ROBERT RAY—It is a sort of Maoist approach.

Mr Templeton—security funding issue has got tangled up with the Podger issue. I think the Podger review is the first independent review we have had of the parliamentary administration, and I think it is a good report and I would say it can be implemented.

Senator FAULKNER—But you have always been an advocate for reducing the number of parliamentary departments, haven't you?

Mr Templeton—Yes. But what I am saying is that, if we put security totally to one side for the minute—and I appreciate that in practical terms we cannot do that, and it is absolutely

awful that Podger and security have got bundled up together—the Podger report would give as a better structure for the parliament.

Senator FAULKNER—In your view.

Mr Templeton—In my view.

Senator ROBERT RAY—You would have been better not to have had a Podger review, wouldn't you, and to have had security fully paid for and then made your savings along Podger's lines? You have been skunned, basically.

Mr Templeton—There are two elements of Podger: there is security and there is general corporate stuff. I cannot profess to be an expert on security matters, so I will not comment on that, but in terms of the general corporate issues I think it is a good report and it is implementable and achievable.

Senator FAULKNER—But you did send out your staff notice No. 5 of 2003. Paragraph 7 says:

The detailed sharing of any cuts has not been settled by the Speaker and the President and over the next few months they will review the situation in the context of the implementation of the Podger Report and the need for DoFA ... to make a substantial contribution to the cost of security at Parliament House.

How do you make the statement for the need for DOFA—

Mr Templeton—Sorry.

Senator FAULKNER—My question is: how do you come to that conclusion? How are you so certain that, when this matter is 'settled by the Speaker and the President' there will be some suggestion about a need for DOFA to make a substantial contribution to the cost of security at Parliament House? What is the basis of that?

Mr Templeton—Certainly one of the departmental heads—namely me—will be very strongly urging that as a course that the Speaker and the President should consider.

Senator FAULKNER—But this is put in their name:

... they will review the situation in the context of the implementation of the Podger Report and the need for DoFA ... to make a substantial contribution to the cost of security at Parliament House.

Mr Templeton—If the wording of that is clumsy, I apologise, but that is something that I will be strongly recommending. You asked earlier, when the Senate was up, what issues they would be recommending to the President—and in my case to the President and the Speaker—that need to be considered. That, I think, is one of them.

Senator ROBERT RAY—If in fact the Senate became obstinate and did not revoke its prohibition on the amalgamation of departments, and \$6.8 million—I think it may go down to about \$6.4 million or \$6.5 million at some stage over the out years—is not found, how many more efficiencies can you drive within your two sections to contribute towards the deficit?

Mr Templeton—It depends, I suppose, on how much I am told to pay up. At the moment the figure is \$1.2 million per department. As I said, we will be seeking to protect, in the case of the library, the collection and staff numbers, and where we cannot we will just have to accept that we will have to reduce staff in some areas.

Senator ROBERT RAY—What does \$1.2 million usually translate to in staff across the board, as an average figure?

Mr Templeton—For the library, we have an average salary per employee of around \$65,000.

Senator ROBERT RAY—Does that include all on-costs?

Mr Templeton—That includes on-costs. So we would be looking there at about 18 or 19, if you took nothing out of the administrative side, and we would seek to take as much as we could out of administration and out of capital.

Senator FAULKNER—So there is the possibility of up to 18 or 19 jobs going.

Mr Templeton—I would not have thought it would be that many, because we would try to take as much as we can out of capital and administration. Senator Ray asked me what \$1.2 million equated to in direct staff numbers. We would be hoping to be nowhere near that.

Senator FAULKNER—I know the answer to this question, Mr Templeton, but for the record can you tell me which wing of Parliament House the Parliamentary Library is located in?

Mr Templeton—The main part of the Parliamentary Library is on the second floor, directly above the ministerial wing.

Senator ROBERT RAY—Do we charge rent for the ministerial wing?

Mr Templeton—I am not aware of the arrangements that apply between the Presiding Officers and—

Senator ROBERT RAY—You would agree that \$6.8 million per annum would be a fair figure?

Mr Templeton—It seems to me a very attractive figure. It is more Joint House's area than mine. Putting my other hat on briefly, since you have raised the question of the other department, one of the things that we would need to consider—and that I would be suggesting we consider—is cost recovery from the ministerial wing for things like telephones and faxes.

Senator ROBERT RAY—That is an old one, isn't it? That has been around for quite a while.

Mr Templeton—Cost recovery itself has not been around because we have always been appropriated or funded to provide all telecommunications services for the building.

Senator ROBERT RAY—Can you at the moment give us an approximation of the cost of telephones and faxes in the executive wing at the moment? Can it be separated from the total cost to parliament?

Mr Templeton—It is about \$400,000 per annum.

Senator ROBERT RAY—That would be one-third of your \$1.2 million?

Mr Templeton—Yes, for DPRS.

Senator ROBERT RAY—I understand that.

Mr Templeton—That is one thing that I would be recommending.

Senator ROBERT RAY—It is a start.

Mr Templeton—But what arrangements are made for rental—

Senator ROBERT RAY—Actually, it would be \$400,000 plus 40c when they ring the President about it.

Mr Templeton—We might make them ring reverse charges. I am not aware of the arrangements between the Speaker and the President and the ministerial wing. I know there was an agreement that was negotiated originally around 1987 or 1988, but I think the Joint House Department looks after those issues.

Senator ROBERT RAY—You cannot really put up the rent of the press gallery any further, can you?

Mr Templeton—That is not me.

Senator ROBERT RAY—No, I was asking the President. That is not in contemplation, is it?

The PRESIDENT—It is certainly something that has not come to my attention at this point in time.

Senator ROBERT RAY—It is a previous issue that we had to resolve.

Senator FAULKNER—You are still the smallest of the parliamentary departments, aren't you?

Mr Templeton—Yes.

Senator FAULKNER—You do not see any inequity in the Parliamentary Library being expected to make this sacrifice, which could cost up to 18 or 19 jobs? Is that right or wrong?

Mr Templeton—There is no equity in the way the \$1.2 million has been apportioned equally between the five departments.

Senator ROBERT RAY—Who did that exactly?

Mr Templeton—The department of finance.

Senator ROBERT RAY—Mr President, I do not want to go to the discussion itself, but did you agree to that apportionment?

The PRESIDENT—Mr Templeton brought it to my attention, but I have not been consulted on that issue.

Mr Templeton—May I help? In the week before Easter, on the Monday, the finance areas of each of the five departments were contacted by the department of finance and told to go back into what is called AIMS, the accrual information management system—it is the department of finance system where each department's budget and forward estimates are kept—and reduce their forward estimates by the figures that were subsequently taken off. All of the departments sent back to the Department of Finance and Administration similar messages saying: 'We are not touching AIMS because we have not been instructed to do this by the Speaker and the President. This is a matter entirely for the Speaker and the President.' So we did not touch AIMS. On the Thursday afternoon before Good Friday, we were all informed again that AIMS had been opened up and the amounts had been taken off anyway.

Senator ROBERT RAY—Where you consulted about this, Mr President?

The PRESIDENT—No.

Senator ROBERT RAY—Thank you.

Senator FAULKNER—Have you seen paragraph 7 in Mr Templeton's staff notice No. 5, 2003, Mr President?

The PRESIDENT—I did see a copy of this memo this morning. I have now seen a copy.

Senator FAULKNER—Are you able to indicate to the committee whether paragraph 7 accurately reflects the situation?

The PRESIDENT—Mr Templeton's memo rightly says that the outcome will depend on deliberations between the Presiding Officers.

Senator FAULKNER—I am talking about the need for DOFA to make a substantial contribution to the cost of security at Parliament House.

The PRESIDENT—That is a matter for the Speaker and myself further down the track, if all else fails.

Senator FAULKNER—It is here in this staff notice; that is the point. I assume it goes to the library staff and even more broadly, doesn't it?

Mr Templeton—The same notice was sent to staff in both departments because there was considerable concern among staff, who has seen the portfolio budget statements and who had seen the reductions in the forward estimates, as to what this meant.

Senator FAULKNER—It is on the intranet, isn't it?

Mr Templeton—It would be on our departmental intranet, yes. Staff were concerned, understandably, having seen the portfolio budget statements the week before, to be given some assurance—as little as I could give—as to what was happening with these out years.

Senator FAULKNER—Don't you find it preposterous that the library is being clipped to the extent it is with the possibility of a huge number of staff jobs being lost for such a small operation when the home departments of the ministers who reside in the executive wing one floor underneath you are not making any contribution at all in terms of savings to a very significant range of enhanced security measures?

Mr Templeton—I am not sure I am in a position to be able to say it is preposterous.

Senator ROBERT RAY—Mr President, are you aware that ministerial staff numbers have now gone beyond 370?

The PRESIDENT—I was not.

Senator ROBERT RAY—Are you aware that there is now a record amount of DLOs working there? Where is the sacrifice? They are being paid outside of their salary range. They have no band entry. There are 33 personal classifications, 29 of which are upwards. With all this almost bacchanalia occurring below the library in terms of financial expenditure—

Senator MURRAY—And occasional fisticuffs.

Senator ROBERT RAY—We even have that in Victoria on occasions, so I am not going to moralise about that. At least ours was over ideology, not a girl.

Senator FAULKNER—Be fair, Senator Murray. Things are going bad. Not one punch landed there! In the ministerial wing apparently they did land—so, there is a difference.

Senator ROBERT RAY—And I was at the footy at the time it happened!

The PRESIDENT—I think it was on the stairs that it actually happened, Senator.

Senator ROBERT RAY—But do you understand the contrast? Staff numbers have gone up by 78 over the life of this government, in spite of the press releases about how abstemious they are. DLOs are at a record level. Four principal private secretaries are being paid outside the band—outside the limit.

Senator FAULKNER—And the Parliamentary Library is paying for their security.

Senator ROBERT RAY—These are the people who sit in judgment on you, Mr President, and your funds. This is the difficulty.

Senator FAULKNER—And the Parliamentary Library—including up to perhaps 19 staff positions—are paying for their security in the building. Do see how preposterous that is, Mr President?

The PRESIDENT—I think I made my position clear earlier today when we discussed these matters.

Senator FAULKNER—Do you think it is preposterous?

The PRESIDENT—I think it makes it very difficult for the Speaker and me. As I said earlier this morning, the government has looked for efficiencies. The acting head of the library agrees with the Podger report. If that does not happen, the Speaker and I will have to review the situation as to where the money will come from. Currently, as we all know, if the Podger review savings come to pass, we are still required to find further funding. I cannot comment on the government's ministerial arrangements, but as far as the Department of the Senate and the Department of the House of Representatives are concerned, it is rather difficult.

Senator FAULKNER—Frankly, I am far more sympathetic to the staff who may lose their jobs in the Parliamentary Library and the other parliamentary departments than I am for the difficulties you and the Speaker face. I accept that you face difficulties, but other people's jobs and livelihoods are on the line.

CHAIR—Are there any further questions of the Department of the Parliamentary Library?

Senator ROBERT RAY—Yes.

Senator FAULKNER—Absolutely.

CHAIR—In that case, let us break now.

Proceedings suspended from 12.43 p.m. to 1.49 p.m.

CHAIR—The committee will recommence its examination of the Department of the Parliamentary Library.

Senator FAULKNER—Mr Templeton, I want to ask about the issue of keeping of hard copies of videos. I wondered what the collection policy was in relation to that.

Mr Templeton—I assume you are talking about the videos produced by the electronic media monitoring unit, on current affairs and—

Senator FAULKNER—Yes, there is that category and then there are the perhaps more important historical recordings and the like.

Mr Templeton—Mr Chairman, before I go to that question, Senator Faulkner was asking earlier about a report on the electronic documents and records management project. That is the report. It has been prepared for us by a company called Solved at McConchie Pty Ltd. Brenda McConchie is the principal of that.

Senator FAULKNER—Thanks very much.

Mr Templeton—Obviously no decisions have been made on that report yet.

CHAIR—Are you seeking to table that, Mr Templeton?

Mr Templeton—Yes. We undertook to provide it for the committee, and there is a copy there.

CHAIR—It is so tabled.

Mr Templeton—One copy.

Senator ROBERT RAY—Well, there is only one person going to read it! We know that.

Senator FAULKNER—Up to one person.

Senator ROBERT RAY—Oh, Senator Murray—I am sorry: are you going to read this?

Senator MURRAY—What was the point? I missed it.

CHAIR—You don't want to know!

Senator MURRAY—Was it at my expense?

Senator FAULKNER—I think it was at mine.

Mr Templeton—To go back to Senator Faulkner's question in relation to the videos that are produced by the library, which are principally by the electronic media monitoring unit and are current affairs type shows, fairly broadly defined, the policy on those is to keep them for about five years. In fact, we keep them for considerably longer, but the official policy is five years.

Senator FAULKNER—How long has that policy been in place?

Mr Templeton—Quite some years now. I do not think the five years has been particularly honoured; we have been keeping them considerably longer.

Mr Johnston—The policy has been in place for seven to 10 years. I do not remember the exact date but it is certainly at least seven years.

Senator FAULKNER—These things do have a shelf life, don't they?

Mr Templeton—Yes. They are essentially television current affairs or general political interest type programs.

Senator FAULKNER—Do you have a separate policy for more substantial things—perhaps historical recordings, documentaries, these sorts of things—as opposed to current affairs?

Mr Templeton—No.

Senator FAULKNER—The same policy applies?

Mr Templeton—The same policy.

Senator FAULKNER—It is not a matter of whim anyway?

Mr Templeton—No. It is part of the collection policy—I am going to ask Miss Membrey what its correct title is at the moment.

Miss Membrey—Information access policy.

Mr Templeton—Thank you.

Senator FAULKNER—What about the culling of those sorts of holdings? I realise they are quite substantial in size.

Mr Templeton—I might ask Miss Membrey to discuss that, if you would not mind, Senator.

Miss Membrey—We have been avoiding culling them as much as possible. But we did an analysis last year of the types of requests that are made of that collection and we have discovered that current affairs are often asked for up to about five years, which is our current policy, and news programs are not asked for for anywhere near that long. So we will probably, when we commence culling, cull most of the news services and keep some of the more important current affairs issues.

Senator ROBERT RAY—You won't cull Senator Kemp's great *7.30 Report* performance, I hope. That is a classic. I hope you keep that forever. Or is it worn out?

Mr Templeton—I think that would come under current affairs.

Miss Membrey—Current affairs.

Mr Johnston—There is a special provision in relation to certain individual items which the head of resource development has delegation to decide to keep beyond the five-year period. So there are things that we know of from the client usage of the area that, on an ad hoc basis, we keep based on usage patterns.

Senator ROBERT RAY—That is good.

Mr Templeton—Were we to get a specific request for an item we could keep it.

Senator FAULKNER—The PBS says on page 22:

... DPL will continue to assess carefully which non-core services and functions could cost effectively be outsourced or contracted out.

We also know from page 22 of the PBS that the media transcript production function has gone to DPRS, with DPL retaining the client service responsibility, and that the financial and personnel processing function has been outsourced to DPRS. It is true too, isn't it, that there is a reasonable slice of indexing and cataloguing services done outside the library?

Mr Templeton—We use contractors to assist us with that.

Senator FAULKNER—What proportion of the cataloguing and indexing work is done by contractors? From memory, it is less than half.

Mr Johnston—With regard to the newspaper clipping service, in 2002 contractors indexed 34 per cent of the approximate 90,000 items. In terms of journals, we use contractors for a higher element of that because our staff were focusing on the priority newspaper clippings. The indexing figure so far to date in the 2002-03 financial year is 73 per cent of those items. That is higher than we have had in the past, but we have put the focus on trying to clean up the backlog some time ago, as you may recall Senator. In terms of cataloguing, I do not have the percentages with me at the moment, but what we have done is that we have restructured the collection management area. Mr Templeton has just approved the employment of an additional senior cataloguer for staff cataloguing of priority work. As I said, I do not have the percentages but the figures will in fact reduce in that area because we will have additional staff resources.

Senator FAULKNER—Are indexing and cataloguing services non-core activities?

Mr Templeton—No, I think they are part of the core work that is done to maintain the collection which is essential for the library's capacity to provide the client services.

Senator FAULKNER—You say you contract out a range of non-core services and functions, but the PBS says on page 22 that you also contract out core functions. Are some indexing and cataloguing services outsourced? Mr Johnston has just explained to us that in one area it is 34 per cent and it is more than that in another area. Is that right?

Mr Templeton—Yes.

Senator FAULKNER—I am asking whether they are non-core or core functions of the library.

Mr Templeton—They are core functions of the library because they continue to be done inside the library. We are using contract staff to assist or to supplement departmental staff.

Senator FAULKNER—Yes, so you do contract out some core services and functions.

Mr Templeton—Not in total.

Senator FAULKNER—No, not in total. So the PBS is not accurate, is it? The statement that the department continues to contract out a range of non-core services and functions and so on is not an accurate statement; you also contract out some core functions.

Mr Templeton—We do not contract out the function; the function stays in-house. We do have contractors helping us do it which supplements our own staff resources. We have not said to XYZ Pty Ltd, as a result of a tender process, 'Here you are; go and do all this function for us.'

Senator FAULKNER—Do you have any plans for any further contracting out or outsourcing?

Mr Templeton—Of those functions?

Senator FAULKNER—In any area.

Mr Templeton—No.

Senator FAULKNER—Do you have any further plans?

Mr Johnston—We use contractors at times in our IT area where we do developments but there is no plan to increase the proportion of that. Obviously, from time to time, as we have a particular development we may employ contract staff to do that. In fact, we have been doing that for the last 10 years or so but, at this stage, there are no other contractors apart from the ones you have mentioned in contract indexing.

Senator FAULKNER—Are there any plans afoot for any further contracting out or outsourcing that you are aware of?

Mr Templeton—No, not of functions.

Senator FAULKNER—Of anything?

Mr Templeton—No, not that I am aware of.

Senator FAULKNER—You are qualifying my statement by saying ‘of functions’.

Mr Templeton—We will continue to use contractors in those cataloguing areas, as Mr Johnston has said with regard to the IT area, but that is to supplement the in-house staff so the functions stay in-house.

Senator FAULKNER—I think that has explained it. There are not any further plans to extend on that?

Mr Templeton—No.

Senator FAULKNER—What about AWAs? How many staff in the library now are on AWAs?

Mr Templeton—Eight.

Senator FAULKNER—Can you provide a list of which staff and which program the staff on AWAs come from?

Mr Templeton—I can give you the numbers and rough categories. I can’t tell you the programs but we can give that to you in detail. There are two SES employees, four parliamentary executive staff and two parliamentary service staff—the level PS6 and below.

Senator FAULKNER—Could you take that on notice and we can revisit it at a later stage?

Mr Templeton—Yes. Do you just want the current AWAs?

Senator FAULKNER—What has the previous pattern been like?

Mr Templeton—Do you want us to give the numbers to you for the last two or three years?

Senator FAULKNER—That might be useful. What is the pattern, in a broad sense?

Mr Templeton—There would not be very much movement, but I am happy to give you the numbers for the last three years, if that helps.

Senator FAULKNER—If you believe it will be of assistance, thanks very much. A rumour came to my attention, Mr Templeton—I don’t put it any higher than that but I thought I had

better raise it with you because it was a concerning rumour—that the Minister for Foreign Affairs was throwing his weight around in the library. Is there any truth to that?

Mr Templeton—The Minister for Foreign Affairs made an unscheduled visit to the library. He is a client of the Department of the Parliamentary Library.

Senator FAULKNER—Of course.

Mr Templeton—I think he came up to talk to people in the foreign affairs, defence and trade group. From what I heard it was a quite pleasant, amicable visit and I think he was intrigued to visit an area of the parliament that he had not visited for quite some time.

Senator ROBERT RAY—He had not been in the library for a long while so he just thought he would drop in?

Mr Templeton—I think he wanted to catch up with the people who are in the area which, if you like, does work in the same area as his ministerial portfolio.

Senator FAULKNER—Would this have been on a particular issue?

Mr Templeton—Not that I am aware of but Dr Verrier might know.

Senator FAULKNER—Perhaps Dr Verrier can help us.

Dr Verrier—We don't discuss specific client requests with anybody, and I would imagine that protection continues in this committee. In general, I could say that the minister did make a visit. We were delighted that he found the service we provide significant enough to make a visit. He discussed an area of concern, if you like—a current issue that we were working on. He discussed what we were doing with our staff. I think there was a happy outcome in terms of us understanding where we each sat and what our different roles and responsibilities were.

Senator ROBERT RAY—There is a world of difference between confidentiality on work requested by him and if he came up to discuss a particular line that he was not happy with. Isn't that right?

Dr Verrier—Indeed, Senator. No, he did not come up to discuss an issue he was unhappy with. He came up to discuss a general distribution product that we had made available for all senators and members, upon which he had some questions.

Senator FAULKNER—Right: a general distribution product. So that would be some sort of Department of the Parliamentary Library brief, would it?

Dr Verrier—Yes.

Senator FAULKNER—Which particular brief was that?

Dr Verrier—I am not sure whether I am protected, whether I am—

Senator FAULKNER—I am sorry, I thought you said it was a general brief.

Dr Verrier—It was.

Mr Templeton—If it was a general paper, that is not a problem.

Dr Verrier—I am sorry, I am trying to protect the client.

Senator FAULKNER—If it is a general brief, this is something that is going to everyone.

Dr Verrier—Certainly, but it was raised by a given member and I don't discuss other members' queries.

Senator FAULKNER—That is fair enough. Let us be clear on this: I would not ask you to breach confidentiality, privacy or what I know are your very high professional standards. Let us just put that marker down. I would not ask you to do that and if you feel that I am venturing into those areas no doubt you will quickly inform me. However, this is of a different nature. You are now telling me that it is a general Department of the Parliamentary Library brief. So this is something that I had understood had gone to all of us.

Mr Templeton—Was available to all—

Senator FAULKNER—Sorry, was available to all of us. I would not suggest that every single member of parliament would avail themselves of the opportunity to pick it up.

Dr Verrier—Thank you. With that clarification, yes, it was a general distribution product. It was a research note produced on the heightening tension on the Korean peninsula.

Senator FAULKNER—And obviously Mr Downer was not happy with some elements of this brief. Is that right?

Dr Verrier—He raised questions about some elements of that brief.

Senator ROBERT RAY—When was the last time a Minister for Foreign Affairs visited you so specifically?

Dr Verrier—Ministers are known to visit us not infrequently. I do not recall the last time—actually I probably do; it might have been former Senator Gareth Evans.

Senator FAULKNER—You can get lucky, can't you! So what are you able to say to us about this incident? Can you explain to us what happened within the constraints that we all understand?

Mr Templeton—Mr Deputy Chair, I think we have probably gone as far as we can go. I would not describe it as an incident.

Senator FAULKNER—What would you describe it as?

Mr Templeton—The foreign minister came up to talk to people in the foreign affairs, defence and trade group about a general distribution product that had been released—

Senator FAULKNER—That he was unhappy with.

Mr Templeton—If he was unhappy with it, no doubt the foreign affairs, defence and trade group were able to discuss it with him.

Senator FAULKNER—Did he make an appointment?

Mr Templeton—No, but I don't think we require people to make an appointment.

Senator FAULKNER—No, I didn't ask whether he was required to; I asked whether he had made an appointment.

Mr Templeton—No.

Senator FAULKNER—He just fronted?

Mr Templeton—Just visited us, yes.

Senator FAULKNER—Had his office been on the phone?

Dr Verrier—I believe his office had been on the phone—

Senator FAULKNER—Pretty regularly; would that be right?

Dr Verrier—Are you suggesting regularly on this issue or regularly in general?

Senator FAULKNER—I am asking about this issue.

Dr Verrier—I think we had received one or possibly two phone calls from his office about this paper, yes.

Senator FAULKNER—Were they courteous?

Dr Verrier—Yes.

Senator FAULKNER—In relation to both parties?

Dr Verrier—Certainly I can absolutely assure you my staff are perfectly courteous. I have no report of them being discourteous. There was I think a misunderstanding at the root of the issue about perhaps the role we play and how quickly we sometimes produce these papers. I think the issue might have been about the currency of a certain fact and in fact it turned out that that fact was not in the public domain when we wrote the paper.

Senator ROBERT RAY—Did Mr Downer or his staff suggest you contact the Department of Foreign Affairs and Trade to follow through on certain matters?

Dr Verrier—We explained that, as a matter of course, we discuss our papers with as broad a range of people as possible who may be able to offer us advice and that often includes departments. We emphasise that in those discussions we take them as information gathering and we insist and make clear that we make our own professional judgments in the end because we are a professional organisation here to provide an independent perspective. In our dealings with departments, which are quite common across all the groups, we get a lot of assistance from departments which is very helpful to us. We make it clear that we clear nothing through them. We are more than happy to take their perspective on board as we make an evaluation of the issue.

Senator ROBERT RAY—Thanks for that. Now can you answer my question? That was additional information and it was very helpful but it was not an answer to the question you were asked.

Dr Verrier—In that case, I beg your pardon. I have obviously forgotten your question.

Senator ROBERT RAY—Did Mr Downer or Mr Downer's staff suggest that the library ring the Department of Foreign Affairs and Trade, notably if you like, the North Korean desk, to obtain further information?

Dr Verrier—He suggested that we engage in consultations with his department. We advised that as a matter of course we regularly do that and some meetings did in fact follow thereafter.

Senator ROBERT RAY—Not every minister encourages you to contact their department for information, do they? Not everyone is as outgoing as Mr Downer.

Dr Verrier—Some have been known to have difficulty with us contacting their departments, yes.

Senator FAULKNER—Has there been an issue in relation to the department of health?

Dr Verrier—I would have to check my records. We have occasional incidents with departments who suggest that they need to get in touch with a minister's office before they are able to respond to a request for information. You will recall we had a quite serious episode a couple of years ago which we call the Albanese issue—which was discussed in the Library Committee, Senator, when you were a member of the Library Committee—in which there appeared to be some misunderstanding in some ministers' offices about the role we play. That ended up with a very useful clarification that the easiest and quickest way to get information from departments, which is a convention that has been well understood in services like ours for some time, is that we go direct officer to officer and not through ministerial offices, because that can delay and perhaps compromise confidentiality of the source of a request.

Senator FAULKNER—I have been contacted by a concerned colleague who believed it was possible that there had been interference in relation to the processing of a request that that colleague had made to the Parliamentary Library, in that there had been interference from a parliamentary secretary in relation to the particular agency providing information.

Dr Verrier—I am honestly not aware of that particular issue, but I will of course go back and talk to my people about that. I encourage them to draw to my attention any suggestion of this intrusion because we take it to be a very serious matter.

Mr Templeton—Mr Deputy Chairman, may I ask Senator Faulkner how recent this was—in the last month or two months?

Senator FAULKNER—It has been drawn to my attention within the last couple of weeks.

Mr Templeton—I would assume that June and I would have heard about it; it was not something further back in time. We will go away and we will check for you.

Senator FAULKNER—I can be more specific if that would assist you.

Mr Templeton—It certainly would.

Senator FAULKNER—Good. My colleague was seeking some assistance in the area of the Therapeutic Goods Administration, and I think the relevant parliamentary secretary is Ms Worth.

Mr Templeton—We will certainly undertake to investigate that.

Senator FAULKNER—Don't worry—this is becoming a pattern.

Mr Templeton—Can we investigate that and find out what actually happened, because neither June nor I have been made aware of whether anything actually happened?

Senator FAULKNER—By all means. I also respect the confidentiality of these issues, but if you care to ask me privately I will talk to my colleague and ask that colleague if I can provide you with even more details or if the colleague is willing to provide you with even more details.

Mr Templeton—That would be much appreciated.

Senator FAULKNER—I saw in the media recently, in the last couple of days, an article about the issue of what is described as Internet filtering.

Mr Templeton—Internet content filtering, yes.

Senator FAULKNER—Did you see the article in the *Sydney Morning Herald* about that?

Mr Templeton—Yes, I saw the article.

Senator FAULKNER—Can you give me any background to this? Is this of concern to you?

Mr Templeton—The background essentially is that across the parliament almost everyone employed in the parliamentary departments now has Internet access. There are responsibilities which the departments have to ensure that people are using Internet access appropriately, and we have evaluated and tested an Internet content filtering software product which has been applied to a number of the departments.

There is a problem in relation to program 1 in the library—that is, the information and research specialists in the library. It has not been applied to them because there are questions of whether or not the Internet content filtering software can be quickly turned on or off with sufficient speed and reliability to allow staff in program 1 to go across the Internet wherever they need to go in order to answer a senator or member's request. There is a question also, I suppose, about the accuracy of the categorisation of the various groups in the way the software works. Until the staff in program 1 are comfortable that it can be applied in a way which does not in any way inhibit their capacity to do their job it will not be applied.

Senator FAULKNER—But it applies to other staff?

Mr Templeton—In the Department of the Parliamentary Library it applies on the program 2 machines, it applies in DPRS, and the Department of the Senate and the Department of the House of Representatives are applying it as well.

Senator ROBERT RAY—Has a problem about inappropriate access been drawn to your attention?

Mr Templeton—There have been problems in the past.

Senator ROBERT RAY—Do you recall a case in the Department of Defence where an officer accessed 1,400 hours over a number of weekends?

Mr Templeton—There have been instances across the building of inappropriate and quite inappropriate access to the Internet.

Senator ROBERT RAY—How effective would this be in preventing that?

Mr Templeton—The actual content filtering?

Senator ROBERT RAY—Yes.

Mr Templeton—I would estimate probably somewhere between 90 and 95 per cent. The Internet is such an extraordinarily dynamic thing. The way the content filtering software works is that it is essentially a database of sites that it blocks access to, but the smart operators simply change the name of the site or do something to the site and the Internet content

filtering software company may take a while to catch up. But it is probably effective to about 90 to 95 per cent.

Senator ROBERT RAY—Which company have you hired?

Mr Templeton—DPRS has bought software called Websense.

Senator ROBERT RAY—Is that an Australian company?

Mr Templeton—It is an American company.

Senator ROBERT RAY—It is an American company that operates in Australia, though?

Mr Templeton—Yes; it sells its products worldwide.

Senator ROBERT RAY—What is the cost?

Mr Templeton—The cost across the building is \$50,000 a year, and each of the departments are paying \$10,000, if they are part of the process.

Senator FAULKNER—What is wrong with the current protocols on Internet behaviour—or is there anything wrong with them?

Mr Templeton—There is probably nothing wrong with the current protocols on Internet behaviour, except that they are simply that—protocols. We have had incidents across the departments where people have been downloading inappropriate material in quite substantial amounts and we have a responsibility—

Senator FAULKNER—But they are disciplinary offences, aren't they?

Mr Templeton—They certainly are.

Senator ROBERT RAY—Have you taken discipline against offenders?

Mr Templeton—In my other department on a couple of occasions, yes, and I know there have been occasions in the other departments.

Senator ROBERT RAY—Mr President, on how many occasions in the last 12 months has disciplinary action had to be taken on these matters?

The PRESIDENT—I am not aware, Senator. I think Mr Templeton can inform you.

Mr Templeton—I can seek to find out for you, if you like, from DPRS and the other departments.

Senator ROBERT RAY—We are talking about basically the five departments.

Mr Templeton—Joint House has not agreed to come under the Internet content filtering regime.

Senator ROBERT RAY—I am sure they will assist, though, in answering the question. I am not implying whether they should or should not come under that umbrella but they should assist in answering the question: how many times does disciplinary action for inappropriate access have to be taken?

Senator FAULKNER—Who actually made the decision about this Internet content filter?

Mr Templeton—The decision was—

Senator FAULKNER—It seems like some parliamentary departments and some parts of parliamentary departments have signed up to it but others haven't. You have some of your Parliamentary Library signed up; some isn't. You have at least one parliamentary department in Joint House not signed up. So it is probably better for me to ask you, Mr President: who has made this decision?

The PRESIDENT—I certainly did not. I am not aware of it.

Mr Templeton—The issue of client content filtering was discussed about two years ago. It was trialled for about 12 months in DPRS and it was discussed at the senior management coordination group, which is a group consisting of the heads of corporate services of the five departments across the building. It was discussed earlier this year, applying it more widely to departmental staff only.

Senator FAULKNER—So what was the decision making process?

Mr Templeton—It would have been one for each department but the discussions and the coordination of it, if you like, was through the senior management coordination group.

Senator FAULKNER—So where did it come from originally? Who came up with the bright idea?

Mr Templeton—It came out of DPRS.

Senator ROBERT RAY—Why was the President not informed about this? It is not the biggest issue in the world, but I think he would like to have known.

Senator FAULKNER—It was in the *Sydney Morning Herald*. It is huge issue if it is in the *Sydney Morning Herald*.

Senator ROBERT RAY—He does not want to be ambushed on any of these issues. Why wouldn't you routinely inform the President of this action?

Mr Templeton—We are getting down to levels of, I suppose, administrative decisions that are relatively routine that are taken on a day-to-day basis.

Senator ROBERT RAY—I agree that it is a routine measure, but it has also had some sensitivity in the parliament in a legislative sense. It has been debated in the Senate. The President does not want to be ambushed on these matters. I thought, not in terms of prime importance but in terms of sensitivity, he should have been told.

Mr Templeton—I make the comment again that there was no suggestion that it be extended, for example, to senators and members and their staff. It is really just for the staff of the parliamentary departments. The departments were saying, 'We have a responsibility in this area,' and they were exercising their responsibility. If we should have advised the President and the Speaker in the case of the joint departments, I regret that we have not.

The PRESIDENT—I have just been advised that at the last Presiding Officers' meeting we were generally made aware of this matter but not in any particulars. We were just generally made aware that there was filtering being done.

Senator ROBERT RAY—Mr Templeton, do you want to correct your evidence that the Presiding Officers were informed?

Mr Templeton—That was a fairly recent thing. I suppose I am saying that we have only informed the Presiding Officers fairly recently. The decisions were taken before then.

Senator FAULKNER—When were the staff informed?

Mr Templeton—In DPL?

Senator FAULKNER—Yes.

Mr Templeton—There was a newsletter article on 4 April and it was discussed at the management committee in February. Staff would have been informed on 4 April.

Senator FAULKNER—Dr Verrier, this has an impact obviously in your area of responsibility, as I understand it. Were you consulted about this?

Dr Verrier—As Mr Templeton has just said, we were advised of progress with the proposition at the management committee in the form of Mr Johnston's report back from the SMG. It has not been put to the management committee of the DPL for us to consider its impact upon us, as yet. We are delighted that the decision has been taken to hold over implementation of this system for client service officers in program 1, because in our judgment this will have such a widespread effect on our capacity to deliver our services to senators and members as to hit at the heart of the reason we are here. It would, in our judgment, amount to censorship across a very broad range of subjects.

We had not had the time before its proposed implementation to look at the implications because, at face value, it looked like a good thing to do, to stop people wasting time cruising sites which are not appropriate for the day-to-day business of the parliament. However, on further investigation, it seems that the categories excluded are so extensive and hit upon so many of the issues which are mainstream issues for the Australian parliament that we could not do our jobs effectively and efficiently for you. So we have been concerned about it, and we are pleased that it has been held over. I think it is an issue of centrality to an information and research service and it is not, I think, just a technical issue.

Senator FAULKNER—When did you become aware of it then?

Dr Verrier—I have not got the dates of those management committee meetings. We knew it was around and about as a proposition for the parliament, because I think Mr Johnston reported back on a couple of discussions at SMG. He may have those dates; I do not. We only became aware that it would be implemented in the DPL relatively recently. That is when we started having a look at it and advising Mr Templeton of the concerns that he has expressed.

Senator FAULKNER—So it sounds like a bit of a failure of process internally in DPL, Mr Templeton.

Mr Templeton—Yes, that is one way of looking at it. That is why I have said—

Senator FAULKNER—It is one way of looking at it; is it the right way of looking at it? It sounds like no-one bothered to tell your research service that this was happening.

Mr Templeton—As Dr Verrier has confirmed, it was discussed briefly at management committee. If there is a problem with it, we have held off on it to assess it. It has not impacted on anyone's capacity in program 1 to do their job.

Senator FAULKNER—When did this memo go out?

Mr Templeton—The newsletter article was on 4 April.

Senator FAULKNER—So that was when people really became aware of it?

Mr Templeton—At the working level, yes.

Senator FAULKNER—When did the actual filter go on?

Mr Templeton—It has not gone on for program 1 at all and never has. For program 2 it was applied on the first Monday in May.

Senator ROBERT RAY—Mr President, why wouldn't that filter be applied to MPs and senators? Is there any reason?

Mr Templeton—Perhaps I could answer and the President may wish to add to it. One of the reasons we have held off doing that is to ensure that it is as effective as we believe it is, and the issues relating to senators and members are as complex and as sensitive as those perhaps relating to research information service staff in the library. One of the proposals is that the five departments will be putting a paper to the President and the Speaker addressing this particular issue about how they wish to proceed with this for senators and members and their staff.

Senator ROBERT RAY—So you are following the old principle of experimenting on officials first.

Mr Templeton—It is a pretty good principle generally.

Senator MURRAY—It is known as the Maralinga principle!

Senator FAULKNER—Who is actually doing this filtering?

Mr Templeton—It is a software program that is applied at the firewall on our computer system.

Senator FAULKNER—Where does the software program come from?

Mr Templeton—It is an American company called Websense.

Senator FAULKNER—What does that cost you?

Mr Templeton—It is \$50,000 a year for the whole building.

Senator FAULKNER—Mr President, are you going to chase up this issue of its application to other parliamentary departments?

The PRESIDENT—I am just refreshing my memory on the matter. I have asked for a copy of the matter that was raised at the Presiding Officers' meeting, because when the matter was discussed I was just generally made aware of it, I believe. I do not think we had all that much detail. We certainly had not made any decisions about what we are going to do. In fact, it came up in reference to a request from Senator Bartlett regarding the matter. As soon as I get the document, I will give you a fuller reply.

Senator FAULKNER—At the end of the day this was a DPL initiative—or your initiative.

Mr Templeton—It was a DPRS initiative which was offered to the other department, with the intention, given the sensitivities, that when we were confident of it we would ensure that

the Speaker and the President were given a range of options from the four departments as to the application or otherwise for senators and members and their staff.

Senator FAULKNER—And that still might happen?

Mr Templeton—Yes.

Senator FAULKNER—So if a researcher needs access to the Internet, there are no limitations; is that right, Dr Verrier?

Dr Verrier—At the moment that is correct, Senator.

Senator MURRAY—Apart from the protocols.

Mr Templeton—Yes, apart from the Internet use guidelines which the department has. Breaches of those are disciplinary matters under the code of conduct.

Senator FAULKNER—You qualify that by saying ‘at the moment’.

Dr Verrier—It seems the outcome of the inquiries about the appropriateness and applicability to the information and research service have not yet been concluded. As Mr Templeton said, when it can be switched on and off readily, then it will be applied.

Mr Templeton—What I have said is that it will be applied when people in program 1 are comfortable that we can turn it on and off quickly and there is no difficulty with the categorisation, if you like, of the different sites. They have to be comfortable that it can be operated without impeding or inhibiting their capacity to do their job.

Senator FAULKNER—Is there any point to a filter that can be turned on and off? I do not know—I am just asking.

Mr Templeton—Yes, because it depends largely on what people are using their Internet access for. Internet access is provided for staff of the department at Commonwealth expense for work purposes.

Senator FAULKNER—In your estimation should a staff member in this circumstance have to seek permission to turn the filter off?

Mr Templeton—It would depend on whether or not the staff members generally believe the categorisation is sufficiently precise to allow the thing to work, given that some of the groups, such as social policy and defence, travel far and wide across the Internet. It may simply be that it is not applicable to them at all.

Senator FAULKNER—It sounds like a bit of a dog’s breakfast, I have to say.

Mr Templeton—It is not, but there is a particular concern relating to the information and research staff in the library about the application of it. For the rest of the staff in the departments, the principles of access being for work purposes only and the blocking inappropriate use are very valid.

Senator FAULKNER—Who will make the final decision about how it works for the research staff in the library? You, or somebody else?

Mr Templeton—I presume June, Nola and I, when June’s and Nola’s people have come to an assessment of it, will have a talk about it.

Senator FAULKNER—You will have a talk about it? I know that, but who will make the decision?

Mr Templeton—The management committee will—Rob, Ros, June, Nola and me.

Senator FAULKNER—The management committee did not make the original decision, did it?

Mr Templeton—Probably not, no.

Senator FAULKNER—What is the process? Who made the original decision?

Mr Templeton—I suppose I did.

Senator FAULKNER—But now someone else is going to make a decision.

Mr Templeton—I will make the decision after we have discussed it fully in the management committee. But I am not going to do anything which inhibits the capacity of information research staff to do the job.

Senator ROBERT RAY—Mr President, in the event that this proves a successful implementation and it is your view that it should extend to members of parliament and their staff, what method of consultation would you use before you implemented it?

The PRESIDENT—Currently, as Mr Templeton has said, the question of members of parliament has not arisen yet. If it does, I suppose it is one of those matters that will come up before the Appropriations and Staffing Committee, or something similar.

Senator FAULKNER—I am not an expert on the Internet and I would be the first to admit it.

The PRESIDENT—Neither am I, Senator.

Senator FAULKNER—I certainly am not but it seems to me that what we are now being told is that the members of parliament—the clients—are going to have access to more information than the researchers in the library. Is that not right, Dr Verrier? That is where it is going.

Dr Verrier—That is the situation if it were to be implemented in the research service.

Senator FAULKNER—That is nuts, isn't it?

Dr Verrier—It would not be possible for us to deliver the best service if our hands were tied by having access to only a limited range of sources in a set of controversial areas which we regularly and in an ongoing fashion have to deal with.

Senator FAULKNER—If the staff in the library need to get somebody to turn this filter off for a legitimate research request—not someone who wants to access a porn site—what happens to client confidentiality then?

Mr Templeton—I am not sure they would have to divulge whom they were getting it for. This is the sort of issue I am asking the people in program 1 to work through. I cannot see why anyone would need to divulge whom they were seeking information for.

Senator FAULKNER—I would have thought that the person who was being asked to turn the filter off might be told. You would have to demonstrate why this was a legitimate request.

Mr Templeton—I would take the staff on trust. If they believe—

Senator FAULKNER—You are not taking the staff on trust because you have the filter there, for God's sake.

Mr Templeton—If the staff believed that they had a request that needed access outside the filtering guidelines and they said, 'I need to have it off,' that would be good enough for me.

Senator FAULKNER—If you are taking your staff on trust, you would stick with the protocol of the disciplinary action that comes from breaches of protocol. But I give up. You can tell us what happens next time, when all this is sorted through.

The PRESIDENT—Perhaps the appropriate committee would be the Library Committee rather than the Appropriations and Staffing Committee if there is any suggestion that members and senators are going to be restricted in any way.

Senator FAULKNER—No, this is the whole point: members and senators are not being restricted.

The PRESIDENT—If they were going to be—

Senator FAULKNER—If they were going to be, I do not know what that has got to do with the Library Committee. The point is that there are two standards applying here. The people who are allegedly doing research on behalf of members and senators are being restricted—

Mr Templeton—They are not being restricted.

Senator FAULKNER—They may be restricted. There was a plan to restrict them and if it had not been up-ended they would be restricted now. That is as opposed to the members and senators—the clients themselves—where there are no restrictions that apply, at all. That seems to me to be double standards at best and a pretty damn stupid approach at worst. The staff are not taken on trust. This is the whole purpose of the Internet content filter to begin with—which may or may not be a bad idea—but it does seem to me not to have been thought through at all. I hope you can iron out the bugs in the system.

CHAIR—Are you finished with that topic?

Senator FAULKNER—Yes, you have got to know when to give up.

Senator MURRAY—Mr Templeton, I am advised that the package Websense is a commercial package from the United States that filters out a range of areas including adult sites, drugs, gambling, racism, terrorism and weapons. Would that be accurate?

Mr Templeton—That is correct.

Senator MURRAY—I have been given some material which I cannot vouch for, but a free speech organisation called Peacefire have done an analysis of Websense. They have given a number of examples of what seem to be failures; I cannot determine whether these are accurate or not, but there are about 15 or 20 here. I will give you just a few: KinderGarten.org—an organisation funding free vaccinations for children in India was blocked as 'sex'. This next one was in Spanish, so I presume it had a word configuration that attracted attention: the Navarra, the Spain chapter of the Red Cross was blocked as 'sex'. Keep Nacogdoches Beautiful, a Nacogdoches-Texas cleanup project associated with Keep

America Beautiful, was blocked as 'sex'. Autism Behavioural Intervention Queensland, an Australian organisation promoting treatment of children suffering from autism, was blocked as 'gambling'. The Shoah Project, which was in German originally—a holocaust remembrance page that includes criticism of various revisionist historians who deny the holocaust—was blocked as 'racism/hate'. If this is accurate, it would indicate there are limitations or deficiencies to the system, which I think you acknowledged earlier on by saying it picked up about 90 per cent.

Mr Templeton—Yes.

Senator MURRAY—So my question is: is that description of the limitations of the system relatively accurate?

Mr Templeton—That article you are quoting from is a few years old now I think. But yes, there are going to be times when the system does not categorise accurately. As I mentioned earlier, we estimate 90 to 95 per cent. That is why I have asked the staff of program 1 in the library to detail some of these issues and have a discussion about them. If it is not appropriate and if it does not work and, if it does inhibit their capacity to do their work, we will not put it on program 1.

Senator MURRAY—I am also advised that one of the problems with Websense—and it is a bit like spellcheck—is that it is American. In other words, it is based on American laws and American attitudes which leads to different perceptions, and that apparently it has a conservative rather than a liberal bias which may or may not be true. That introduces elements, as Senator Ray rightly describes, of sensitivity concerning the way in which material is filtered. My question is implicit or explicit perhaps in regard to what Senator Faulkner was saying: will your assessment of this trial—I assume it is a trial—evaluate the negatives versus the positives as you have seen them?

Mr Templeton—Yes.

Senator MURRAY—How will you be able to measure the positives? Will people's productivity go up because they are spending less time fiddling about? How do you know what the benefit is?

Mr Templeton—Putting to one side the issue of its application or otherwise to program 1 in the library, the first benefit is that generally there is less time wasted on people going to inappropriate sites. The Internet is a wonderful way for people to spend significant amounts of time at the computer not doing that which they are being paid to do. I think the other benefit will be a significant saving by preventing situations where we might have to do disciplinary inquiries which would otherwise take up time and money.

Senator MURRAY—Is it not the reality that the real waste of time is email, which is not blocked? People spend hours chatting with friends and colleagues and so on. Members and senators do it; everybody does it—it is just the way it is. As a generalisation, I cannot see people spending hours and hours at these kinds of sites except for the few individuals who, as Senator Ray was asking, are identified through procedures and protocols.

Mr Templeton—I suppose the difference between emails and going out on the Internet is that email is just text, other than when you bring in an attachment off the Internet. The nature

of the sites that we are talking about on the Internet are quite graphic, quite explicit and, in many cases, quite unlawful.

Senator MURRAY—Yes, there is that area which is covered by your protocols, but you were really talking to us about time wasting, weren't you?

Mr Templeton—Yes, that as well. We do have situations where people are using the Internet for purposes other than their job; I would hope we do not have as many people who are just sending email after email.

Senator FAULKNER—Starting to talk about time wasting in Senate committees is very risky.

Senator MURRAY—Time wasting is part of the job almost.

Senator FAULKNER—It is all in the eye of the beholder.

Senator MURRAY—It is. My point is that if the intention is to close down access to adult sites as opposed to access to research into areas of drugs, gambling, racism, terrorism and weapons, which are very much a current interest for all sorts of people, I would need to be convinced that this was an effective mechanism and worth that sort of money. I want to talk about a related subject, if I may, and that is with regard to the government's proposed spamming bill. Are you aware of this? It is a bill to try and close down the activity known as spamming and unfortunately we are heavy victims of it.

Mr Templeton—I am aware of it only in very general terms.

Senator MURRAY—So there has been no consultation by the government with you, who manages one of the prime targets of spamming in this country—that is, parliamentarians.

Mr Templeton—Not that I am aware of. If it were to happen, it would happen in the other department, because DPRS manages the network, but I have not been advised of any approach or consultation.

Senator MURRAY—But you head DPRS?

Mr Templeton—Yes, that is what I am saying: with my other hat on, I have not been advised of any approach, discussions or consultation. I would have assumed that, if it had happened, the National Office for the Information Economy might have been involved in that, but I have not been advised of any approach to us.

Senator MURRAY—Could you take that on notice, just to check that your department has not been approached.

Mr Templeton—Yes, certainly.

Senator FAULKNER—What do you think of Mr Podger's recommendation in relation to the appointment of a parliamentary librarian?

Mr Templeton—In the single service department? If it ensures that people feel more comfortable that the library has a voice, a clear voice, I think it is a good recommendation.

ACTING CHAIR (Senator Murray)—Are there any other general questions?

Dr Verrier—May I correct some earlier information that I gave wrongly to Senator Faulkner about a matter?

ACTING CHAIR—Yes, do.

Dr Verrier—I apologise, Senator. I had brought to me an email of 15 May from my director of social policy, who advised me that a request from the Therapeutic Goods Administration which we were pursuing was rejected by the minister's office, who indicated that it would have to be placed on notice. I emailed back: was it rejected by the minister, and did the department refer them to the minister's office for further questions? That same day the director said to me, 'We presume the matter was referred to the minister's office by the Therapeutic Goods Administration, as they were the ones in receipt of our request. What is interesting is that the minister's office told us that the TGA would not be doing it.' So those are the facts, as they were drawn to my attention on 15 May. I clearly noted it, but it was not in my head this afternoon, so I do apologise for that. Normally, the way we would go there would be for the director to keep me advised whether there were any further problems and if this problem was building up again, so I apologise for misinforming you earlier.

Senator FAULKNER—Thanks for providing that information in such a timely way; I appreciate it. Is that normal operating procedure? How often do you face a situation where a minister or a parliamentary secretary indicates to the library that their department will not cooperate?

Dr Verrier—It does happen, and it happens whichever government is in power. It obviously happens in areas of the greatest sensitivity—that is very understandable—and in fact, as I was leaving on Friday night, an officer in another workgroup advised me of a problem she thought she had got back under control. By that we mean that, when officials suggest that we have to go through the minister's office, we advise them of what we now call the Albanese principle—that, in fact, there was unanimity around the parliament that we not be constrained in that fashion. That usually brings the situation back under control, if you like. It is there as an issue—I think that is understandable in an environment of sensitivities such as this—and, in general, the situation can be got under control. In general, officials are aware that, if they cannot assist us, you people will put questions on notice and that will be a lot more work for them. So we have this useful, tacit, good working relationship which is, occasionally, in areas of greater sensitivity, challenged.

Senator FAULKNER—So how often would a suggestion come across your desk that a DPL request to a department or agency will not be answered and a suggestion made by a minister that a better course of action is a question on notice? Is it once every month, once every year or once every blue Tuesday?

Dr Verrier—The two episodes I just referred to will be the only ones this calendar year. We had a few cases, which appeared to be building up around the time that Mr Albanese raised the issue in the parliament, again in areas of great sensitivity. It occurs every now and again; it is not very frequent, because mostly we manage a good working relationship with good understandings of what we need to do our job. In general, we get excellent cooperation from departments of state.

Senator FAULKNER—My point, as you know, was: is this a growing pattern of interference?

Dr Verrier—That is hard to say. I would not really say that that is the case. I would have to look back at the records we have on file, though, to check out whether this is a growth industry or not.

Senator MURRAY—Dr Verrier, we had a conversation last time about *Bills Digests*, and keeping them a little more current when bills come back in a slightly different form or come back from one year to the next. Have you got any update to report to the committee?

Dr Verrier—Yes, I have, Senator. In order to save time here today, I tried to get in touch with you last week to advise you of what we had done. I apologise—I could not contact you. We had a good look at the issue because, as we said at the time, our concern is simply with resource pressure. We have always made it very clear that the *Bills Digest* is a bills digest—not a legislation digest—and that it is written for the purposes of the original debate and is not updated. That is to protect ourselves and yourselves so that you know exactly what it is and what it is not. We have an aim to cover 100 per cent of bills, and mostly we manage to cover 100 per cent of them. That is a huge resource cost to us, and we can only just manage to do it. However, your suggestion is a perfectly valid one. It is a perfectly properly identified gap in our services to you.

Traditionally there has always been the opportunity for you bilaterally to raise the issue with the author of the particular *Bills Digest*, and a bilateral briefing has gone on. As a result of your request, we have had a look at the situation. I am afraid we have concluded that we cannot possibly aim or pledge to update all *Bills Digests* but, if you are familiar with *This Sitting Week*, we have started identifying key bills that we judge are going to be discussed in the parliament in a given week. To those key bills we are now linking relevant materials that suggest that the issue has moved on—there has been a committee report, there has been a case in the High Court, or something else has occurred that is worth your while looking at. So in selected key bills we are providing that additional service. For the ones we may miss, and there is no doubt that we may miss bills that you will be interested in, we encourage you to continue to directly liaise with the author of the bill, and we will give you that help on a one by one basis.

ACTING CHAIR—I thank the officers for attending.

[2.54 p.m.]

Department of the Parliamentary Reporting Staff

ACTING CHAIR—Are there any general questions? Senator Ray?

Senator ROBERT RAY—I managed to retrieve out of my filing system last night the communication from you, Mr President, dated 15 May. It is about a DPRS survey. I do not know whether you are familiar with it. You are using ARTD, whoever they are.

Mr Templeton—They are a Sydney based firm.

Senator ROBERT RAY—I said I retrieved it from the filing system—and I am going to put it back there in a moment because I have had a fair bit to do with surveys. This is the choice you are given: ‘very good’, ‘good’, ‘adequate’ or ‘poor’. My question is: why isn’t ‘very poor’ listed there? For instance, question 3.3 asks us about the ease of remote and mobile access to the Parliament House computer network, which is extremely ‘very poor’ and

every member of parliament attests to it. We have complained about it for years and nothing can ever be done about it. This survey is worthless if you don't have the option of a 'very poor' response. You get away with the first three: 'very good', 'good' and 'adequate'. You would say that that is a virtual tick. You get no range to put down 'very poor'. I can't understand how they could put out a document like this.

Senator HEFFERNAN—How do you do that? How do you access the—

Senator ROBERT RAY—You put in pin numbers, you put in—

Senator HEFFERNAN—I haven't complained because I was—

Senator ROBERT RAY—all sorts of things, and if you live in the bush, as you do, you would be very, very lucky to be able to access it. It is a long and tedious process and every time, by the way, you talk to people from other computer companies and systems, they just laugh at us. We are a laughing stock. But leaving that aside, because it is a separate issue, how come we get a survey without the option of responding 'very poor'? It is just a joke.

Mr Templeton—They are prepared for us by ARTD, who are professionals in this area. You have the write-in capacity for each question. If someone wanted to put in 'very, very, very poor', that would be picked up when the responses go back.

Senator ROBERT RAY—Leaving the write-in thing aside, it is just common sense. If you ever look at these surveys, they have five options. When you have 'adequate' in the middle, you always have five options. This one is just skewed to get a good result, and it throws into doubt these other surveys you have—a survey of senators' satisfaction and all the rest of it.

Mr Templeton—It is interesting because we had a long discussion with ARTD, who are doing this work for us. They tend to say you should not have five categories because you will generally end up with people just hitting the middle—the third one.

Senator ROBERT RAY—I see. Why didn't you have 'good', 'adequate', 'poor' and 'very poor', if that is the case?

Mr Templeton—I am quite happy to pass those comments on because I am not an expert in preparing statistical forms.

Senator ROBERT RAY—How much money are we paying them for this service?

Mr Walsh—My recollection is that it is about \$38,000.

Senator ROBERT RAY—Minister, that is \$1,162,000 that this section owes, because you could save \$38,000 there. You should note that.

Senator FAULKNER—I was going to ask a couple of questions on pagers a little earlier. This does not seem to be going very well, Mr Templeton—the new pagers in Parliament House. Is that right?

Mr Templeton—It is certainly taking longer than the original project plan was for. We have run into problems with signal strength and the exclusion zones around the two chambers. Mr Ward might want to explain the technical side of it, but we have been determined to ensure that this system, because it is so fundamental to the way the place operates, works perfectly, and works perfectly from day one. The original system—the big pagers that people are still carrying—was installed in about 1987, so it is getting extremely long in the tooth.

Senator FAULKNER—What has the new project cost so far—the new pagers?

Mr Ward—We estimated that the project was going to cost \$1.18 million—

Senator FAULKNER—Was going to cost \$1.18 million?

Mr Ward—and with the overrun we expect it will be another approximately \$200,000 on top of that.

Senator FAULKNER—What is the extra \$200,000 for?

Mr Ward—For the problems we have experienced in the exclusion zones and the ministerial wing.

Senator FAULKNER—We are paying for that?

Mr Ward—No. That is something that we are having to negotiate with the contractor.

Senator ROBERT RAY—Let us get this clear. The contractor said they could deliver. They delivered the pagers. The pagers do not work to specification. Is it really even a question of negotiating with them for the extra \$200,000 or have they got to eat it? Or am I eroding your negotiating position?

Mr Ward—The contractor has to deliver the solution, and obviously we have our own resources involved in terms of project management and also in testing and doing parts of the project in conjunction with them. So it is not simply that we hand it over to the contractor and wait for them to finish the solution. I also point out that in the testing we found that in the ministerial wing the coverage was very poor. It probably has always been poor, since day one, and it is an opportunity to fix up that coverage in the ministerial wing. It would be unfair to charge the contractor for that work because it was something that was obviously completely outside his control.

Senator FAULKNER—What was the original implementation date on this?

Mr Ward—August last year.

Senator FAULKNER—That was when the pagers were supposed to be up and running and the system working, with people carrying them around et cetera?

Mr Ward—That was the time when we would start rolling out the solution in the building.

Mr Templeton—There was to be a progressive roll-out, which would run from about August through to December.

Senator FAULKNER—The key problems are what? There are dead zones in the building—is that right?

Mr Templeton—The two key problems were the leakage of the signal around the House of Representatives chamber, the Senate chamber and committee room 2R3, where the Main Committee of the House of Representatives meets, and—

Senator FAULKNER—When you say ‘leakage of the signal’, what does that mean? Does that mean if you are wearing a pager into the chamber it is likely to go off?

Mr Templeton—What is around each of those rooms or areas is an exclusion zone, which shuts your pager off as you walk in. The new exclusion loop, as I understand it, was leaking

so that you might be wandering past the Senate chamber, but not in the Senate chamber, and you had your pager turned off. Your pager was turned off because the signal that switched the pager off was turning your pager off—

Senator FAULKNER—Yes, I see: it is the exclusion zone that leaked out beyond the chamber.

Mr Templeton—Yes.

Senator ROBERT RAY—And it was the company that made that mistake, was it, in the way they set it up?

Mr Ward—It was their design that failed to meet the 100 per cent requirement we needed: to have it limited within the chamber and not leaking out and to fully cover the chamber.

Senator FAULKNER—So that is problem 1. Major problem 2?

Mr Templeton—Coverage in the ministerial wing.

Senator FAULKNER—What was the nature of that problem?

Mr Ward—That was simply that the signal was very poor in the ministerial wing and in some places the signal was not getting to all parts of the ministerial wing.

Senator FAULKNER—What is the reason for that?

Mr Ward—We are not sure how bad this problem has been over the period that this building has been occupied.

Senator ROBERT RAY—The old system could reach me at my residence in Yarralumla, when we forgetfully took it home once or twice.

Senator FAULKNER—And if you accidentally went out of the building, at Manuka, or something like that.

Mr Templeton—You may not have been behind such thick concrete walls as some of the areas of the min wing have. The other problem is that the cable we are running that signal over is a shared cable which is also used by Joint House for some of their systems.

Senator FAULKNER—What is the company that is doing this?

Mr Templeton—Ascom Nira.

Senator ROBERT RAY—Where are they based?

Mr Ward—Sydney based.

Senator FAULKNER—Are they an Australian company?

Mr Ward—They are a Swedish company, but based—

Senator FAULKNER—A Swedish company?

Mr Ward—Yes.

Senator FAULKNER—Are these problems being addressed in Australia or at home base in Sweden?

Mr Ward—They are largely being resolved in Australia. They have brought out a Swedish engineer to help work on the problem here.

Senator FAULKNER—At whose cost?

Mr Ward—At their cost.

Senator ROBERT RAY—Have you fully paid them yet?

Mr Ward—No.

Senator ROBERT RAY—How much have you paid them? Percentage-wise, if you like—if that is easier.

Mr Ward—Their contract is worth \$669,000. We are holding \$255,000.

Senator ROBERT RAY—Is there a damages clause in the contract if they do not perform?

Mr Ward—I cannot answer that. I could take it on notice. I should say that while there have been significant delays, one of the reasons is that we can only do testing and work on this during non-sitting periods. It has always been frustrating for everyone that once sittings start, we have to walk away from the building and we can only come back when it is a non-sitting period.

Senator FAULKNER—But there are plenty of non-sitting weeks, aren't there?

Mr Ward—There certainly have been, but that is one of the reasons that has made it very frustrating.

Senator FAULKNER—Do you predict that the new pager system will work at some stage?

Mr Ward—Yes. I have been told and assured that the roll-out will now occur in the spring sittings of this year.

Senator FAULKNER—But you had been assured, hadn't you, that it would work last year?

Mr Ward—That is right, but the testing is now certainly starting to show significant improvement on previous testing since they have done more work in the chambers. In recent discussions that I have had with the team, they certainly seem to be very confident that they now have the solution for the exclusion zones and ministerial work is now ready to occur.

Senator FAULKNER—That is cabling, isn't it?

Mr Ward—In the ministerial wing?

Senator FAULKNER—Yes.

Mr Ward—Yes.

Senator FAULKNER—Where does that cabling come from?

Mr Ward—The physical cable—where do we purchase it from?

Senator FAULKNER—Yes.

Mr Ward—The USA.

Senator FAULKNER—And it has been purchased?

Mr Ward—It has been purchased and delivered.

Senator FAULKNER—And is it in?

Mr Ward—No. I think it is in the process of being installed.

Senator ROBERT RAY—Who installs it in the ministerial wing?

Mr Ward—A private contractor.

Senator ROBERT RAY—What kind of security supervision is there? I would have thought that any new cabling into a sensitive area like that would be under some sort of security supervision.

Mr Ward—We certainly supervise them at all times.

Senator FAULKNER—Sounds pretty unsatisfactory, Mr Templeton.

Mr Templeton—It would have been better if it had been delivered on time and on budget, but certainly we are very conscious of how essential it is that that system works properly from day one and we have not been prepared to put into production a system which we were not confident of.

Senator ROBERT RAY—You are a bit unlucky. A lot of these delays are not always obvious, but you've got the rack for all these ones sitting there everyday. Why are the opposition senators there by name and the coalition senators there by number? That is just a trivia question.

Mr Templeton—I am not very good at trivial pursuits.

Mr Ward—That was purely because of what the whips offices requested.

Senator ROBERT RAY—I see; coalition members are so embarrassed they do not have their names next to their pagers. That is very good.

Senator FAULKNER—Either that or we are innumerate—one of the two.

Senator ROBERT RAY—Who requested the names? Did the opposition request names?

Mr Ward—That is right.

The PRESIDENT—We always had numbers in the past.

Senator ROBERT RAY—You have always been the party of real conformity, haven't you? You go by the numbers.

CHAIR—Are there any more questions for DPRS?

Senator FAULKNER—No. I will hold over transcription issues until the next round. I will just flag that. Are you aware, Mr Templeton, that we are going to ask questions about transcription services in the next estimates round?

Mr Templeton—I am now. I expected that you would today.

CHAIR—I thank Mr Templeton and his officers. I now call representatives of the Joint House Department.

[3.09 p.m.]

Joint House Department

CHAIR—I welcome Mr Bolton and officers of the Joint House Department.

Senator FAULKNER—Mr Bolton, I was very upset when I walked over to this estimates committee—apart from having to come here—to see that the building had apparently sprung a leak, appropriately close to the press gallery. What is that all about?

Mr Bolton—I am not aware of that. Mr Smith might be able to enlighten us.

Mr Smith—I am not aware of that either.

Senator FAULKNER—There were a big fence and a sign up. There were barricades and garbage tins. It reminded me of home when you stick a bucket under a leak.

Mr Smith—I have been informed that it could be a leak in the skylight.

Senator FAULKNER—I am relieved to hear that is all

Mr Bolton—Unusually for Canberra, we had a little bit of rain over the weekend so it probably occurred at that time.

Senator FAULKNER—So Parliament House is not waterproof, Mr Bolton?

Mr Bolton—From time to time it is not.

Senator FAULKNER—I have a quick follow-up on an issue that I raised at the last estimates round about the blinds in the building being replaced, and you responded to a question on notice that I asked about this. As I understand it, the plan is to refurbish all the blinds in the building, apart from the 64 that have already been done. Is that correct?

Mr Bolton—Yes, the plan is to, over time, refurbish all the blinds.

Senator FAULKNER—What is the figure for the number of blinds?

Mr Bolton—There are 2,000 blinds.

Senator FAULKNER—I had 1,736.

Mr Bolton—The note that has been given to me says approximately 2,000 blinds.

Senator FAULKNER—So it is 2,000 blinds. We can take away the 64 that have been done—is that right?—or are there 2,000 left to do?

Mr Bolton—If I can extrapolate a little bit, what we are working on is this: in the last six months there have been 35 requests to undertake maintenance to blinds and the cost of this was of the order of \$2,000. We have a further 17 blinds requiring some gearbox replacements. Those will be repaired shortly. This sort of repair costs us from \$100 to \$150 for each blind. By using that information we have extrapolated that the cost for blind maintenance is of the order of \$9,000 per annum. With approximately 2,000 blinds in the building, that works out to be an average of about \$4.50 per blind per year. We consider that to be a reasonable cost based on the age of those blinds, which are the original blinds put into this building.

Senator ROBERT RAY—So if I give you \$4.50 you will come and fix mine?

Mr Bolton—Not all of them need fixing every year.

Senator FAULKNER—How many need fixing per year?

Mr Smith—In the first half of this year we have done 35 blinds. Extrapolating that over the year, we expect we will have 70 requests for blind repairs.

Senator ROBERT RAY—What is the turnaround time for repair?

Mr Smith—We have had a few that have taken some time because we have had to order new gearboxes, but the majority we can handle within a week.

Senator ROBERT RAY—If it has been 20 weeks that would be unusual?

Mr Smith—Yes, it would be unusual, except if it was a gearbox replacement. We have had to source gearboxes for them.

Senator FAULKNER—That is pretty good isn't it, Mr Smith? According to my calculations, in 30 years the blinds will be fixed.

Mr Bolton—No. What we are now saying is that, in accordance with our plan for what we have to fix and change in this building over its life, we will need a complete refurbishment of all of the blinds in the building over the next five to 10 years because the timber slats on them are now heavily faded and the cords on which they are hanging are also deteriorating. Therefore we will enter into a program over the next couple of years to get them online and gradually replace a certain number of blinds per annum.

Senator FAULKNER—It is a pretty substantial cost, though, isn't it?

Mr Bolton—It will be about \$2 million.

Senator FAULKNER—Two million?

Mr Bolton—Yes, to do all those blinds.

Senator ROBERT RAY—I am wondering whether you properly record all complaints about the blinds not working. I do not want to be too self-interested here but it has been at least six months since mine has worked and I reported it. I just wonder how many others are like that.

Mr Smith—All complaints that come through the departmental service officer are recorded on a database.

Senator ROBERT RAY—Can you record another one, just in case the last one got lost?

Mr Bolton—Yes.

Senator ROBERT RAY—But no money has been allocated for this blind refurbishment as opposed to repair, has it?

Mr Smith—No, Senator. We have an agreement with the Department of Finance and Administration which is what we call a five-year program which they allocate money against. We update that on a yearly basis, so we keep it at five years. Within the next couple of years the blinds program will take some of that money.

Senator FAULKNER—Are there any other major refurbishment projects going on in the building at the moment?

Mr Smith—There are a number of programs occurring at the moment. We have the repairs to the timber handrails still occurring in the ministerial area. That is due for completion fairly shortly.

Senator FAULKNER—I noticed damage to a timber handrail on one of my extremely rare visits to the ministerial wing—on invitation only, I quickly add. Had someone been pushed through the handrail, or what?

Mr Smith—The handrails have been weak from day one. We have always had failures of the timber between the long spans. We have now put a metal insert into the timber handrails.

Senator FAULKNER—What is that project costing?

Mr Smith—I would have to get the numbers from my staff. They are looking them up for you now.

Senator FAULKNER—Excellent. Let's bat on: are there any other major projects?

Mr Smith—We currently have some work happening on the first floor on the Senate side of the building where we are modifying an office for an extension of some facilities for DPRS.

Senator FAULKNER—That is the help desk et cetera?

Mr Bolton—There have been some relocations of staff around to accommodate this requirement where the DPRS have taken over, on a contract basis from the Department of Finance and Administration, the management of members' and senators' electorate office computer arrangements.

Senator FAULKNER—That is directly above the office of the Leader of the Opposition in the Senate.

Mr Bolton—It is very close to your office, Senator.

Senator FAULKNER—I know, because of the—

Mr Bolton—Noise.

Senator FAULKNER—Yes.

Senator ROBERT RAY—It is percussive.

Senator FAULKNER—Yes, the noise is percussive. What about handrails?

Mr Smith—We have spent \$432,000 this year to date and there is another \$108,000 to go, and that is to do handrails in the Senate, the House of Representatives and the ministerial wing.

Senator FAULKNER—They are pretty expensive handrails, aren't they?

Mr Smith—The materials are difficult to work with, because they require timber to be bent into various shapes to make the turns on the handrails, plus we have had to use materials that were part of the original design concept of the building to keep with design integrity. It is a very labour-intensive job.

Senator ROBERT RAY—When will this half-million-dollar process be completed?

Mr Smith—It is due to be completed this financial year.

Senator FAULKNER—There is some \$540,000 on handrails and you have the first floor on the Senate side being rejigged. Is anything else going on?

Mr Smith—We have some modifications happening in some attendant stations around the building. That is all I can think of occurring in situ at the moment, but there are others in design and planning stages.

Senator FAULKNER—There is nothing happening in the Prime Minister's office for a change?

Mr Smith—We have done no capital works in the Prime Minister's office this year.

Senator FAULKNER—This committee can take credit for that, Mr Chairman; they are grinding their teeth as we speak. Are the sniffer dogs that you mentioned kennelled in Parliament House?

Mr Bolton—No, they are provided with facilities offsite. I am not exactly sure where but, at one stage, they were using facilities out at RAAF Base Fairbairn. I am not sure whether that is a long-term solution.

Senator ROBERT RAY—They have been there for a long while.

Mr Bolton—That is right. The APS, who provide that facility, also work at the airport as well. The dogs do work in a number of locations, including Parliament House.

Senator FAULKNER—Can you tell the committee what these dogs can detect? I do not want the detail; I just want the broad categories. Is it true that they can detect explosives and explosive derivatives and that sort of thing?

Mr Bolton—Yes.

Senator FAULKNER—I think that announcement was made publicly, wasn't it?

Mr Bolton—Yes.

Senator FAULKNER—What else are they able to detect? Drugs, for example?

Mr Bolton—The dogs that we have that are tied up with the airport are particularly trained in terms of explosives. However, these dogs are part of an Australian Customs program. In fact, Australian Customs have a breeding program for dogs and they actually sell them offshore to other countries. Depending on what they are going to be utilised for and what they are going to be doing, they train them accordingly. There are dogs used for customs and other quarantine purposes, and the ones that are working at Parliament House and at the airport are trained for explosives.

Senator FAULKNER—I am not sure that that actually answers the question. It was very interesting.

Mr Bolton—I am not aware that they can detect drugs because it is not a specification that we gave. Mr Crowe may be able to give you more information.

Mr Crowe—The dogs that we have explosives capability only.

Senator MURRAY—So if we see them with their tails down running like hell, we should go too?

Mr Crowe—It is a good indicator, Senator.

Senator ROBERT RAY—You are pretty good at handling dogs, we know that.

Senator FAULKNER—We limit ourselves to rodents in the Labor Party. Can you indicate whether there is any cost sharing in relation to the sniffer dogs? Who is bearing the cost burden of that?

Mr Bolton—Working through the range of dogs we have, there are a number that the parliament is bearing the cost of via a budgetary appropriation. The cost of training of the staff and the training of the dogs is being borne by the parliament.

Senator ROBERT RAY—Mr President, for the record so there is no misunderstanding, the Appropriations and Staffing Committee encouraged you along this path, didn't they? That committee includes Senator Faulkner and myself in case anyone misinterprets the line of questioning.

The PRESIDENT—I think you are quite right. One of the first things that we decided was to increase the number of physical staff outside the building.

Senator ROBERT RAY—While we are talking about physical staff in the building, is there a differential between the way we staff the ministerial wing for security purposes in terms of training and the way we staff the Senate, the House of Representatives and the front entrance? Is it the APS in one area?

Mr Bolton—Until just recently, the entrances to the ministerial wing were staffed by Australian Protective Service officers. We have just recently, following a request via the Presiding Officers from the security management board to the minister, said that it would be a better use of resources if these more highly trained staff were added to the external APS staff and that we replaced the vetting staff at the doors with parliamentary security officers. The minister has just written back in the last week or so and agreed to that.

Senator ROBERT RAY—So it is now a pretty even distribution.

Mr Bolton—It will go back to that.

Mr Crowe—We will be recruiting the Parliamentary Security Service to fill that position. It will take us until July before we can actually effectively do the changeover, but we have had an agreement to do it.

Senator ROBERT RAY—Excellent.

Senator FAULKNER—Sorry to go back to the question of these dogs again. Can you say to the committee that the parliament is bearing the cost of that exercise, which was the point of my question?

Mr Bolton—Yes, it is.

Senator FAULKNER—That is for all the costs in relation to the dogs?

Mr Bolton—Yes. Australian Protective Services is a full cost-recovery organisation. Therefore, all those costs get passed on to whoever the client is—kennelling of dogs, training of dogs, buying of dogs.

Senator FAULKNER—Kennelling, training, cans of Pal or whatever it might be?

Mr Bolton—Yes.

Senator FAULKNER—The only other thing that I think needs to be said in relation to the issue of these dogs is that these changes at Parliament House are not having an effect on resources at the airport or elsewhere. That is certainly my understanding and you can confirm that.

Mr Bolton—Yes, that is correct.

Senator ROBERT RAY—Between the last estimates hearing and this one we had the ‘nurses station issue’, which you are familiar with. Mr President, I think you indicated (a) that the nurses station would not be closed and (b) that there would be a look at whether it was running efficiently. Is that right?

The PRESIDENT—That is my recollection.

Senator ROBERT RAY—How is that examination going?

Mr Bolton—That has been agreed. The Presiding Officers determined that the nurses centre would remain in Parliament House. The matter was also discussed at a recent meeting of the Joint House Committee. I briefed the Joint House Committee on the issues, and the senators and members on that committee responded to me with their own views. It got tied up with some staffing changes that I had in the organisation, not relating to the nurses but to some of their superior staff—the senior staff there. Via the Joint House Committee, we are just about to enter discussions with some representatives and members of parliament, with some staff in the building and obviously with the nurses themselves to look at the framework under which we operate and decide how it might operate into the future. The decision has been made that it will remain. We are now looking at the best way to make it run.

Senator ROBERT RAY—When do you think you will have a concluded view, Mr President, about any reorganisation or changes that you deem necessary?

The PRESIDENT—My recollection is that we are looking at finding out what is really needed and what is the most efficient way to do it. As soon as we have the answers to that, it will happen. These things take a bit of time.

Senator ROBERT RAY—If there are going to be any changes, would you consult with the Appropriations and Staffing Committee before implementing them?

The PRESIDENT—The discussions will initially be with the Joint House Department. If we get to the stage that there are going to be changes in the way it operates, we will approach the staffing committee.

Senator ROBERT RAY—I think I can leave the line of questioning, in that case.

Senator FAULKNER—Mr President, do you think it is fair to say that the matter was pretty poorly handled last time?

The PRESIDENT—I had discussions with representatives of the whips. I think they had the view of not just members and senators but of other people who work here on the necessity for the nurses station.

Senator FAULKNER—It was a pretty poor process, wasn't it?

The PRESIDENT—You are talking about the way—

Senator ROBERT RAY—The way it was announced, basically. There was not much massaging done before it all got loose around the building. That is what I think Senator Faulkner is implying.

The PRESIDENT—I think that perhaps the nurses centre should have been put in charge of communications, because they seem to communicate pretty well—much quicker than the normal lines of contact around this place.

Senator FAULKNER—Certainly no content filtering service applied.

Senator MURRAY—Mr Bolton, do you have any update on the Parliament House water restrictions program? Is that progressing well? Is it being properly monitored? Are we making savings? What is happening?

Mr Smith—We have done some work in estimating the savings we have had since water restrictions commenced. We have saved around 25 million litres of water in the outside irrigation of the building since water restrictions commenced six months ago.

Senator MURRAY—What is that worth in money?

Mr Smith—It is about a dollar a kilolitre, so it must be about \$25,000.

Senator MURRAY—It is only a couple of handrails, really!

Mr Smith—It is a significant saving in water for the Canberra community. We are now on level 2 restrictions, and that means we have turned off most of the irrigation in the outer landscape. We have been in discussion with the local water authority and they are quite happy with our performance to date, but they are also cautious of where the water restrictions are likely to go if there is no rain between now and spring.

Senator FAULKNER—And you said that you have bought those white barricades, Mr Bolton.

Mr Bolton—Yes, I did.

Senator FAULKNER—What did they cost us?

Mr Bolton—There are 325 of them, and they cost \$94,737.

Senator ROBERT RAY—They would have a resale value if you decided to put up fences, wouldn't they?

Mr Bolton—Yes.

Senator FAULKNER—You are confident you can on-sell a large number of these.

Mr Bolton—Yes. We bought them clean. If we were to hire them, it was going to be a higher price over 12 months just to hire them. There was one firm which really was not into the retail market—but we might have been able to convince them—and which was a little bit cheaper, but the trouble was that their barriers came with advertising and everything else, and we obviously wanted a clean white barrier—

Senator FAULKNER—You have not put that to the department of finance—the possibility of actually having advertising on the white barricades? I would have thought they would jump at that.

Senator ROBERT RAY—They will be watching—quiet!

Senator FAULKNER—Finally, on that issue, you mentioned a couple of times, Mr Bolton, when we talked about the aesthetics and about the concerns that these things are a bit of an eyesore around Parliament House, that there have been suggestions that they be painted and that sort of thing. Did anyone check out whether that was a good idea and whether in fact it might have a positive effect?

Mr Bolton—Those barriers come in orange or white. We believe that the white is the most appropriate colour at this stage. Because of a hangover from the V8 Canberra days, we understand that there are substantial numbers of big concrete barriers. The Department of Defence is now using some of them for their barriers. I noticed the Department of Defence has been painting theirs a grey colour—maybe Defence grey. We were looking to utilise some of those. However, they are very expensive at this stage for the small numbers that we want, so it is more economical to stay the way we are.

Senator FAULKNER—The point is that, however efficient they might be, they look ugly.

Mr Bolton—Yes, they do.

Senator FAULKNER—I think, broadly, most people understand that. Is there a way of making them a little easier on the eye? That is the question. One logical, or possible, solution would be to chuck a bit of paint on it, I suppose.

Mr Bolton—I think that is an issue which we have deferred until we come up with a longer term solution, because it will incur an extra expense. We would like to see what our longer term solution is. Actually, Mr Crowe has just passed me a note which also says that there is a legal requirement that they be white when they are on the road.

Senator FAULKNER—So they will stay white.

Mr Bolton—When they are being used as a road barrier, there is a legal requirement to have them white.

Senator FAULKNER—So the vast majority of them have to stay white. So that is the end of that issue. While they stay, they are white.

CHAIR—There being no further questions, that completes the examination of the parliamentary departments. I remind you that the committee has set 10 July 2003 as the date for the submission of written answers to questions taken on notice. I thank the President, Mr Bolton and officers for their attendance and assistance this afternoon.

Proceedings suspended from 3.35 p.m. to 3.53 p.m.

PRIME MINISTER AND CABINET PORTFOLIO**In Attendance**

Senator Hill, Minister for Defence

Department of the Prime Minister and Cabinet**Executive**

Mr Andrew Metcalfe, Deputy Secretary, Government and Corporate

Mr Jeff Whalan, Deputy Secretary, Social Policy Group

Economic policy advice and coordination

Mr James Horne, First Assistant Secretary, Industry, Infrastructure and Environment
Division

Ms Jenny Goddard, First Assistant Secretary, Economic Division

Social policy advice and coordination

Ms Sandra Parker, Acting First Assistant Secretary, Office of the Status of Women

Ms Jill Farrelly, Assistant Secretary, Office of the Status of Women

Ms Miranda Pointon, Acting Assistant Secretary, Office of the Status of Women

Ms Joanne Cantle, Finance Officer, Office of the Status of Women

Ms Joanna Davidson, First Assistant Secretary, Social Policy Division

Mr Jamie Fox, Assistant Secretary, Education, Immigration and Indigenous Policy Branch

Mr Perry Sperling, Assistant Secretary, Health Branch

International policy advice and coordination

Ms Gillian Bird, First Assistant Secretary, International Division

Support services for government operations

Ms Barbara Belcher, First Assistant Secretary, Government Division

Mr David Macgill, Assistant Secretary, Legal and Culture Branch

Mr Paul O'Neill, Assistant Secretary, Awards and National Symbols Branch

Mr Peter Hamburger, Assistant Secretary, Cabinet Secretariat

Mr Greg Williams, First Assistant Secretary, Government Communications Division

Dr Susan Ball, Assistant Secretary, Information Services

Ms Julie Yeend, Assistant Secretary, Ceremonial and Hospitality

Mr Terry Crane, Acting Assistant Secretary, Corporate Support

Ms Trish Corbell, Acting Senior Adviser, Services and Security

Ms Marina Belmonte, Senior Adviser, Financial Management

Australian National Audit Office

Mr Pat Barrett, Auditor-General

Mr Oliver Winder, Deputy Auditor-General

Mr Warren Cochrane, Executive Director, Performance Audit

Mr Trevor Burgess, Executive Director, Assurance Audit

Mr Michael Watson, Executive Director, Assurance Audit

Mr Russell Coleman, Executive Director, Corporate Management Branch

Australian Public Service Commission

Mr Andrew Podger, Public Service Commissioner

Ms Lynne Tacy, Deputy Public Service Commissioner

Mr Jeff Lamond, Acting Merit Protection Commissioner
Mr Mike Jones, Group Manager, Corporate Strategy and Support

Office of National Assessments

Mr Kim Jones, Director-General
Mr Derryl Triffett, Head, Corporate Services
Mrs Margaret Bourke, Senior Executive Officer

Office of the Commonwealth Ombudsman

Prof. John McMillan, Commonwealth Ombudsman
Ms Catherine McPherson, Senior Assistant Ombudsman, Professional Standards and Administration
Ms Natalie Humphrey, Contract Manager

Office of the Inspector-General of Intelligence and Security

Mr Bill Blick, Inspector-General

Office of the Official Secretary to the Governor-General

Mr Malcolm Hazell, Official Secretary to the Governor-General
Mr Kevin Davidson, Manager, Executive Support
Ms Amanda O'Rourke, Manager, Honours Secretariat
Mr Gary Bullivant, Corporate Manager

Office of the Official Secretary to the Governor-General

CHAIR—I welcome Mr Hazell and other officers this afternoon. Mr Hazell, do you wish to make an opening statement?

Mr Hazell—No, thank you.

CHAIR—I then call on general questions from the committee.

Senator FAULKNER—We had the announcement yesterday of the Governor-General's resignation, Mr Hazell. Are you able to say to the committee from what time precisely that resignation is effective?

Mr Hazell—My understanding of that is that the Prime Minister will be in touch with the Queen, and when the Queen revokes the commission that is the time that the Governor-General ceases to hold that commission.

Senator FAULKNER—In the discussions that have taken place over the very recent time between the Prime Minister and the Governor-General, has there been any agreement reached in relation to entitlements for Dr Hollingworth?

Mr Hazell—That is a matter for the Prime Minister to comment on.

Senator FAULKNER—Has the office of the Governor-General been informed about, for example, living arrangements for the Governor-General? It has certainly been announced in parliament.

Mr Hazell—That is the only information I have.

Senator FAULKNER—Could you outline for the benefit of the committee what your understanding is in relation to that matter?

Mr Hazell—As I understand it, the Prime Minister announced in the House of Representatives today that the Governor-General, once the commission is revoked, may reside at Yarralumla up until 30 June this year.

Senator ROBERT RAY—Would he vacate Admiralty House, or lose access to Admiralty House on the same date?

Mr Hazell—I am sorry; I really cannot go into the details of that. I honestly just do not know. Those are matters for the Prime Minister.

Senator ROBERT RAY—We have the Prime Minister's representative coming up straight after you. You are saying that these are matters that you simply do not know about.

Mr Hazell—As you would know from the public record, the Prime Minister called on the Governor-General this morning. I do not know the extent of those discussions and in any event I would not expect to at this time. Those matters are still under discussion. As I say, I think it is more properly a matter for the Prime Minister.

Senator FAULKNER—Surely they are matters for the Governor-General also.

Mr Hazell—Indeed.

Senator FAULKNER—You say they are matters for the Prime Minister. I think that is a reasonable enough statement as far as it goes. I would suggest to you that they are matters for the Prime Minister and matters for the Governor-General.

Mr Hazell—I simply do not know the answer to that question in any detail at all, other than what has been said publicly in the House this afternoon.

Senator FAULKNER—Obviously there was no-one else present—I assume there was no-one else present—when the Prime Minister and the Governor-General met this morning. Is that correct?

Mr Hazell—That is my understanding.

Senator FAULKNER—Do you know where the meeting took place?

Mr Hazell—At Government House.

Senator FAULKNER—Were you at Government House at that time?

Mr Hazell—Government House is quite a large place.

Senator FAULKNER—I know that. Were you at Government House when the meeting took place?

Mr Hazell—I was in my office, yes.

Senator FAULKNER—You can confirm that the Prime Minister and Dr Hollingworth were alone when they met?

Mr Hazell—To the best of my knowledge I can do that.

Senator FAULKNER—Have you spoken with the Governor-General since that meeting?

Mr Hazell—Very briefly.

Senator FAULKNER—Can you indicate to the committee what was communicated to you by the Governor-General about the matters at hand?

Mr Hazell—I make two points. The first is that I do not intend to comment in any way on either the fact or the substance of conversations between the Prime Minister and the Governor-General, so I am not going to go into any detail. Insofar as the discussion that occurred this morning, it was simply a confirmation of the fact that a discussion had occurred.

Senator FAULKNER—I want you to be clear about this, Mr Hazell. On the first matter I would not expect you to comment. You were not present and I do not think it is appropriate that you comment. But my question went to any discussion between you and the Governor-General. There is an interest for this committee because, whatever the circumstances and the outcome of such a discussion are, it is up to your office to put those arrangements in place in relation to Dr Hollingworth. Do you accept that?

Mr Hazell—Yes, I accept that we will have a role in that, Senator.

Senator FAULKNER—If Dr Hollingworth is to stay at Yarralumla until the end of June, the office of the Governor-General has to stump up the extra funds for that, don't you?

Mr Hazell—I am not quite sure what you are leading to, Senator. The point is that that is an existing—

Senator FAULKNER—I can assure you that I am not leading to anything; I am merely asking about these arrangements, which are properly matters for the office of the Governor-General as opposed to the distinction that I think you correctly draw about private discussions or discussions between the Prime Minister and the Governor-General. I am not interested in asking you about those discussions; I am interested in asking you about outcomes that affect the office of the Governor-General.

Mr Hazell—All I can say, because this is the extent of my knowledge, is that clearly we will be supporting both the Administrator and Lady Green, who are there, as well as the Governor-General and Mrs Hollingworth for the period that they are there.

Senator FAULKNER—Can you indicate to the committee what 'supporting Dr Hollingworth' means. What sort of resources, what sort of support, is envisaged?

Mr Hazell—In terms of just residential support, it is just that. They will, I expect, retain the use of their flat. There will be domestic support provided. That is it.

Senator FAULKNER—How much domestic support?

Mr Hazell—There is no additional domestic support.

Senator FAULKNER—There is no additional domestic support; will that mean a continuation of existing domestic support?

Mr Hazell—They have their meals, their flat is cleaned—that sort of stuff.

Senator FAULKNER—I want to be clear on this: does this mean a continuation of the existing domestic support? I hear what you say about additional domestic support. I am now asking you whether there is a continuation of existing domestic support.

Mr Hazell—I understand so.

Senator FAULKNER—How many staff are involved in the existing support for Dr Hollingworth?

Mr Hazell—I need to make the point at this time that it is not a question of a specific number of staff being dedicated to either Dr and Mrs Hollingworth or the Administrator and Lady Green. There are a number of household staff that have been there and will continue to be there and their duties will continue to be to provide the support necessary.

Senator FAULKNER—So that is household staff. How do you define ‘household staff’? Does that mean the butler, the chef, the chauffeur? What are we talking about?

Mr Hazell—Those facilities really are available now and of course are there to support the Administrator and Lady Green as well. There is simply not the same need in the case of the Hollingworths and therefore it does not exist. As I said before, they will have their meals and some modest domestic support provided. But as for the other facilities, which would involve going to functions and whatever, there is not the same requirement.

Senator FAULKNER—That is because Dr Hollingworth will not be going to any functions, isn’t it?

Mr Hazell—That is right.

Senator FAULKNER—What about administrative support? I hear your use of the expression domestic or residential support—domestic staff. What about administrative support or services provided by the office of the Governor-General? Will any of that be ongoing?

Mr Hazell—As of today, Government House is not providing any administrative support to the Governor-General and Mrs Hollingworth. There is an officer being seconded from the Department of the Prime Minister and Cabinet to assist with the likes of correspondence and some telephone calls, but that is it.

Senator FAULKNER—Who is that officer?

Mr Hazell—It is a lady from the Prime Minister’s department.

Senator FAULKNER—Yes. Do you know what level of officer is being provided?

Mr Hazell—I do not know her level precisely, but I think it is probably between ASO4 and ASO6.

Senator FAULKNER—On what basis was that officer provided?

Mr Hazell—That is something I do not know the details of. That has actually been initiated through the Department of the Prime Minister and Cabinet.

Senator FAULKNER—How was it communicated to you? How do you know about it?

Mr Hazell—We were advised last week of the offer, and the lady in question started today. She came out for a meeting last week and she came out today to start work.

Senator FAULKNER—Last week?

Mr Hazell—I think late last week she came out to meet Dr Hollingworth.

Senator FAULKNER—When late last week were you advised and who advised you?

Mr Hazell—I am advised that she visited Government House late afternoon last Friday. I cannot tell you with any certainty how that was communicated. I think it was just communicated from the department to our office, but I cannot tell you with any certainty.

Senator FAULKNER—Can someone please check that and perhaps come back to us? Can you indicate to us why this decision was made late last week in the circumstances that the Governor-General resigned yesterday?

Mr Hazell—I cannot answer that question.

Senator ROBERT RAY—I assume the person was offered to assist whilst he had stood down, rather than pending a resignation.

Mr Hazell—I would expect that to be the case. The phone calls and the correspondence: there was work that needed to be done. I think that offer was made to assist.

Senator FAULKNER—But, hang on—wasn't the office of the Governor-General performing its normal administrative support functions until the Governor-General's announcement of his resignation yesterday?

Mr Hazell—I think we need to go back a step. Once the Administrator was sworn in, the resources of Government House literally were there to support him in that administrative sense. They were not supporting Dr and Mrs Hollingworth.

Senator ROBERT RAY—Leaving aside the normal domestic type things that you have described, none of the other resources were devoted to helping Dr Hollingworth?

Mr Hazell—I can confirm that for a couple of days of last week Government House did provide one of our staff to assist with some correspondence and telephone answering and it was at that stage or subsequently that the offer was made from the department to provide an officer. That no longer pertains.

Senator ROBERT RAY—It was not a request from your office for them to do so? You did not alert them to the fact that your resources were being split between two competing demands?

Mr Hazell—I am advised that the offer was made, and we gladly accepted the offer.

Senator ROBERT RAY—I understand that; I have understood that all the way through. But there was no request for an offer, there was no indication of a difficulty that then was responded to by an offer? That is what I am asking. The offer just came from that department?

Senator FAULKNER—In other words, who took the initiative in relation to this staff person coming from the Department of the Prime Minister and Cabinet to support Dr Hollingworth at Yarralumla? Whose initiative was it?

Mr Hazell—I am sorry, I cannot answer you with any certainty as to where the initiative came from. All I know is that that was an offer made through the Department of the Prime Minister and Cabinet. I am sorry, I just do not know the answer.

Senator FAULKNER—Of course we can check that with the Department of the Prime Minister and Cabinet. There is some chance they might even be listening to the broadcast of these estimates. You never know, they might be prepared. As the secretary to the office, is it clear to you what the actual role and responsibilities of this officer are?

Mr Hazell—They are really to provide some administrative support to Dr Hollingworth in dealing with the fairly large volume of correspondence, telephone calls and things like that. It is confined to that.

Senator FAULKNER—Is the Office of the Official Secretary to the Governor-General providing any ongoing administrative support for the Governor-General?

Mr Hazell—No, Senator.

Senator FAULKNER—So the only staff resources being utilised by Dr Hollingworth at Yarralumla are in relation to what you have described—and it seems a sensible description to me—as domestic or residential support. Would that be correct?

Mr Hazell—That is how I understand it, yes.

Senator FAULKNER—But you would know though, wouldn't you? You are the secretary of the office.

Mr Hazell—Indeed.

Senator FAULKNER—I think you can give an unqualified answer to that question. That is the only staff support that Dr Hollingworth is receiving from your office.

Mr Hazell—That is correct.

Senator FAULKNER—Have you had communicated to you on an official basis the outcomes of the meeting that has taken place between Dr Hollingworth and Mr Howard? Or have you had any outcomes communicated to you?

Mr Hazell—No, other than what I heard in the House this afternoon.

Senator FAULKNER—So in the brief discussion you had with the Governor-General following that meeting, he did not indicate to you what the outcomes of that meeting were?

Mr Hazell—No, Senator.

Senator FAULKNER—So the Office of the Official Secretary to the Governor-General had been completely in the dark until Mr Howard spoke in the House this afternoon. Is that right?

Mr Hazell—I would not put it like that. As I say, in terms of what is to be settled, those are matters quite properly for the Prime Minister. It is only a very short time since that happened.

Senator FAULKNER—There may be some decisions being made by the Prime Minister; I accept that. But I am also aware that the Office of the Official Secretary to the Governor-General will have to provide a range of services and support through this period and it would seem logical that the Office of the Official Secretary to the Governor-General would have an understanding of what the situation is in relation to Dr Hollingworth's status.

Mr Hazell—I understand your point, but can I just say again that since the Administrator was sworn in, the office really swings in behind, especially in the administrative sense, the responsibilities and activities of the Administrator and Lady Green. It is true that the Governor-General and Mrs Hollingworth, as I said before, reside in their flat and some modest support is provided in that line. However, the focus of our activity has been in relation to the Administrator and Lady Green.

Senator FAULKNER—Have you had contact from the Department of the Prime Minister and Cabinet either yesterday or today?

Mr Hazell—What do you mean, Senator?

Senator FAULKNER—I mean, have you had any contact with any officer of the Department of the Prime Minister and Cabinet either yesterday or today?

Mr Hazell—I often speak to officers of the Department of the Prime Minister and Cabinet.

Senator FAULKNER—Have you had any contact with any staff of the Prime Minister? In other words, with any staff in the PMO either yesterday or today?

Mr Hazell—Senator, I am not going to go into details of who I may have spoken to yesterday, the day before or today. I am certainly in regular contact with officers of the Department of the Prime Minister and Cabinet. There has been appropriate contact always between my office and the Prime Minister's office, as one would expect.

Senator ROBERT RAY—Has there been any inappropriate contact, seeing as you used the word 'appropriate'?

Mr Hazell—Not that I am aware of, no.

Senator FAULKNER—I do not think, in fact, that contact between the Prime Minister's office, the Prime Minister's staff and the Office of the Official Secretary to the Governor-General is particularly commonplace—you may but that is not my experience.

Mr Hazell—I do not share that view, Senator. I think it is quite appropriate for officers from Government House to liaise with a whole range of people, including the minister's office, the Prime Minister's office or whatever.

Senator FAULKNER—What I want to know is the outcome of these discussions. Just in black and white, what has been determined as a result of those discussions? I am not asking you at this stage whom you may have had discussions with but I would like to know what decisions have been taken that have affected the administration of your office. That is a perfectly reasonable thing for this committee to examine.

Mr Hazell—Senator, I have answered that question to the best that I am able.

Senator FAULKNER—The answer is 'nothing', is it?

Mr Hazell—No, I have told you, Senator, what has been provided. Other than in the terms of what was announced in the House of Representatives this afternoon, I do not know any further details.

Senator FAULKNER—So the only discussions you have had with officers of the Department of the Prime Minister and Cabinet have gone to the issue of ongoing staff resources for Dr Hollingworth; is that right?

Mr Hazell—I personally have not had any discussions with them on that fact other than to be advised that the lady in question started today.

Senator FAULKNER—But you do not know who advised you?

Mr Hazell—I was speaking to one of the senior officers in the Department of the Prime Minister and Cabinet this morning about that, yes.

Senator FAULKNER—A senior officer in the Department of the Prime Minister and Cabinet advised you that that staff support would be provided. That is a bit odd when the staffer started last week, isn't it?

Mr Hazell—No, Senator; the staffer started this morning.

Senator FAULKNER—The offer was made last week.

Mr Hazell—As I understand it, yes.

Senator FAULKNER—And you were told this morning that the offer was made last week. I am just trying to get the time lines. It is a bit fuzzy, I have to say, Mr Hazell.

Mr Hazell—Let me try to help you. As I said, apparently the offer was made to our office late last week. The lady in question visited Government House on Friday afternoon to meet the Governor-General and she started at Government House this morning.

Senator FAULKNER—And you were told about it this morning?

Mr Hazell—I was told about the offer during the course of last week, I am reminded.

Senator FAULKNER—So you weren't told about it this morning?

Mr Hazell—I was told that the lady in question was to start this morning.

Senator FAULKNER—Are you able to say which officer of the Department of the Prime Minister and Cabinet you communicated with in relation to the starting time of this officer?

Mr Hazell—Ms Barbara Belcher advised our office of that issue last week.

Senator FAULKNER—Are you able to inform the committee whether Dr Hollingworth has any access to any Commonwealth travel entitlements now?

Mr Hazell—As I understand it, he will have the access that he has always had to a self-drive motor vehicle, and there are of course some security considerations as well. Other than that I do not know.

Senator ROBERT RAY—Does he intend to pay a farewell call on the Queen to explain the circumstances of his resignation?

Mr Hazell—I have not discussed that with the Governor-General.

Senator FAULKNER—Has the issue of entitlements post resignation been discussed, to your knowledge?

Mr Hazell—Not to my knowledge. I really cannot confirm or deny that; I just do not know.

Senator FAULKNER—Are you able to say to the committee in the general sense what the entitlements of a former Governor-General are?

Mr Hazell—That is a matter that really ought to be more appropriately addressed to the Department of the Prime Minister and Cabinet. They have responsibilities for former governors-general.

Senator FAULKNER—So you are not able to say to the committee what those entitlements are?

Mr Hazell—I think it would be more appropriately addressed to the Department of the Prime Minister and Cabinet.

Senator FAULKNER—You are able to say but you are not going to?

Mr Hazell—I am not able to say with any accuracy, no.

Senator FAULKNER—So you would not be able to confirm that the pension for a former Governor-General is 60 per cent of the salary of the chief justice?

Mr Hazell—I believe that is actually in the legislation passed by the parliament.

Senator FAULKNER—That is right, so you could say that if pressed.

Mr Hazell—That is a fact.

Senator ROBERT RAY—Do you get that if you run the full term or is it pro rata if your term is shortened?

Mr Hazell—I do not know the answer to that.

Senator ROBERT RAY—I do not know either.

Mr Hazell—I think there are other elements in the legislation as well, but again those are matters really more appropriately addressed to the Department of the Prime Minister and Cabinet.

Senator FAULKNER—It has been somewhat traditional for retiring governors-general to pay a courtesy visit to the states and territories of Australia. Do you know if any such visit is planned?

Mr Hazell—I have no knowledge of that at the moment.

Senator FAULKNER—But if such a visit were planned, I understand from what you are saying that it would actually have to be done at Dr Hollingworth's own expense. Would that be right?

Mr Hazell—I think that is a hypothetical at this point in time.

Senator FAULKNER—You have indicated to the committee, and correct me if I am wrong, that Dr Hollingworth's entitlement being limited to a self-drive car, taking into account—quite properly in my view—security concerns.

Mr Hazell—May I clarify that. I am referring at the moment to the period when he has stood aside. As I explained earlier, technically when his commission is revoked it is a slightly different phase and there may or may not be different entitlements—I do not know—but for the current phase whereby Dr Hollingworth has stood aside certainly he just maintains the access that he has usually had to a self-drive vehicle.

Senator FAULKNER—What about Mr Reynolds's services? Where are they up to?

Mr Hazell—Mr Reynolds ceased working for my office last Thursday.

Senator FAULKNER—He worked for your office?

Mr Hazell—He has ceased working for my office.

Senator FAULKNER—What was his period of engagement?

Mr Hazell—My understanding is that he was engaged by my predecessor on 7 May.

Senator FAULKNER—Was he on a fixed contract?

Mr Hazell—He was on a contract which allowed an agreed payment per day.

Senator FAULKNER—What was that payment?

Mr Hazell—It was \$750 per day, excluding GST.

Senator FAULKNER—Have you worked out how many days he was engaged for?

Mr Hazell—He has not given us his bill yet.

Senator FAULKNER—I assume someone has worked it out, haven't they?

Mr Hazell—I have not, but it starts on 7 May and ends on 22 May.

Senator FAULKNER—Who was he working for after last Thursday?

Mr Hazell—He was working, as I understand, on a pro bono basis for Dr Hollingworth.

Senator FAULKNER—If it is on a pro bono basis I assume there are no contractual arrangements.

Mr Hazell—I am not aware of that. I have just been told that that was the basis on which it was done.

Senator FAULKNER—Who told you that?

Mr Hazell—He did.

Senator FAULKNER—Did you accept his resignation last Thursday?

Mr Hazell—I wrote to him on the 22nd to end the term of the engagement.

Senator FAULKNER—Why did you do that?

Mr Hazell—Because I thought it was appropriate to do so. The original engagement was on the basis that it would be reviewed, and I am currently reviewing the arrangements within the office. I thought it was appropriate to terminate his particular role at that particular point in time.

Senator FAULKNER—Yes, but can you say why? Why did you think it was appropriate? What informed your decision?

Mr Hazell—Let me go back a step, please. Government House has been without a media contact officer since February and, given the changeovers in official secretaries, there was clearly some heightened media interest at the time so it was felt, I think, by my predecessor that there was a need to have some assistance in this form. That was always on the understanding that it would be reviewed—that I would review it—and I did review it. I made the decision that I needed to move to put more permanent arrangements in place and I am in the process of doing that.

Senator ROBERT RAY—You mentioned the media officer's position has been available or unfilled since February. Has that position been advertised?

Mr Hazell—No, it hasn't yet.

Senator ROBERT RAY—Why no action on it? Was there some decision not to fill it?

Mr Hazell—As you know, I have only been in the job for two weeks and I needed to review the situation. I am moving to take whatever steps are necessary. I have not reached a decision as to how I am going to do that yet but I will do.

Senator ROBERT RAY—Mr Hazell, you have got your duty; we have got ours, and we are often hampered by a lack of corporate memory from the witnesses at the table. We understand that but we have still got to pursue the questions, irrespective of when you started and when you didn't. So, have you got any idea of why the position was not filled or can you draw on the assistance of any of your colleagues at the table?

Mr Hazell—I am advised that a decision was made out of courtesy until I arrived in the position.

Senator ROBERT RAY—Sorry?

Mr Hazell—I am advised that it was decided not to fill the position to allow me to address the issue when I came into office.

Senator ROBERT RAY—So in February it was known that Mr Bonsey was leaving?

Mr Hazell—No, perhaps I did not express that very well. When the media officer left, there was a vacancy. I do not know why my predecessor did not fill it, particularly from February onwards, but time did go on—you will recall that my predecessor himself handled a lot of the media contact—and he subsequently made his decision to retire. It was apparently decided to await the new official secretary, who happened to be me, coming into the position.

Senator ROBERT RAY—While we are on the question of appointments—this is a process that I do not know very well—is the position of Official Secretary to the Governor-General an advertised one?

Mr Hazell—Not usually, Senator, no.

Senator ROBERT RAY—How do you get to apply for it if it is not advertised?

Mr Hazell—Those are questions that I really cannot answer. I was approached.

Senator ROBERT RAY—Where were you working when you were approached?

Mr Hazell—I was in the Prime Minister's office.

Senator FAULKNER—Who approached you?

Mr Hazell—The Governor-General wrote to me at the end of March. I understand there was some process about the appointment of the Official Secretary.

Senator ROBERT RAY—Were you a DLO or on the MOPS staff in the PMO?

Mr Hazell—I was a MOPS person.

Senator ROBERT RAY—So no-one from PM&C approached you; it was the Governor-General who rang or wrote to you and said, 'This position is coming up; are you interested?'

Mr Hazell—Certainly the Governor-General, as I understand it, wrote—not to me, but to the Prime Minister. I am aware that a senior officer in the Department of the Prime Minister and Cabinet was involved as part of the engagement process.

Senator ROBERT RAY—Who was that?

Mr Hazell—The deputy secretary, Mr Metcalfe.

Senator ROBERT RAY—He can take note, because he is at the back of the room now. So it is done by way of approach. You would have known the Governor-General through the Centenary Medal process, I assume. You had a fair bit to do with that, didn't you?

Mr Hazell—I have known the Governor-General for many years, not necessarily through the Centenary Medal.

Senator ROBERT RAY—What is the process? Are you asked whether you are available?

Mr Hazell—Dr Hollingworth approached me and I was invited to a meeting at Government House with him, which one would expect, I think. Mr Metcalfe was at that meeting. Frankly, I have no idea what otherwise went on.

Senator ROBERT RAY—What I am trying to establish, Mr Hazell, is whether there is a formal job interview or whether they had made up their minds that you were a suitable person and they just needed to discuss your attitude and details.

Mr Hazell—That is a question that might best be asked of Mr Metcalfe.

Senator ROBERT RAY—I am trying to establish what process you have gone through. Sure, I can ask Mr Metcalfe about that. I may or may not. What sort of process do you have to go through to get the job once you have been approached?

Mr Hazell—I was approached. I had a very lengthy interview with Dr Hollingworth where we discussed a whole range of issues and I was subsequently invited to accept the position.

Senator ROBERT RAY—Is it a set-term appointment?

Mr Hazell—No.

Senator ROBERT RAY—Is it at the Governor-General's pleasure, as they say?

Mr Hazell—That is correct.

Senator ROBERT RAY—I notice there was a suggestion by a journalist—I don't put much weight on it—that you were requested to go there by Mr Howard. That is not true; Dr Hollingworth approached you?

Mr Hazell—That is correct. The Governor-General approached me.

Senator ROBERT RAY—Not Mr Howard. Being someone who was interviewed, you only have that narrow knowledge of how they approached you; you do not know whether they approached others?

Mr Hazell—No, I do not.

Senator ROBERT RAY—Has anyone else, to your knowledge—you may not know this—been appointed directly from the Prime Minister's staff to this position?

Mr Hazell—There have only been very few occupants of the position.

Senator ROBERT RAY—We know Sir David Smith never would have worked for a PM; we can be certain of that.

Mr Hazell—He worked for a former federal minister.

Senator ROBERT RAY—But he didn't go directly, did he?

Mr Hazell—I don't know.

Senator FAULKNER—I thought, from reading your CV, Mr Hazell, that you may have had a long-term association with the Governor-General because you, too, like him, seemed actively involved in the Anglican Church. Would that be one of the reasons you had that long-term association?

Mr Hazell—I think that was a matter of pure coincidence.

Senator FAULKNER—To your knowledge, did Mr Howard have any role in this appointment?

Mr Hazell—To my knowledge, the Governor-General approached the Prime Minister because, in the formalities, there is a process involving cabinet and whatever else.

Senator ROBERT RAY—Do you have to undergo a security check to hold this position—positive vetting or negative vetting?

Mr Hazell—There is no requirement to undergo positive vetting for this, but there is certainly a requirement to have a security vetting, yes.

Senator ROBERT RAY—That is purely out of curiosity; you should not take any implication from that. I just wondered.

Senator FAULKNER—I work out Mr Reynolds's engagement as costing the Commonwealth around \$11,250, excluding GST, assuming that he worked each day.

Mr Hazell—As I said before, we do not have his account yet, but I am sure, if you have done the figures correctly, that is about right. It may be less than that; I do not know.

Senator ROBERT RAY—Plus GST.

Senator FAULKNER—That is excluding GST; that is right. But we can be assured that, for that period from 23 to 25 May, Mr Reynolds was not employed by the Commonwealth.

Mr Hazell—That is correct.

Senator FAULKNER—Was Mr Reynolds during that period still working from Government House?

Mr Hazell—He visited Government House because he was working for Dr Hollingworth, who was physically stationed at Government House.

Senator FAULKNER—So he was not based at Government House; he was just a visitor from time to time.

Mr Hazell—That is correct.

Senator FAULKNER—Do those consultancy fees include travel costs or accommodation costs?

Mr Hazell—No, that is the total cost.

Senator FAULKNER—So there are no additional travel or accommodation costs?

Mr Hazell—That is as I understand it, yes.

Senator FAULKNER—Thank you for that. There was the TV production that was made by Dr Hollingworth on 23 May—I think I have the correct date; you will no doubt correct me very quickly if I am wrong. Were the costs for that production borne by the Commonwealth?

Mr Hazell—Was that 23 May?

Senator FAULKNER—I think it was 23 May, but correct me if I am wrong.

Mr Hazell—That is the most recent one, Senator.

Senator FAULKNER—Yes.

Mr Hazell—That was a private cost.

Senator FAULKNER—Apart from Mr Reynolds, I assume there were no other contracts or consultancies and no-one else was engaged in support of the Governor-General through that period in May.

Mr Hazell—I am advised that there were no other contracts arranged. As I said before, we did have one of the existing Government House staff members helping him for a couple of days with correspondence and phones, but there were no additional contracts, no.

Senator FAULKNER—Can you detail that other support you have mentioned.

Mr Hazell—As I said previously, during the course of last week one of the Government House staff helped him with some correspondence and telephone work—that sort of thing—prior to the person coming from the Department of the Prime Minister and Cabinet today.

Senator ROBERT RAY—Sorry, I may have misunderstood: is that in the period from his announced standing aside until today, or does it cover the period before he stood aside—let us say the rest of May, going backwards?

Mr Hazell—It actually covers after he stood aside. In fact, it was not immediately after he stood aside either. In other words, there was a day or two from memory when there was no support.

Senator ROBERT RAY—Let's go back. We know that Mr Reynolds was hired as a spin doctor but were there any other hirings prior to the Governor-General standing aside?

Mr Hazell—No.

Senator ROBERT RAY—What about that previous recording of a TV statement?

Senator FAULKNER—If I could just interpolate, I think that was at the stage when the Victorian Supreme Court action was made public. It followed immediately upon that occurring.

Mr Hazell—That was before Dr Hollingworth had stood aside.

Senator ROBERT RAY—That is right, it was in May. That was my question.

Mr Hazell—That was paid for out of our funds.

Senator FAULKNER—How much did that cost?

Mr Hazell—\$3,000.

Senator FAULKNER—Who did that for you?

Mr Hazell—That was organised by Mr Reynolds. He organised the package with the cameraman.

Senator FAULKNER—Who was the \$3,000 paid to? It was paid to Mr Reynolds and he subcontracted it out. Is that correct?

Mr Hazell—We have not got his bill but that is the expectation.

Senator FAULKNER—I see. So we can add another \$3,000 to the possible \$11,250. Any other additional expenditures that you are aware of?

Mr Hazell—No.

Senator FAULKNER—Just that?

Mr Hazell—That is correct.

Senator ROBERT RAY—In terms of media management, is the office of the Governor-General advised to adopt the technique to not be silent, to not expose yourself to the scrutiny of a press conference but to have a controlled media event which, I think, is equivalent to a statement from the dock without being under oath? Who advised the Governor-General to go down this line—this middle course where he cannot be scrutinised, cannot be questioned but gets his message out based on the advice of a spin doctor? Does your office do that or is that a decision the Governor-General makes?

Mr Hazell—I think it was a collective decision involving a number of people. Certainly after I became official secretary, the modus operandi was discussed with me, Andrew Reynolds and the Governor-General.

Senator ROBERT RAY—It is highly manipulative, is it not?

Mr Hazell—I would not say that, Senator. I think the Governor-General is entitled to get his point of view across, and we decided that was the—

Senator ROBERT RAY—Yes, but he is using public funds to put his side of the story without any scrutiny, without anyone being able to ask him a question et cetera. I would have thought that either silence at one end or full scrutiny at the other are the two advisable things. He has gone for the worst course and that tends to enrage our friends in the media. We do not support them all the time in these things, but this action has made them very unsympathetic. That seems to be what has happened on this occasion. I think he received poor advice.

Mr Hazell—I think the decision was taken to serve what we perceived to be the Governor-General's interests. As others have noticed, it was important that he be given an opportunity to get his message out.

Senator ROBERT RAY—He complains about the lack of natural justice in one inquiry and the lack of cross-examination, yet he himself is doing the equivalent of another sworn statement from the dock. I cannot understand that that is good advice coming from your office.

Senator FAULKNER—Is Mr Reynolds still working with Dr Hollingworth?

Mr Hazell—As far as I know that is the case.

Senator FAULKNER—Does that mean that Mr Reynolds is at Government House from time to time?

Mr Hazell—That is correct.

Senator FAULKNER—He has full access to Government House?

Mr Hazell—I would not say full access, but he visits Dr Hollingworth as and when he is needed.

Senator FAULKNER—I read an article in the Sunday *Herald Sun* of 25 May 2003, ‘G-G fury at parents on sex claim’. Did you see that?

Mr Hazell—I do not recall it.

Senator FAULKNER—Let me quote this journalist to you:

The astonishing attack was launched by Mr Andy Reynolds, hired recently to manage the public relations disaster overtaking Dr Hollingworth.

He makes claims this newspaper will not publish about the family of the child at the centre of the latest allegations.

I assume from the evidence you have given to this committee that this sort of backgrounding and these sorts of statements are made at Dr Hollingworth’s behest and at his behest alone. Is that right?

Mr Hazell—I cannot comment on that. I think the period that you are referring to was after the period that Mr Reynolds was engaged by my office. I cannot comment on it.

Senator FAULKNER—The media spin doctor is operating out of Government House. He is using the facilities of Government House, isn’t he? You have just told us that. I am afraid that you are not absolved of all responsibility.

Mr Hazell—I am sorry, Senator, I do not accept that. When you say ‘using the facilities of Government House’, he is visiting the Governor-General at Government House. Using facilities implies resources being used. I do not think that is the case.

Senator FAULKNER—It is a pretty disturbing article and it has been followed up by an article today by Glenn Milne in the *Australian*. There is an allegation that Mr Reynolds was sent out to ‘attempt to discredit the 14-year-old’s family’. I am trying to establish whether Mr Reynolds was sent out from Yarralumla to do this.

Mr Hazell—I cannot comment on allegations.

Senator BRANDIS—The question assumes there is substance in the allegation. You do not accept the assumption on the basis of which the question is put to you, Mr Hazell.

Mr Hazell—I honestly do not know, Senator. You are quite right.

Senator FAULKNER—Do you know whether Mr Reynolds was instructed to talk and background about the family feelings about the daughter on a ‘background basis and not for attribution’? Are you able to assist us with that?

Mr Hazell—I cannot comment on that at all.

Senator FAULKNER—Even though Reynolds is working at least part of his time at Government House?

Mr Hazell—I made the distinction before about the use of resources. I think you are trying to make a false distinction. The short answer is that I cannot comment on it. I do not know.

Senator FAULKNER—Was that that part of the pro bono deal? Do you know that?

Mr Hazell—I have no idea, Senator.

Senator FAULKNER—I would have thought that this goes to the administration of your office, given that Reynolds is a regular visitor to Yarralumla. How often does he go there? What sort of time does he spend there?

Mr Hazell—Can I just make the point, as I have done, that Mr Reynolds visits Dr Hollingworth in a private capacity. A lot of other people visit and have visited the Governor-General in private capacities. It is true that I am the head of the office but, as I said before, there is a distinction to be made between the uses of resources. To the best of my knowledge, that is not the case. I have no knowledge and I frankly would not expect to have knowledge. My resources are at the moment directed towards supporting the activities of the Administrator and Lady Green in the administrative sense. I am not supporting Dr Hollingworth at the moment because he has stood aside.

Senator FAULKNER—In the case of Mr Reynolds, he in fact was an employee of the Commonwealth until literally a couple of days ago.

Mr Hazell—That is correct.

Senator FAULKNER—It appears the main difference between the modus operandi that operates now and what occurred previously, the simple difference, is that he was being paid up until 22 May and he is not being paid now. He is still visiting Government House. He is still working for Dr Hollingworth.

Mr Hazell—He is now working for Dr Hollingworth. Prior to that he was working for me.

Senator ROBERT RAY—Can you be sure that Mr Reynolds, when he was working for you, was not backgrounding the press belittling a family of this case in Queensland? Can you be sure of that? I do not know that it occurred for sure. Two journalists have written about it now—on Sunday and on Monday—which I would think is a massive libel case if it is untrue.

Mr Hazell—When Reynolds was working for me we discussed media handling matters very frequently during the day—

Senator ROBERT RAY—What guidance did you give him as to being on the record?

Senator BRANDIS—Mr Chairman, Senator Ray should let the witness finish his answer.

Senator ROBERT RAY—I am just trying to narrow the answer down.

Senator BRANDIS—The witness should be allowed, Mr Chairman, to finish his answer.

CHAIR—Quite right, Senator Brandis.

Senator ROBERT RAY—Like we let you with the Auditor-General here, Senator Brandis. We will remember that.

CHAIR—Senator Ray!

Senator ROBERT RAY—I was just trying to assist Mr Hazell by saying he could narrow his answer to the question of backgrounding. That means, I would have thought, it is easier to answer. So thank you, Senator Brandis, for your interruption and your only contribution today. Just get back to your preselection.

Mr Hazell—As I was saying, Mr Reynolds and I regularly discussed media handling matters. I was never aware of, nor did he ever discuss with me, any backgrounding along those lines. I clearly cannot say categorically that it did or, importantly, that it did not occur. However, I can say that we discussed media handling matters quite frequently.

Senator BRANDIS—Mr Hazell, do you have any reason whatever to believe that it did occur?

Mr Hazell—No.

Senator ROBERT RAY—The main point, I think, is that you would not have approved it occurring—that is the point you are making.

Mr Hazell—I am sorry, Senator?

Senator ROBERT RAY—You wouldn't have approved of that type of backgrounding, would you?

Mr Hazell—I wouldn't have?

Senator ROBERT RAY—Yes.

Mr Hazell—Certainly not.

Senator ROBERT RAY—That is right. That is what I was trying to establish.

Senator FAULKNER—Are you able to put a dollar figure on the cost of board at Yarralumla? I was just thinking of the notional cost of board forgone for, let us say, 35 days at Yarralumla, or just on a per diem basis. I assume you can, or one of your officials should be able to.

Mr Hazell—Not with any reliability.

Senator FAULKNER—I am surprised at that. Are you able to indicate what the range may be if you cannot do it with any precision?

Mr Hazell—I have never attempted the exercise, so I honestly cannot tell you that.

Senator FAULKNER—I would be surprised if one of your officials would not be able to indicate that, given that you have regular visitors to Government House. These costs must be well understood, I would have thought, by your officers. I appreciate that you are recent arrival in the office of secretary to the office.

Mr Hazell—I make the point that there are clearly ongoing costs in running the organisation and the house. For example, when the Governor-General has official guests, such as the Queen, we do not have a nominal rate which we would charge them. That is included as

part of the overall running of the residence. That is why I say I do not think I could give you a figure with any reliability. I think it would be somewhat unreliable.

Senator BRANDIS—What about periods of transition from one Governor-General to his successor? Is it not uncommon, during a transition period, for there to be arrangements for the outgoing Governor-General to stay while his affairs as Governor-General are being wound up and he is attending to the logistics of moving?

Mr Hazell—Mr Chairman, can I invite Mr Davidson to comment on that.

Mr Davidson—Senator, I have been with the organisation since 1999. From my recollection there has not been a situation in that period, certainly in transition, where there has been a Governor-General designate residing at Yarralumla, awaiting the Governor-General to finish his term.

Senator ROBERT RAY—You might like to cite an example, Senator Brandis, to help the witness, from your knowledge.

Senator FAULKNER—Mr Hazell, did the Prime Minister approach your office and ask you to determine what an appropriate amount of board might be?

Mr Hazell—Senator, the Prime Minister does not approach my office. He approaches the Governor-General.

Senator FAULKNER—Did anyone on the Prime Minister's staff approach you? We know, because the Prime Minister has made it public, that Dr Hollingworth has offered to pay board. Is that correct?

Mr Hazell—That was what I understood to have been said in the House today.

Senator FAULKNER—Let us go back a step. Did Dr Hollingworth ask your office to prepare any background on an appropriate dollar rate?

Mr Hazell—No, Senator.

Senator FAULKNER—No-one from the Prime Minister's department or the Prime Minister's office has asked about that?

Mr Hazell—No, Senator.

Senator FAULKNER—Were you aware of Dr Hollingworth's offer before it was made public by the Prime Minister?

Mr Hazell—No, I was not.

Senator FAULKNER—You were not consulted?

Mr Hazell—No.

Senator FAULKNER—That means that accommodation at Yarralumla is at the Prime Minister's gift, is it?

Mr Hazell—I would not have put it like that, no.

Senator FAULKNER—How would you put it?

Mr Hazell—The Prime Minister recommends to the Queen the appointment; the appointment is made; the appointee resides at Yarralumla.

Senator FAULKNER—This sounds to me like a perfectly reasonable thing for Dr Hollingworth to offer in the circumstances. That is my view—a personal opinion, for what it is worth. But I am trying to understand what the decision making processes are here—why it is a matter for determination by the Prime Minister.

Mr Hazell—Sorry, Senator, are you asking me? I have given you the best answer I can. I honestly do not know anything further. If there was an offer made, as you have said, you are surmising. I can only surmise that maybe there was a nominal amount or they had a figure in mind. But I don't know and I would be surmising too.

Senator FAULKNER—For a moment I am taking a step back and asking about process. What I suppose surprised me in hearing about this was that it was a matter for the Prime Minister to determine whether money should be paid at Yarralumla or not. That is the issue I am canvassing.

Mr Hazell—That process has not been discussed with me and frankly nor would I expect it to be. If it was a matter discussed between the Prime Minister and the Governor-General, that would be quite appropriate.

Senator ROBERT RAY—Because it is really a political position rather than a financial one, isn't it? So it should not come to you.

Mr Hazell—It has not been discussed with me.

Senator FAULKNER—Could I ask your manager of corporate services whether there is a way of establishing or working out the rent or board forgone?

Mr Bullivant—We have not been required to do that exercise in the past. We would need to put our minds to how we might do that if we were requested to do so.

Senator FAULKNER—You know what the total residential costs of Government House are, don't you?

Mr Bullivant—We know what our operating costs are.

Senator FAULKNER—You could divide that figure by 365, couldn't you?

Mr Bullivant—I think there are probably a whole range of ways you could do it. I am not sure what—

Senator FAULKNER—Let us try it that way. What is the total residential cost at Yarralumla?

Mr Bullivant—I do not have the residential costs alone with me. Output 1.1, which covers support of the Governor-General, includes amongst a range of other things, what those residential costs would be. However, we have not brought that down to a lower level at this point.

Senator FAULKNER—So you cannot provide me with that figure?

Mr Bullivant—Not today, no.

Senator FAULKNER—I would not have thought that it would be too hard to disaggregate those costs.

Mr Bullivant—We would need to undertake the exercise.

Senator BRANDIS—It is really a valuation exercise, isn't it?

Mr Bullivant—That is another approach to it. Again, it depends on whatever has been agreed.

Senator BRANDIS—I dare say you are not a valuer.

Mr Bullivant—No, Senator.

Senator BRANDIS—Are you in a position to offer a view to this committee as to the notional or estimated cost of short-term residential accommodation?

Mr Bullivant—Not in the flat at Yarralumla, no.

Senator MURRAY—You value assets not costs. It must be a cost accounting practice.

Mr Bullivant—Yes, Senator.

Senator FAULKNER—Mr Hazell, are you able to indicate to us whether there is any capacity for Dr Hollingworth to use Admiralty House in Sydney?

Mr Hazell—At the moment, while he is standing aside, I would not expect the occasion to arise.

Senator FAULKNER—You do not think the occasion would arise. Are you able to say, if the occasion does arise, whether Dr Hollingworth is able to use Admiralty House?

Mr Hazell—I think the point at issue is that it is most unlikely that that will happen, largely because of the fact that the Governor-General's wife, as you would know, has just had a serious operation and she is undergoing medical treatment which is currently in Canberra. It is most unlikely that he will move out anywhere else. More importantly, I think, any other activities would be undertaken by the Administrator and Lady Green. Therefore, as I have said, I just do not think the occasion would arise.

Senator ROBERT RAY—While we are on the question of Admiralty House, when the Governor-General—this is only based on a press report—made the decision to stand aside—I think it was on a Sunday afternoon—the Prime Minister visited him at Admiralty House, which was quite appropriate. The press report then went on to claim—I have no idea whether it is true—that the Governor-General then visited the Prime Minister at Kirribilli. Is that correct?

Mr Hazell—No.

Senator ROBERT RAY—So that was a false report?

Mr Hazell—That is true.

Senator FAULKNER—I noted that your office has rented office space at 4 Treasury Place in Melbourne since January this year. Could you indicate to me whether that is a permanent lease?

Mr Hazell—I am advised that that lease has been in existence for a number of years; it is not new.

Senator ROBERT RAY—Is this on the ground floor where Sir Ninian Stephen often occupies—the one that \$800,000 of renovations were done to?

Mr Hazell—No. 4 Treasury Place in toto has been renovated. The Governor-General traditionally has had an office in 4 Treasury Place.

Senator ROBERT RAY—I see; so it is not for former governors-general?

Mr Hazell—There are former governors-general there.

Senator ROBERT RAY—I understand that but, in terms of this rent, it is for the Governor-General?

Mr Hazell—I will ask my colleague to comment. I do not have the detail and there is a little confusion.

Senator ROBERT RAY—Sure.

Mr Bullivant—The office has been leased by our office for quite a number of years. There has been no new lease entered into recently. From memory, the lease was entered into two years ago.

Senator ROBERT RAY—What is the cost of the lease?

Mr Bullivant—From memory, it is about \$45,000 a year.

Senator ROBERT RAY—Is there a permanent staff there, or a part-time staff there?

Mr Bullivant—No, Senator.

Senator ROBERT RAY—So how often has the office been used this year?

Mr Bullivant—It appears to be two or three times.

Senator ROBERT RAY—Is there a similar office in Sydney?

Mr Bullivant—No, Senator.

Senator ROBERT RAY—Admiralty House does the job, does it?

Mr Bullivant—Yes, Senator.

Senator ROBERT RAY—What about Adelaide and Brisbane?

Mr Bullivant—No, Senator.

Senator ROBERT RAY—Anywhere else—just Melbourne?

Mr Bullivant—Just Melbourne, Senator.

Senator FAULKNER—And why Melbourne?

Mr Bullivant—Again, Senator, it has been a longstanding arrangement. I am not quite sure why there is an office there.

Senator FAULKNER—Who are United Process Solutions? They are the suppliers.

Mr Bullivant—I am sorry, Senator, I do not know.

Senator FAULKNER—I am looking at contract 1055621, which is the Office of the Official Secretary to the Governor-General, office rent for 4 Treasury Place, Melbourne, February 2003.

Mr Bullivant—I can only assume that it is the contractor from whom we are leasing the premises in Melbourne.

Senator FAULKNER—It is renewed on a quarterly basis, is it?

Mr Bullivant—I think it is a three-year lease, Senator.

Senator FAULKNER—A three-year lease?

Mr Bullivant—Yes, Senator.

Senator FAULKNER—What is the contract value of that lease?

Mr Bullivant—I could not tell you at the moment, Senator; I would have to take that on notice.

Senator FAULKNER—So you are leasing an office that has been used three times so far in this calendar year.

Mr Bullivant—As I understand, Senator, yes.

Senator ROBERT RAY—Is that this calendar year or since January?

Mr Bullivant—It is since January, Senator.

Senator ROBERT RAY—That is what I thought, so you could assume that it is used at least six times a year. That is a fairer assumption than three. So it is about \$7,500 a visit per year.

Mr Bullivant—I have not done the maths, Senator.

Senator ROBERT RAY—I have done it for you. There are visiting ministers' rooms there, too, aren't there? Have you ever thought of leasing one of those on the odd occasion you are in town rather than paying out \$45,000 a year?

Mr Bullivant—That has not been raised with me, Senator.

Senator ROBERT RAY—I just have. I would give it a bit of thought. I would understand if it were 15 or 20 or 30 times a year, but it averages out at six times a year. It is pretty expensive office space at \$7,500 a visit. You could have a bit of fun in Melbourne for that, I can tell you.

Mr Hazell—I will take your word for it, Senator.

Senator ROBERT RAY—Come down, bring the \$7,500 and I will be your guide. I just think that the visiting ministers' offices are quite adequate for that sort of purpose. It would be different if you had permanent staff there—I could understand. I cannot understand why you would have an office for six visits a year. I really cannot.

Senator FAULKNER—These contracts are renewed on a monthly basis, aren't they?

Mr Bullivant—No, Senator. As I said, I think it is a three-year lease. Are you referring to gazetted information?

Senator FAULKNER—These are pulled down from the gazette publishing system. It says, '\$4,123.68—office rent, 4 Treasury Place, Melbourne, February 2003. Contract ID 1087353: contract value \$4,123.68—office rent, 4 Treasury Place, Melbourne, March 2003.'

Mr Bullivant—I have to confirm this, but I think our accounting people, each time they have received an account and made a payment, have gazetted that payment rather than gazetting in one transaction the actual lease cost for the year.

Senator ROBERT RAY—There is another saving we have found you. You can go onto a yearly or three-yearly basis, if you like.

Senator FAULKNER—But is it reasonable to say that the precise cost of this office is \$4,123.68 per month?

Mr Bullivant—If that is what has been gazetted, yes. I assume that would include GST.

Senator FAULKNER—And you know of it being used three times since January this year?

Mr Bullivant—That is what I have been informed, Senator.

Senator ROBERT RAY—Is this office one of those renovated there?

Mr Bullivant—When the building was renovated, I understand that the office was renovated at the same time.

Senator ROBERT RAY—Were you told of the costs of renovation of that office? I know you did not have to pay for it.

Mr Bullivant—I did not have responsibility for that at the time. I can only assume that we would have been made aware of what some costs would have been.

Senator ROBERT RAY—Do you know, Mr Davidson?

Mr Davidson—No, I am afraid I do not. Going back to the issue of it being two or three times—that is an approximation by me. It may have been four or five times. It was just an approximation of the amount of times. When the Governor-General was in Melbourne, if he had callers or meetings, he would take the opportunity to use the facilities at Treasury Place. If you would like a precise figure, I can provide it.

Senator ROBERT RAY—But you know there are visiting ministers' and members' offices there that are quite adequate and that could probably be provided for virtually nix—\$45,000 a year could well be a saving you could redirect within your organisation if you came under any financial pressure.

Senator FAULKNER—\$49,484.16 per annum for an office that is used literally a few times a year?

Mr Hazell—At the moment. There are obviously usage—

Senator FAULKNER—Not at the moment; historically.

Mr Hazell—No, Senator. Just let me finish, please. If a choice were made to use the Melbourne office more, clearly that figure would come down. It does depend a bit on engagements and opportunities and things like that.

Senator ROBERT RAY—You could probably get an office at Government House in Victoria for nothing. There is not a lot of angst here, Mr Hazell. It just seems an odd decision from what has been, over the years, a reasonably efficiently run office. This is not your responsibility, and I do not really question your predecessor. But sometimes these expenditures just go on and on, and they are never questioned. You are always looking for savings to cough up and be kept for some other part of your empire. This looks like an obvious one.

Senator FAULKNER—Where is Mr Reynolds based?

Mr Hazell—Mr Reynolds lives in Canberra.

Senator FAULKNER—There was report in the *Weekend Australian* of 10 May headed ‘Removal van falsely drives a rumour mill’ with a picture of a removal van going out the gates at Government House. There is some suggestion that this was indicative of Dr Hollingworth moving out when what it was was a special security filing cabinet being moved in. According to sources, the cabinet was ordered to house sensitive documents. Can someone tell me what that new security filing cabinet cost?

Mr Davidson—I am not aware of where that story came from—

Senator FAULKNER—I told you, it came from the *Weekend Australian*.

Senator ROBERT RAY—He does not know the source of the story.

Mr Davidson—My understanding is that the removal van in question was, in fact, bringing furniture onto the property to the new house manager’s residence.

Senator FAULKNER—So there is no new security filing cabinet at Government House.

Mr Davidson—Not to my knowledge.

Senator ROBERT RAY—So the *Australian* has got it wrong, yet again.

Mr Davidson—It would seem so.

Senator FAULKNER—I do not think it is a serious or grievous enough error to take to the Press Council, but the record has now been corrected. Can I ask you about legal advices—you may not be aware of this but I am sure one of your staff will be, Mr Hazell—sought by your office and paid for by the Commonwealth? Can one of the officers indicate to us what legal advices, if any, have been sought by the office of the Governor-General? I am not going to the content of the legal advice; I am just going to the process issue of how many, if any, and what they cost and so forth.

Mr Bullivant—The only legal advice, to my knowledge, is some that was commissioned, in terms of contracting and tendering, from the Australian Government Solicitor’s Office, and that is all.

Senator FAULKNER—When was that sought?

Mr Bullivant—That would have been sought late last year.

Senator FAULKNER—We know that, in relation to the variety of legal actions that Dr Hollingworth was involved in, he has met the cost of those himself, as I understand?

Mr Hazell—That is correct.

Senator FAULKNER—Your predecessor, gave us evidence to that effect the last time this committee met, Mr Hazell. That is still, of course, the situation?

Mr Hazell—That is quite correct.

Senator FAULKNER—Mr Bullivant, does that answer you have given in relation to legal advices also go to legal advices sought from Commonwealth agencies as opposed to outside legal advice?

Mr Bullivant—The only advice that is being commissioned is from the Australian Government Solicitor's Office, to my knowledge.

Senator FAULKNER—And that is the one you referred to earlier?

Mr Bullivant—Yes.

Senator FAULKNER—On the issue of removal expenses, I assume that the Commonwealth pays for removal expenses for retired or resigned governors-general. Is that the case?

Mr Hazell—As I said earlier, that question is more appropriately directed to the Department of the Prime Minister and Cabinet. They have responsibility for facilities for former governors-general.

Senator FAULKNER—No-one in your office has nailed this issue down or has had a look at this issue?

Mr Hazell—I am advised that we have some knowledge as to what has happened in the past but certainly not as to what may happen in the future. That is really not a matter for us.

Senator FAULKNER—Perhaps, Mr Bullivant, you can share with us what the previous experience has been.

Mr Bullivant—In the past, as I understand it, the Department of the Prime Minister and Cabinet has paid for the costs of incoming removal and also external removal.

Senator FAULKNER—Yes, because you see, Mr Hazell, the Governor-General has to liaise with your office and, while it is proper that your office may well liaise with the Department of the Prime Minister and Cabinet, that is not a direct relationship—is it?—between the Governor-General and the Department of the Prime Minister and Cabinet in that sense.

Mr Hazell—I am yet to experience that, but I understand what you are saying.

Senator FAULKNER—In the portfolio budget statements I see expenditure of \$716,000 on restoration work, refurbishment and capital improvements to Yarralumla and Admiralty House. What are the plans for that refurbishment in the period ahead?

Mr Bullivant—The office has received a similar quantum of funds previously to support its capital works program. The \$716,000 will go towards a number of building projects that we have identified through our strategic plan, approval for which has yet to actually proceed. We have a number of projects on the drawing board.

Senator FAULKNER—Could you outline for the committee's benefit what those projects are?

Mr Bullivant—The principal one that we are looking at is the Honours Secretariat buildings. These buildings have been around since 1973, originally as dormitory style accommodation. There is another building, the former footman's cottage. That was built in 1944. We are looking to see how we can refurbish those buildings to make them more appropriate for the purpose of office administration/office accommodation. There are an increasing number of OH&S issues that are starting to come forward through our occupancy

of those premises, so the majority of our expenditure in the immediate future will be focused on that particular area.

Senator FAULKNER—Can you say what proportion of the expenditure it is? Can you disaggregate it a little for us?

Mr Bullivant—We are looking at the upgrade, which is estimated at this point to be around \$1½ million. That will be undertaken next year and probably go into the subsequent year.

Senator FAULKNER—This is the upgrade of the Honours Secretariat buildings?

Mr Bullivant—That is correct.

Senator FAULKNER—What else have you got planned apart from that?

Mr Bullivant—We have some work at Admiralty House. We have some continuation work on the restoration of the marine barracks. We have a service courtyard that is significantly damaged and requires upgrading. We have work that we are looking to do around heating at the state entrance and some work around the caretaker's cottage, which is due for upgrading.

Senator ROBERT RAY—I do not want to go to the substance of the unfounded allegations against the Governor-General coming out of the Melbourne court case; I want to go to the process of consultation. We understand, from statements made both in the media and by the Prime Minister, that he was informed of these unfounded allegations in December and a variety of discussions, briefings and updating occurred between then and when the matter came into the public purview. Is there anything in the protocols regarding the way the Governor-General operates to suggest that the Leader of the Opposition should have been briefed on these matters by the Governor-General or by his office or by the Prime Minister?

Mr Hazell—Clearly, I was not around at the time.

Senator ROBERT RAY—I understand that.

Mr Hazell—Let me try to go through the theory; I think you know what I mean. I expect that when the Governor-General became aware of the allegations he did, as has been made public, advise the Prime Minister of them. It is traditional that the Governor-General would seek the advice of the Prime Minister on that sort of issue and in fact on any other issue affecting policy judgments or whatever. I am not aware of—in fact I cannot think of—anything of a similar nature where it would be suggested that he might consult or seek the advice of the Leader of the Opposition; the advice would be sought from the Prime Minister.

Senator ROBERT RAY—Clearly you will not get any dispute from me in relation to seeking advice. I quite understand that the Governor-General would seek advice from executive government; that is totally appropriate. But this also involves a degree of intelligence as to what is happening to the office and to himself. There are many other examples where the Leader of the Opposition, in our current government fabric, is not consulted for advice but is consulted in order to be informed of certain matters. You can see examples of that across the board in terms of security briefings and everything else. My question was more directed to that—to keep a Leader of the Opposition, the leader of the alternative government, informed of these issues but not to seek advice on them, obviously.

Mr Hazell—I am getting into an area now that is, frankly, out of my depth. But these were allegations that were made—unsubstantiated allegations—and the Governor-General had advised the Prime Minister. I honestly do not know, Senator, where it may or may not have gone from there. I am not aware of any other instance where the next step would have been an automatic consultation with the Leader of the Opposition. There is quite a difference, I would have thought, in terms of security briefings for the Leader of the Opposition, which of course is done at the Prime Minister's behest. I think it is of a different nature.

Senator ROBERT RAY—I am equally uncertain as to what past protocol and future practice should be. I just wanted to try to get a view on it.

Mr Hazell—I think our practice would be that, if the Governor-General were in any doubt, he would seek the advice of the Prime Minister.

Senator MURRAY—I have some questions, if there is a gap here.

CHAIR—Yes, Senator Murray.

Senator MURRAY—The Governor-General, or the Governor-General's office, has, I understand, received correspondence during his time as Governor-General related to issues of the sexual assault of children in the Anglican Church or institutions related to the Anglican Church whilst he had executive or titular authority there. That is true, isn't it?

Mr Hazell—That is true.

Senator MURRAY—That correspondence: whose property is it now? Is it the property of the former Governor-General or is it the property of the Governor-General's office? What happens to it? Does it belong to the Commonwealth?

Mr Hazell—You said the former Governor-General. You mean Dr Hollingworth?

Senator MURRAY—I am sorry, I mean Dr Hollingworth, now that he has resigned.

Senator ROBERT RAY—What is the official term? I am not being a smart Alec here. We know the term Governor-General designate et cetera. How should we refer to him?

Mr Hazell—The Governor-General is still the Governor-General.

Senator MURRAY—I was thinking the proper term might be the Governor-General resignate.

Senator ROBERT RAY—Resident?

Senator MURRAY—Resignate. Perhaps that is a bit too smart. Let me rephrase it slightly. You know what the question is. I am referring to when Dr Hollingworth has left office. That correspondence: who does it belong to? Is it the property of Dr Hollingworth or is it the property of the office?

Mr Hazell—I cannot answer you in any definitive way, other than to say this: the correspondence on those matters that have already come in have been handled very largely by Dr Hollingworth himself, and they are retained physically in his personal office.

Senator BRANDIS—Letters addressed to Dr Hollingworth in a capacity other than in his official capacity as Governor-General are his private property. If they relate to events which

happened or were alleged to have happened before he became the Governor-General, the fact that he received them at the time he was Governor-General would not change that position.

Mr Hazell—That is what is informing my judgment, Senator. Some of the letters clearly go on to make a comment or otherwise about other matters that may quite properly, one would expect, relate to the office of Governor-General. That is why I was cautious in what I said. But certainly the majority of them are along those lines.

Senator MURRAY—But, Mr Hazell—

Senator FAULKNER—Can I interrupt you for once, just on this issue?

Senator MURRAY—I want to stay with that issue, if I may. Mr Hazell, surely if the Governor-General responds to correspondence using the letterhead of the Governor-General and not a personal letterhead—

Senator ROBERT RAY—That is where Senator Faulkner is going to help you.

Senator MURRAY—then the issue is in dispute. I do not accept the interjection by my colleague, and I would doubt you would have a ready answer to hand. If you would like to take a response on notice I would be content with that if you are unable to answer now.

Mr Hazell—Are you suggesting that we should have further stationery printed?

Senator MURRAY—No. I am not going anywhere near that. Let me spell out to you what I am exploring here. Newspaper reports say that there have been 157 sexual assault cases which have been under review by the Anglican Church in Brisbane, a number of which—I am not sure how many—were during the time Dr Hollingworth was archbishop of Brisbane. I do not know with respect to how many of those or of other instances there has been correspondence to the Governor-General whilst he has been in office. I would assume that if those cases are ongoing and if that correspondence is in the hands of the Commonwealth as opposed to the private hands of Dr Hollingworth, there would be issues of freedom of information applications and that if there were legal cases there would be issues of whether or not discovery would be permitted and so on. In other words, it gets a little thorny. That is why I am asking from the point of view of Commonwealth liability, not necessarily financial but in terms of due process, whether correspondence received by Dr Hollingworth related to his former occupation and replied to by him on Commonwealth letterhead is the property of the Commonwealth—the property of the office of the Governor-General—or his personal property.

Mr Hazell—I cannot give you a fully informed and absolutely black and white answer on that. Clearly, Dr Hollingworth is a single entity. When people write to him with good wishes or whatever, he responds as Dr Hollingworth, Governor-General of Australia. I think that has been the practice of his predecessors as well. I would have thought that that was also the practice in other areas of government. It is very hard for me to be totally definitive about it but I think the practice has been that most of those issues have been handled in more of a private sense as opposed to an official sense.

Senator MURRAY—What steps do you, perhaps in consultation with the Prime Minister, propose to take with respect to this matter? If Dr Hollingworth leaves the office, will there be a decision as to which correspondence stays behind as the property of the office and which

correspondence goes with him? What is private is his, but what is to do with the office then has matters of archives, matters of freedom of information, et cetera all attached to it, in ways you fully understand.

Mr Hazell—I confess to you, Senator, that I have not turned my mind to that at this time. My quick answer is that I would have tended to believe that it was largely of a private nature.

Senator BRANDIS—That is an interesting question. Wouldn't the archival practices merely reflect document handling practices so that when an item of correspondence was replied to it would be classified, would it not, as private or to be maintained on the official files? Presumably, the archival practices would merely follow the distinction made at the time the piece of correspondence was handled.

Mr Hazell—Quite possibly, Senator.

Senator BRANDIS—Perhaps it is your relative newness in the office that forbears you from being able to tell us.

Mr Hazell—I have to confess, and I am sure you would understand, that in trying to think through the theme logically I ask: has this happened to other governors-general previously on this sort of issue? It has not, clearly, on this particular issue but it may have on other things that were regarded as more private. I would have thought that those papers would have gone with them as private papers. I have to say that I honestly do not have a definitive view about that. It is not something I have looked at carefully. In terms of wisdom, I ought to take some advice on that.

Senator MURRAY—That is where I would like you to go. My contention is that there may be more issues running on this, given the public reports about the number of cases that the Anglican Church is handling. Even if it were not, there would be considerable historical interest later on in these events and archive considerations are of importance. Plus, of course, I think Dr Hollingworth has the right to preserve to himself those things which are genuinely private and to which he responded on a private basis. If you were able to give further consideration to this and advise the committee I would be obliged.

CHAIR—It is an interesting question. With presidents of the United States, for example, nearly all their papers in effect become ultimately public, even the so-called private correspondence that you might think is of a private nature. Over the long term the distinction between public and private with respect to the President of the United States is obliterated. I do not know what the practice is here but it is an interesting question.

Senator BRANDIS—Doesn't the National Library in fact run a program of classifying and keeping safe the private papers of prime ministers and governors-general, albeit on the basis of their voluntary cooperation with that program?

Mr Hazell—That is true, and I think the National Archives do as well. In fact, I think the predominant one is the Archives, but I also know of a couple of institutions around the country where the private papers of former prime ministers have been deposited. Senator Murray, perhaps I could come back to you. It occurred to me that, especially in terms of the issues that you raise concerning the Anglican Church, many of those would be directed directly to the Anglican Church—and appropriately so.

Senator MURRAY—Of course. I merely raised the 157 to indicate that there is a large number. We already know some of these have affected the Governor-General, and there may be some others.

Mr Hazell—That figure came, I think, from Archbishop Aspinall.

Senator MURRAY—That is right, but it is unclear to me in these circumstances, given both their public interest and perhaps their legal interest, what the position with respect to that correspondence and interaction is regarding matters such as those. Providing the committee is content, I would appreciate a more thoughtful response from you.

Mr Hazell—I will take advice on that.

Senator FAULKNER—On this point, because I think it is an important issue which has been raised, we had a situation where it was splashed across the front pages of a lot of newspapers. One example was the *Sunday Telegraph*, which I bought in Sydney, with the big headline ‘The letter to bring down a Governor General’ and it had—and I do not know whether it was a mock-up or not, but it looked more like it might have been an extract from the letter—a letter from Dr Hollingworth to Archbishop Aspinall, dated 16 May. The front page of the newspaper showed Governor-General letterhead. I cannot be 100 per cent sure whether that is a mock-up or whether it reflects the letter. But certainly journalists have indicated, in writing about this two-page letter, that it was written on letterhead—and I take it at face value that it was Governor-General letterhead—and it was dated 16 May.

That means the time lines here are thus. Dr Hollingworth said to the Prime Minister that he would stand aside on 11 May. I think it was on 15 May that Sir Guy was sworn in as administrator. I do not know to what extent this is a major point, but I wondered where the Governor-General defined himself in relation to this sort of use of letterhead in these circumstances. It is a point, as you would appreciate, that has been raised from time to time in relation to ministers and parliamentarians and the like. It is not an issue that affects only the Governor-General; it affects a lot of people in public life.

Mr Hazell—As I said before, I would comment on that that you are correct to identify the timing as post when the Governor-General stood aside. But he remained Governor-General. He remains Governor-General until, as I explained before, the commission is revoked.

Senator FAULKNER—I accept that point absolutely. The technical issue goes to the appropriateness or otherwise of anyone who holds public office writing private matters on official letterhead. It is not a new issue. I can assure you this is one of any number of cases, and at times they are raised in the parliament. I think that the business being transacted here is not the business of the Governor-General; it concerns matters outside official duties. While I absolutely accept the point you make that the Governor-General was Governor-General on 16 May, Dr Hollingworth is still the Governor-General as we speak now. You are absolutely right about that and no-one could argue about it. The issue I suppose goes to the appropriateness or otherwise of people who hold a public office using that letterhead in terms of transacting business that is not official business. I am sure you appreciate that distinction.

Mr Hazell—I appreciate the point you make. I have no magic solution to it because I think it is an issue that has been raised over many, many years and there will always be a blurring because, as I said before, the Governor-General as a person is indivisible.

Senator BRANDIS—I suppose, Mr Hazell, you would particularly say that when aspects of what might otherwise have been thought of as private conduct by an office holder in a time prior to the holding of the office become a matter of public controversy during the currency of the holding of the office.

Mr Hazell—There is a grey area.

Senator FAULKNER—It is possible that some of this correspondence may not have elicited the reaction. I do not know, but it may not have elicited the reaction it did if it was on a blank sheet of paper. That is the point, is it not?

Senator MURRAY—That is right.

Senator ROBERT RAY—I wanted to raise with you an article in the Melbourne *Herald Sun* of 10 May—at the height of the feeding frenzy. It is an article headed ‘VIP jet used to attend old boys dinner,’ and it is by Ms Fleur Anderson. It is a while since I looked at these issues but, basically, this and other articles suggest the Governor-General used a VIP jet to go to a school reunion, the Davis Cup, Brisbane Lions games, and the Australian Open. I want to get this right for the record. The Governor-General is entitled to use the VIP aircraft on any occasion, isn’t he?

Mr Hazell—I think my predecessor outlined the circumstances at the last meeting, Senator. But, yes, it is certainly the tradition that the Governor-General uses VIP aircraft. Of course, there is a very heavy security element in that. But that is true and it has been the case with previous governors-general.

Senator ROBERT RAY—None of us want to be on the same plane, irrespective of who the Governor-General is, because it presents an increased security risk for all passengers. Is that right?

Mr Hazell—I believe that is what the security advice is.

Senator ROBERT RAY—However, there is some suggestion around—it is probably erroneous, as is the rest of the article—that someone from your office prior to you being there indicated that they had opposed the Governor-General using VIP aircraft to go to these functions. That is false, is it not? I think it has been denied.

Mr Hazell—I cannot answer that, Senator.

Senator ROBERT RAY—I would imagine that if the Governor-General attended some of these functions he would have been, in any event, responding to an official invitation.

Mr Hazell—That is true.

Senator FAULKNER—I want to ask about an issue concerning a function held at Admiralty House that was hosted by the Governor-General. I am not entirely sure of the date, but it was some time in April this year. I cannot be more precise than that. The press coverage was around 5 April. This goes to an official function hosted by Dr Hollingworth at Admiralty House for the families of Australian service men and women in the gulf. This predates you becoming official secretary, but I think your office would be able to confirm the date of that function.

Mr Davidson—The event in question was co-hosted by the Governor-General and the Prime Minister at Admiralty House.

Senator FAULKNER—Do you know on what date that was held?

Mr Davidson—I do not have the exact date with me, Senator.

Senator FAULKNER—Did the request for that barbecue function for the families of the troops to be held at Admiralty House come from the Prime Minister or the Prime Minister's department?

Mr Davidson—I have no background knowledge of where that invitation came from, other than the advice of the previous official secretary that the event was to be held at Admiralty House.

Senator FAULKNER—One of the problems was the restriction on the movement of the media at the function. Do you recall that, Mr Davidson? It became a matter of some notoriety at the time.

Mr Davidson—I was not actually present at the function in Sydney, so I cannot comment on media control at the event.

Senator FAULKNER—Is there anyone who can assist us on this matter?

Mr Hazell—No, I am sorry, Senator.

Senator FAULKNER—In these circumstances all I can do is ask you to take some questions on notice about it, Mr Hazell, and respond as soon as you are able to. I would be interested to know where the request for the co-hosting of the function to be held at Admiralty House came from. The substantive issue here is in relation to the way that the media were managed at this event, and we might be able to follow through at the supplementary estimates round. I would like to ask on notice whether the Department of the Prime Minister and Cabinet requested that there be restrictions on the movement of the media at that function. If that is the case, who requested it and for what reasons?

I would like to be informed of your office's understanding of why there was such a need for secrecy and unnecessary media control at this function at Admiralty House. This is where the media were first of all told to meet at Victoria Barracks and then taken to Admiralty House for the function. I would like to know whether the office was informed as to whether the reason for this was that protesters might become aware of the function for the families. Apparently someone jumped to the conclusion that therefore there was a need to cover up where the function would be held. Did those circumstances in part lead to Admiralty House, because of the special security arrangements that apply there, being seen as an appropriate venue for the hosting of this particular function? If you need to look at some of the press reporting of this, you could look at the *Australian* newspaper of 31 March, followed up in the *Weekend Australian* on 5 April.

Mr Hazell—I will take that on notice, Senator.

Senator FAULKNER—It is the media management of the function that became an issue, and that is what I am focusing on.

Senator MURRAY—Just to follow up on that, when something is co-hosted, who pays? Is it split down the middle?

Mr Hazell—It is shared.

Senator FAULKNER—Was it split down the middle in this case?

Mr Hazell—I cannot say, Senator. I just do not know.

Senator FAULKNER—Admiralty House, if there were genuine security concerns, may well be quite an appropriate venue, but it seemed to be an extremely strange way of managing or manipulating the media, which is the issue that I am going to.

CHAIR—There being no further questions, Mr Hazell and officers, I thank you very much for your assistance this afternoon. We will recommence after the dinner break with the Office of the Commonwealth Ombudsman.

Proceedings suspended from 5.56 p.m. to 7.34 p.m.

Office of the Commonwealth Ombudsman

CHAIR—I call the committee to order and welcome Professor John McMillan, the Commonwealth Ombudsman, and the Minister, Senator Hill. Professor McMillan, would you like to make an opening statement before I ask for questions from the committee?

Prof. McMillan—I merely wish to note that, as members would know, I was appointed to this position two months ago. It is a pleasure to be here to meet the committee, on this occasion and no doubt in the future as well. I also have with me Ms Catherine McPherson, a senior assistant ombudsman, responsible within the office primarily for the areas of major investigations and law enforcement.

CHAIR—Thank you, and welcome.

Senator FAULKNER—I also welcome you, Professor, and congratulate you on your appointment and commiserate with you for having to appear before the Senate estimates committee—but they are the breaks, as they say. Given that you have just stepped into this role you might briefly indicate to the committee what your priorities are in your new role and what you see as the key challenges you might have to address.

Prof. McMillan—In broad terms, I think I come to the office with three major objectives. Firstly, the office has been operating now for 25 years and in that period it has established an enviable reputation for examining the impact of government on individuals. Oftentimes even the best policies and the best laws have an impact that can be unpredictable, discriminatory or unfair and the office, which now handles roughly 40,000 complaints and inquiries a year, has managed to put the spotlight on that important dimension. My primary objective is to continue that tradition.

Secondly, as the office has been operating for 25 years, it has developed an enormous amount of wisdom and expertise in conducting administrative investigations. It is appropriate from time to time to reflect and distil that wisdom and insight. I hope to do that over a five-year time span.

Thirdly, and particularly in light of my earlier interests at an academic and practising level in law and government, I would like over the period to raise the profile of the office, not by

way of conducting investigations in the public spotlight, because that can sometimes be inappropriate, but more to raise the profile of the office as a key institution in the accountability framework of government. There is always a danger that institutions, such as the Ombudsman, that have been beavering away quietly for a period are taken for granted and that the true contribution they really make to the accountability side of government can be understated. I would like to focus on that generally and also specifically in terms of exploring the role that I think the office can play in conjunction with other roles in defining the standards for good administration in a way that involves a blend of legal insight, administrative reality, resource reality and the like.

Senator FAULKNER—Thanks for that. I suppose we will be able to examine over a period of time how those priorities develop. I appreciate hearing your views. I understand that it is not only you who are new to the Ombudsman's office; there is also a new Deputy Ombudsman.

Prof. McMillan—Perhaps I can go back a step. Shortly before my appointment as Ombudsman was announced, the Deputy Ombudsman had also resigned to move on to another position. So when I joined the office there was no Deputy Ombudsman and one of my first tasks was to reinvigorate the selection process for the Deputy Ombudsman. It is a statutory appointee and the name of the appointee was announced about a week ago. It is Mr Ron Brent. He is currently the director of ScreenSound Australia, a position he has held for about 10 years. It is an opportunity for both of us, coming fresh to the office, to work together in exploring the role it can play.

Senator FAULKNER—We know Mr Brent well, as you can imagine, so you might pass on our congratulations to him. Is there any particular challenge as a result of having both these positions becoming vacant and then filled over a very similar short time period?

Prof. McMillan—From the discussions I have held so far with Mr Brent, I think he would very much share the same objectives I have and particularly that of continuing the tradition of the office recording its wisdom and raising its profile. In terms of subject areas of investigation, the experience there can be episodic to some extent. It depends upon the areas of complaint that arise. To reflect over the last few years, the major areas that energised the investigatory capacity of the Ombudsman were the operation of freedom of information laws, the administration of family tax benefit, and problems with detention centres. There is reason for thinking that at least some of those continue—detention centres are an obvious example. Some of the others—freedom of information, for example—we will revisit. Those are examples of things that have an episodic impact on the work of the office.

There are some other areas that have been of longer, continuing concern. The Ombudsman's office has probably made a marked contribution to public administration in the development of internal complaint procedures across government. A compatible development is the development of service charters across government. I think the office has heralded the importance of those two areas. That is an area of continuing interest that I will certainly pursue, hopefully with the same vigour that former Ombudsmen pursued it.

Senator FAULKNER—Your predecessor, Mr McLeod, was reported in the newspaper earlier this year as planning some legal action against Minister Ruddock to force the minister

to disclose why he had banned a US student from entering Australia. Are you aware of this case?

Prof. McMillan—I think I have a limited knowledge, and it is to the effect that the newspaper report was inaccurate, but I may just confirm—

Senator FAULKNER—That is what I was going to ask. Can someone tell us what the status of that is?

Prof. McMillan—We do not have any details but I am told that the report is inaccurate. I would be happy to provide a further response to that question, Senator.

Senator ROBERT RAY—When you do, could you highlight where the report is inaccurate? This is the one of Friday, 3 January, in the *Australian* newspaper yet again.

Prof. McMillan—My understanding as to why it is inaccurate, I should say for the record, Senator, is that I specifically inquired of the former Ombudsman about a newspaper report that I had seen suggesting legal action, and I was told that the report was inaccurate—it was a misinterpretation of some advice given by an investigation officer. I think our discussion relates to the same newspaper report, so I will try and set that matter straight on the record.

Senator FAULKNER—That would be helpful, but this newspaper report quotes Senior Assistant Ombudsman John Taylor. I have never heard of that role. Do you have Mr Taylor working for you?

Prof. McMillan—Yes, and he does occupy a position called Senior Assistant Ombudsman.

Senator FAULKNER—Mr Taylor is quoted as saying ‘yesterday’—this was on 3 January, so I assume that he allegedly made the statement on 2 January 2003—that it was not uncommon for the Ombudsman to use his powers to compel the production of documents. He is recorded further as saying:

I am not aware of any case where it has been necessary to take the next step, to request the Federal Court to compel the minister or the department to produce the documents ...

That is the issue here—the significance of taking court action. Do we know whether any such proceedings were commenced?

Prof. McMillan—I can certainly say that there are no such proceedings under way at the moment. In my two months I have not been advised of any.

Senator FAULKNER—Perhaps you will take on notice, as well as Senator Ray’s question, what the status of those comments from the Senior Assistant Ombudsman might have been and the status of any such proceedings, although you have probably dealt with that.

Prof. McMillan—Happy to do so, Senator.

Senator FAULKNER—Do you have a general view about the use of FOI by parliamentarians and executives reluctant to allow transparency and accountability? Do you have a general philosophical view on this?

Prof. McMillan—Yes. The general philosophical view is that the FOI Act confers the statutory right upon anybody who wants to exercise it. It would be quite appropriate for a member of parliament to exercise that right if they chose to do so. They may of course encounter some of the problems that other people encounter from time to time in terms of

delay in disclosure of information or coming up against exemptions and the need to institute further review of a denial of access. In principle I see no difficulty, problem or objection—philosophical, practical or otherwise—against members of parliament exercising the right. I am well aware both from anecdotal accounts in the newspapers and also from the case law that there is a venerable tradition of members of parliament and ministers exercising those rights.

Senator FAULKNER—Yes, we will see how that develops too. It has been a bit of an agony for some of us.

Prof. McMillan—Yes. It is part of the inbuilt structural problem of the FOI Act, particularly the delay that can occur with processing requests and the need to move forward to each successive layer, review or appeal in order to utilise the rights fully.

Senator FAULKNER—The issue of the public interest waiver of course is another one that is close to the hearts of some on this committee. We might inevitably deal with those issues with you in the future. I want to ask you about the committee that you are a member of reviewing changes to the Crimes Act relating to DNA material for law enforcement purposes. You are, or have been, a member of that committee, haven't you?

Prof. McMillan—I was not personally a member of the committee. My colleague Ms McPherson was a representative of the Ombudsman's office on the committee.

Senator FAULKNER—That is the committee chaired by Mr Sherman?

Prof. McMillan—That is correct.

Senator FAULKNER—Is there a continuing role for that committee for the Ombudsman's office?

Prof. McMillan—If I may, I will ask Ms McPherson, who is more familiar with the role of the committee, to answer that question.

Ms McPherson—One of the recommendations of the committee was that there be a further review of the situation in another two years time, which the Crimes Act allowed for, and we have recommended that that does take place. There is not an ongoing committee, as such.

Senator FAULKNER—How often does it meet?

Ms McPherson—It met entirely to review the situation and it has provided its report, which was tabled, to the government.

Senator FAULKNER—What was the tabling date?

Ms McPherson—It was last week, Senator.

Prof. McMillan—Perhaps I can supplement the answer by saying that I have had some informal contact since with the Privacy Commissioner, Mr Crompton, about the importance of the recommendations and the need perhaps for those who were involved as members of the committee to give some publicity to the recommendations. As I say, the contact is informal at this stage but, for example, the Privacy Commissioner and I issued a joint press release drawing attention to the recommendations and to that extent trying to give added publicity to them.

Senator FAULKNER—Was it presented to the minister for tabling or was it actually tabled?

Ms McPherson—It was presented to the minister for tabling.

Senator FAULKNER—So the report itself is not at this stage public?

Ms McPherson—I believe it is a public document.

Senator FAULKNER—It is a public document?

Ms McPherson—Yes, as tabled by the minister last week.

Senator FAULKNER—Out of session?

Ms McPherson—I believe so, yes. It certainly is publicly available. If it is not in *Hansard*, it is on the Attorney-General's Department web site now.

Senator FAULKNER—I see. Has there been an issue in relation to the membership of this committee or the role of the Ombudsman's office in the membership of this committee?

Ms McPherson—Not that I am aware of.

Senator FAULKNER—Fair enough.

Ms McPherson—To clarify that, part 1D of the Crimes Act specifically states that an independent review should take place and who should be on that committee, including a representative of the Ombudsman. That is specifically in part 1D of the legislation.

Senator FAULKNER—Have you been on the committee from its commencement?

Ms McPherson—Yes.

Senator FAULKNER—You mentioned in relation to detainees that obviously this is a priority issue for you and an issue that is taking quite some time. It is true that you are investigating complaints. I refer you to the *Sydney Morning Herald* article of Friday, 16 May, which goes to detainees in the Villawood detention centre. There seems to be a bit of argy-bargy in the article about the status of the Ombudsman's role. I think that is a fair thing to say. Could you clear that up for us?

Prof. McMillan—The Ombudsman has received a number of complaints from people who are detained at Villawood. We have received complaints from people in other processing centres and detention centres as well. In addition, the Ombudsman's office, compatibly with the role it often performs, has developed some of the individual complaints into what are better known as own motion inquiries or systemic inquiries. I cannot recall the precise statistics, but I think in recent times close to 50 per cent of the active complaints that we are undertaking in the immigration arena are inquiries related to detention or processing centres. They cover a range of issues. For example, some of the prominent issues that have arisen have been, firstly, access to adequate and timely medical services. A second issue is the use of flexi-cuffs when people are being transported to another location for medical treatment. A third area has been record-keeping and incident reporting. A fourth area has been the quality and suitability of internal complaint procedures, both within detention centres and in the department.

That is a broad overview, Senator, of the kinds of issues that arise, which really touch upon many of the aspects of immigration, detention and processing centre management. I am at the stage of personally trying to come to grips with how best an office such as my own does become involved in the investigation of complaints of this kind. They are issues of great importance. On the other hand, the management issues are often moving quickly and by the time, for example, an office of mine can investigate individual complaints time may move on. In fact, some issues I have looked at recently in internal reports really are in relation to practices in centres that have probably ceased—parts of detention centres have been restructured. It is a difficult issue to know how to manage with so many individual complaints covering so many incidents.

Senator FAULKNER—In this article, a spokesman for your office is reported as saying that your office was:

... looking at the provision of medical services in several centres, after a series of visits its officers had made to monitor the treatment of detainees. A preliminary report had already been given to the department.

Is that right?

Prof. McMillan—I have not been personally involved in that aspect. I will ask my colleague Ms McPherson, who has been more involved in the immigration inquiries, to comment.

Ms McPherson—We have provided some preliminary views to DIMIA about areas of concern we have. It is no more than that at this stage. We have not moved at all to any formal report arrangements with them or yet given them an opportunity to comment.

Senator FAULKNER—There is no informal inquiry yet?

Ms McPherson—We have been looking at individual complaints and, as Professor McMillan has mentioned, one of the issues we have is trying to draw out from some of those individual complaints issues that might be more systemic and concerns we might have about those, and raising them with the department.

Senator FAULKNER—Is there or is there not a formal inquiry?

Ms McPherson—We have been undertaking an own motion inquiry—a formal inquiry—into conditions in detention centres. We are in the process of finalising that but we have not yet formally provided a report to the agency.

Senator FAULKNER—Is it more than a statistical analysis drawing together complaints with a similar theme for discussion? Is it more than that?

Ms McPherson—We provide different things to different parts of the office at different times. I am not sure what you are referring to.

Senator FAULKNER—I am referring to what was said in this article. It says:

A spokesman for the Immigration Minister, Philip Ruddock, played down the Ombudsman's investigations and Mr Abbas's complaints.

He described the broader investigation as a “statistical analysis drawing together complaints with similar theme for discussion”—

I interpolate here: whatever that means—
and “not a formal inquiry”.

All I am trying to find out is whether that is right or wrong, and what is the status of the inquiry.

Ms McPherson—There are several things that we are talking about and that the minister or a spokesman for the minister has commented on. I am not clear what the information was or what the *Sydney Morning Herald* were originally reporting on. We have provided the secretary of the department with some preliminary statistical analysis which will ultimately form part of our annual report type statistics. That is what the secretary has officially from us.

Senator FAULKNER—In the broad, surely we would describe these as allegations that medical treatment has been withheld from people in detention centres. That is the broad issue, isn't it?

Ms McPherson—That is the broad issue that has been raised, yes.

Senator FAULKNER—All I am trying to establish is this: what is the status of any reports you are conducting into that?

Ms McPherson—The only thing that has been provided officially to the secretary is some statistics on the types of complaints that we have.

Senator FAULKNER—That has been provided.

Senator ROBERT RAY—We asked what you are doing, not what you provided.

Ms McPherson—Under our own motion we are conducting an investigation of conditions in detention centres, and also looking at individual complaints that we get—some of those have raised medical issues—and we are dealing with the individual matters on a case by case basis. Some of the issues that have come out of that were also picked up through our visits to detention centres. At this stage we are coming to the finalisation of a report, but nothing has been provided to the department in the official form yet.

Senator FAULKNER—Therefore the statement by the spokesman for the immigration minister that this is just a statistical analysis drawing together ‘complaints with a similar theme for discussion’—I do not know whether he said that; that is what is quoted in a newspaper—is patently wrong.

Ms McPherson—I was suggesting that I think that comment might have been in relation to what has been provided officially to the secretary. Whether or not they thought that was the basis for the *Sydney Morning Herald* article, I do not know.

Senator FAULKNER—You are properly drawing a distinction—or I am drawing it, and I think you are agreeing—between what has been provided and what is being undertaken.

Ms McPherson—Yes.

Senator ROBERT RAY—In the process of that investigation, have you had dialogue with the department on these issues?

Ms McPherson—Yes, we have.

Senator ROBERT RAY—So they would know you have had dialogue on issues beyond statistical collection?

Ms McPherson—Yes.

Senator FAULKNER—Has anyone taken up with the department—through the department or through the minister for immigration's office—the inaccurate spin that appears to be coming on this issue from that source?

Ms McPherson—No, because I do not know what the spokesman was commenting on.

Senator FAULKNER—You had not seen this article?

Ms McPherson—I have not seen the article. Somebody in my office mentioned that there was an article that made that comment, but I did not see it as an issue in terms of what that was based on.

Senator ROBERT RAY—Do you have a clippings service?

Ms McPherson—No, we do not.

Senator ROBERT RAY—You do not do any media monitoring?

Ms McPherson—We try to keep tabs on the media, but as to what the spokesman for the immigration minister or department said, again, I do not know what it is in relation to.

Senator ROBERT RAY—With due respect, this is a story about the Ombudsman and the office, not just about the minister. You said you discussed it with someone, but you did not ask for a copy?

Ms McPherson—I did not see it as necessary. Again it gets back to making assumptions or not making assumptions about what somebody is basing their information on or, indeed, whether the reporting in the newspapers is accurate or not.

Senator FAULKNER—This was on page 2 of the *Sydney Morning Herald*. Whatever you think of the *Sydney Morning Herald*, it is a broadsheet of some status and with a reasonably large circulation. I find it incredible that this would not be drawn to your office's attention or that, if it was drawn to your attention, someone did not actually go and have a look, because this is going to the heart of the work of the Ombudsman.

Prof. McMillan—I would like to comment on that. In my short time in the office, I am aware of occasional references to Ombudsman investigations. I am aware of at least one other reference that I saw was inaccurate, and decided not to issue any corrective statement because it seemed to me to be unnecessary.

Senator FAULKNER—How did you know about it?

Prof. McMillan—The former Ombudsman rang me and said, 'Have you seen this?' It was a letter to the editor, published in the *Australian*, which made an inaccurate reference to—

Senator FAULKNER—That is hopeless. What if the former Ombudsman did not ring you? And here is another situation from literally a couple of weeks ago—a large article on page 2 of a major broadsheet, and no-one has actually cast their eye over it. That is amazing.

Senator ROBERT RAY—Sounds like plausible deniability to me.

Prof. McMillan—My response would be that, firstly, as Ms McPherson says, we do not have a newspaper clipping service and so do not necessarily know of every reference that is made. Of course, we have an office that operates nationally—there are offices in every state. The individual offices have a large degree of discretion in terms of the way that complaints are investigated. In the course of those investigations they have discussions on an ongoing basis with complainants and others. Of course, it is free to a complainant to make a statement. We have 40,000 inquiries and complaints a year. It is not unknown for complainants individually to make their own statement to the media about Ombudsman investigations. The Ombudsman is also subject to a number of privacy and secrecy restrictions. That is the general context. I hope that from that it can be seen that the office is not highly responsive to every media reference.

In terms of the interpretation of events placed upon an investigation by that particular article, I am not across all of the investigations being conducted into immigration complaints. Indeed, there are a thousand or more a year. I am aware of discussions occurring at all different levels, and with a variety of offices, with people in the department. The other layer is that there are different ways of reporting and investigating: there are formal reports, there are informal things. That is the context as to why we are not media responsive to every comment that is made.

Senator FAULKNER—With respect, that is not good enough. I appreciate that you have only just taken on this role. But in this article in the *Herald* a spokesman for the Ombudsman's office is quoted. In relation to this same article, someone draws it to Ms McPherson's attention but it appears that there is no follow-through. On another occasion a newspaper article is drawn to your attention by the former Ombudsman. It seems to me that this is indicative of an administrative problem that you have got in the Ombudsman's office. It is perfectly reasonable that there be some scrutiny of these sorts of newspaper stories, and particular when a spokesman for the Ombudsman's office is being quoted and this is contradicting, effectively, what a minister is saying. You can understand why someone might think: 'This mob need to get their act together a bit better than that.' There were banner headlines across page 2 of the *Sydney Morning Herald*, and no-one knows about it.

Prof. McMillan—I will take the senator's observations on board, but —

Senator ROBERT RAY—You might do something more practically. I assume that the PM&C clips cover the Ombudsman. You might get them to send on articles that refer to the Ombudsman's office. It would save you from subscribing to a clippings service.

Senator FAULKNER—And paying for it.

Senator ROBERT RAY—Yes. On the third column it says 'a spokesman for the Ombudsman's office'. Who was the spokesman?

Prof. McMillan—I do not have the newspaper clipping in front of me and I do not have the details of the investigations that were under way in front of me, so I am not in a position to give—

Senator FAULKNER—Who is authorised to speak to the press from the Ombudsman's office?

Prof. McMillan—The Ombudsman Act contains secrecy provisions protecting certain categories of information. Only the Ombudsman can authorise a public comment in relation to things that are covered by the secrecy provisions. I cannot recite the precise terms of them. But there is a chief information officer for the Ombudsman's office as well.

Senator FAULKNER—Is that person available to come to the table so we can ask them?

Prof. McMillan—They are not here tonight, no. I am labouring under the difficulty of not having that newspaper clipping in front of me and not having all the details in front of me.

Senator FAULKNER—I am sorry.

Senator ROBERT RAY—We will put it in front of you.

Ms McPherson—I am aware of the article and have seen the article that was originally published in the *Sydney Morning Herald* which quotes—

Senator ROBERT RAY—You have seen it, now?

Ms McPherson—No, sorry, I have seen the article—or perhaps it was a different version of it that we did get electronically—which referred to comments by—I wonder whether there are not two versions of this because the article I have seen certainly referred to the Ombudsman's spokesman and what they had said. Separately, I was told about the comments by the immigration minister.

Senator FAULKNER—By the immigration minister?

Ms McPherson—My apologies, a spokesman for the immigration minister. I have not seen that article—

Senator FAULKNER—So a spokesman for the immigration minister rang you?

Ms McPherson—No, I am saying that I had only been told about comments, not by the immigration—

Senator ROBERT RAY—I thought earlier on you had said you had not read the article.

Ms McPherson—I had not seen the comments in the same article that I have a copy of, which is an electronic copy from the Internet services, as to what the article said.

Senator ROBERT RAY—That is new information. Why didn't you give us that information earlier?

Ms McPherson—I am sorry, I did say that I was aware of the article that commented on the Ombudsman's spokesman.

Senator ROBERT RAY—You said that you were aware of it.

Ms McPherson—Well, I am sorry that I have misled you—

Senator ROBERT RAY—You have.

Ms McPherson—I said I was aware of the article, and what I had seen was not the press clipping but an Internet copy of the article, which referred to the comments by our office. Separately, I was told about comments by the minister's spokesman. I did not take any of those any further because I have learnt, time and time again, about how things are misquoted in articles and not to worry about what may or may not have been said and what actually

comes out in the press. Different people are commenting on different things from time to time, and that is picked up in different ways by the press.

Senator ROBERT RAY—That just goes back to the Ombudsman's opening comments to the first question that he would like to lift the profile of it. I can give you this bit of advice: you will not lift the profile if you let a minister's spokesman verbal you. It will not help at all. It just means you are weak and they will push you around. That is what comes through in that article.

Prof. McMillan—Without wishing to engage too much in debate on that, I also said that my reference to lifting the profile did not include conducting an investigation in the public arena. The Ombudsman's office has traditionally used its powers of reporting at the end of an inquiry rather than to conduct the inquiry in a goldfish bowl. As I said, there are secrecy problems in doing so. Indeed, now that I have read this report in greater detail, my immediate response is that I would not see the need for a public correction because it is referring to a preliminary stage of an investigation.

There is a comment from a person in the Ombudsman's office which says complaints have been received. There is then a lot of detail that I am certain would have come from a complainant, and there has been no confirmation from the Ombudsman's office that those details were being investigated. There is a reference to a preliminary report. The phrase 'preliminary report' used in this article is an ambiguous statement. Then there is a comment by a spokesperson for the minister for immigration downplaying the significance of the inquiry at that stage.

As I said it is a preliminary inquiry; it is at an early stage. If the Ombudsman thinks that that has been inappropriately downplayed, then that will come into the public arena at the time that the Ombudsman decides to make a formal report on the matter. As I reiterated, I think it is inappropriate, generally, for every punch and counterpunch in an investigation to be played out in the public arena.

Senator ROBERT RAY—We do not doubt that. I would not encourage you to do it. But I would like to know what was being said for a start. I would like to have a record. You do not get an article about the Ombudsman on a daily basis. I would like to know, if I were in your position, what is being said and, secondly, and even more importantly, what your spokesman has said in this particular article. Your spokesman has contributed—and I do not think that he or she has broken the secrecy provisions. I am talking about a generality of inquiries rather than a specific one.

Prof. McMillan—There is nothing inaccurate in what the spokesperson has said. The spokesperson has said very much what I said in this inquiry—

Senator FAULKNER—No-one has suggested there is anything inaccurate. The issue is your and your office's lack of knowledge of the fact that this article appeared, and the response to it. Not many people are listening, thankfully for them, to your evidence tonight. A lot more people would have read about this on page 2 of the *Sydney Morning Herald*, but no-one in the Ombudsman's office would have read it in the *Sydney Morning Herald*.

Prof. McMillan—Perhaps that is an unfair inference to draw as well, Senator. I said that I was personally unaware of the article until I had read it and, so far as the Ombudsman's office

is concerned, it says no more than that the Commonwealth Ombudsman has confirmed it has received several complaints. That is not an inaccurate statement. The only issue is whether the Ombudsman's office should have engaged in a public disagreement with the significance attributed to the article.

Senator ROBERT RAY—Now you are knocking down straw men. We have not suggested that at all. We have not—I am not going to be verbally here. We have not suggested that you had to get involved in it. We just had to say that you had to have the basic knowledge of what has been written about you. They are two separate issues.

Prof. McMillan—I said that I was not personally aware of the article but that does not discount that others in the office were aware of the article, Senator.

Senator FAULKNER—But Ms McPherson was trying to establish her awareness of the article, and that has had mixed reviews. Anyway, you are aware of it now.

Prof. McMillan—I am aware of it now.

Senator FAULKNER—My point is that there is a process and an administrative weakness in the office which I think can be easily addressed. It might be useful with a new Ombudsman starting out that you can make sure that you do not have to face these sorts of things again. I would have thought it would be beneficial in terms of the office and not unusual in any government department or agency. It is standard operating procedure: know what the fourth estate is saying and writing about you.

Senator MURRAY—Ombudsman, in Budget Paper No. 2 at page 210 it says:

The government will provide additional funding of \$2.6 million over four years to the office of the Commonwealth Ombudsman to meet an expected increase in law enforcement complaints arising and to manage complex tax related complaints.

It seems to imply there that it is offset by an equivalent reduction in the ATO's funding. What are these expected increases in law enforcement complaints arising? Are they tax related or is managing complex tax related complaints a separate item within that?

Prof. McMillan—I will ask my colleague Ms McPherson to answer that. She is in charge of the law enforcement area.

Ms McPherson—The reference to tax complaints is a separate item.

Senator MURRAY—So let us deal with the two separately. What are the expected increases in law enforcement complaints arising?

Ms McPherson—It is more generally a matter of an increased capacity to deal with our law enforcement monitoring roles with, originally, the National Crimes Authority, now the Australian Crimes Commission, and our monitoring of the Australian Crimes Commission activities. Also, following the merging of the Australian Protective Services with the AFP, there is more responsibility to look at their role. It also picks up a more complex role or more auditing activities under the telecommunications intercept act and controlled operations.

Senator MURRAY—So are you saying that it is not so much an increase in law enforcement complaints but an increase in your capacity to deal with complaints that already existed?

Ms McPherson—Yes, although there is an increased role in terms of our broadening role with those auditing functions rather than it necessarily being increased complaints.

Senator MURRAY—I suspect that I know very well what they are, but for the record tell us what these complex tax related complaints are.

Ms McPherson—On the tax front, we are looking at some of the more detailed issues. While we did have an increase in budget in the previous two years of \$500,000 which was across from the tax office, that has been reduced to \$300,000, so we are really seeing a reduction overall in that. Originally it was meant to deal with GST or business tax reform issues in terms of the initial transition and implementation phase of GST. It is now meant to pick up some of the more difficult implementation and complex interpretation issues coming out of that and how they are being dealt with. It is a continuing role in the mass marketed schemes operation but has to do more now with the settlement arrangements. Given the ATO's agreement to settling on that, there were flow-on effects which are as complex. It has to do with dealing with that more complex end of those negotiations.

Senator MURRAY—Who is complaining? Is it those who have settled and who are unhappy or those who did not settle and who are unhappy?

Ms McPherson—Both, Senator.

Senator MURRAY—As an aside, I heard of a case in Kalgoorlie where the tax bill was \$160,000 original tax including interest and penalties and it was reduced to \$60,000 as a result of the deal that the Senate negotiated for the victims who were duped. A lot of them should be very thankful that they got off with what they did. Are the new tax system related complaints diminishing or growing?

Ms McPherson—Diminishing. We have had a small decrease in the numbers of tax complaints. After the initial burst of complaints when people were confused about the GST and about some of the transitional issues and the record keeping arrangements, there has been a bit of a fall off. However, we are expecting it to settle somewhat with an increased number overall with GST than we might have seen prior to the implementation of the GST.

Senator MURRAY—As you would have noted, I used the term 'new tax system' deliberately because it was not just the GST; there were also the new business tax changes. On the non-GST new tax areas, has there been a diminishing of complaints?

Ms McPherson—Most of the complaints we were seeing were GST-related.

Senator MURRAY—Does the Ombudsman expect the tax related complaints relative to tax effective investments, which include employee benefit schemes and things of that kind, to remain at the high level or is the Ombudsman's office starting to see benefits from ASIC cracking down on the prospectuses and being much more rigorous on that side, and from the tax office being much more rigorous? Are compliance efforts by regulators reducing your complaints load?

Ms McPherson—It is a little early to tell on that. With the last round of the mass marketed schemes and with what we were seeing in terms of other tax effective schemes, we were not seeing complaints about those until some time down the track. It was with the audit process and the raising of assessments some years after people had invested in those schemes that we

saw the problems there. There was quite an increase in that as the tax office started to become better at looking at them and raising the assessments. I am not sure whether we will see a decrease in that over time. It will depend on when the tax office tackles particular campaigns and raises assessments against them and whether people think that they have been fairly dealt with.

Senator MURRAY—I am not sure how far back your corporate memory goes in the Ombudsman's office but are tax related complaints of a different character from, say, five or 10 years ago in terms of complexity, nature, number or even the demographic? Are they more from business people or from ordinary people? What is happening?

Ms McPherson—We have always seen the majority from individuals and from, generally, the small tax agent concern rather than from business. There has perhaps been a bit of an increase in small business complaints with some of the new tax system issues, although small business was probably our main complainant group for the previous sales tax related issues in the past. We do not see that anymore. I do not think that the demographics have changed all that much. Certainly, we are seeing the same sorts of issues coming through in terms of debt collection activities, audit processes and the like.

Senator MURRAY—The tax office has made real efforts and it has big claims that it has addressed culture issues—for example, the taxpayers charter and trying to ensure that the way in which taxpayers are dealt with is fair and equitable—the two words not necessarily being the same, I might say—yet there is a lot of squealing out there. Has it failed to achieve its aims?

Ms McPherson—It depends on where the squealing is coming from, Senator, and why sometimes.

Senator MURRAY—You are the best people to judge, I would have thought, with the nature of the squealing you have heard both before and after these changes.

Prof. McMillan—It is probably fair to say that of the large number of complaints that we investigate in that area some of the complaints are sustained—it is found that there is defective administration. Quite a number of other complaints are not sustained—the office reaches the conclusion that the law has been fairly and equitably applied and the complaint that somebody has made, however seriously they may feel that grievance, does not stand up, at least to the objective examination of the Ombudsman's office.

Senator MURRAY—I am not looking for an anecdotal impression here. Massive amounts of money have been spent by the tax office trying to change the way in which taxpayers relate to them. They attempt to measure that through their surveys and so on, but one key benchmark has to be your office, because you have a history, records and statistics of trends and the content and nature of tax complaints. Perhaps because of my portfolios and interests I receive a relatively large number of complaints, and some of them are pretty intractable. I do not want to judge it from my experience; you are better placed to judge it. I was looking for a reply of more substance, if I may say so.

Ms McPherson—We can provide statistics for you, Senator, but certainly one of the things that—

Senator MURRAY—If I may interrupt, I am looking for a qualitative evaluation.

Ms McPherson—One of the things certainly is that we have been able to reduce the number of cases we have thought it necessary to investigate. We are referring a lot more back to the ATO, saying, ‘You deal with this.’ We are not seeing those people by and large coming back to us. We are more satisfied certainly with the way that they are dealing with issues of complaint and how they are being resolved in the first instance by the tax office rather than us having to be involved.

CHAIR—As there are no further questions, thank you very much, Professor McMillan and Ms McPherson, for your assistance tonight.

[8.32 p.m.]

Department of the Prime Minister and Cabinet

CHAIR—I formally welcome Senator Hill, the Minister for Defence and Minister representing the Prime Minister, and Mr Metcalfe and other officers of the Department of the Prime Minister and Cabinet. Senator Hill, do you wish to make an opening statement?

Senator Hill—No.

CHAIR—Then we will go to general questions.

Senator FAULKNER—Thank you. Mr Metcalfe, could you let us know the details of the officer who is on loan to Dr Hollingworth, and what is the basis of that?

Mr Metcalfe—Ms Belcher may be able to provide a little more detail, but the officer, who commenced working this morning for Dr Hollingworth, is an ASO 5 officer, a relatively junior officer, providing essentially secretarial and administrative support—answering the telephone and assisting with the preparation of correspondence. She has been seconded. Originally the discussions were on the basis of the Governor-General having stood aside and requiring some support. Given the developments yesterday I asked that the officer attend for work this morning at Government House, as had been arranged on Friday. She did that and is now providing support in that capacity.

Senator FAULKNER—Who made the offer?

Mr Metcalfe—I will ask Ms Belcher to answer any questions on that. She was more closely involved in the detail.

Ms Belcher—It was the Prime Minister who agreed that, if administrative support was needed by Dr Hollingworth, Prime Minister and Cabinet would provide that support. I informed the new official secretary of that on 12 May, asking that he let me know what sorts of skills would be required if a person were needed at Government House. Last Tuesday evening I received a phone call from Government House to say that it would be appreciated if someone could be provided and early the next day I confirmed that someone would go out from today.

Senator FAULKNER—So the initiative came from the Prime Minister or the Prime Minister’s office?

Ms Belcher—It was determined by the Prime Minister when PM&C put to him a proposal relating to entitlements for the Governor-General.

Senator FAULKNER—So when did you put that proposal to him?

Ms Belcher—It was discussed orally with his office no later than the 12th and I think it went in writing to him on the 13th.

Senator ROBERT RAY—What was broadly the agreement on entitlements? What were the entitlements as specified?

Ms Belcher—They related to informing the Prime Minister that salary would continue and that security advice was that security should be maintained.

Senator ROBERT RAY—Salary and security, yes.

Ms Belcher—It was indicated that we understood that incidental domestic support would be provided. But our understanding was that administrative support would need to be directed to the Administrator and therefore that if Dr Hollingworth needed administrative support Prime Minister and Cabinet could provide someone.

Senator FAULKNER—So this brief had those three main elements. Was this brief generated in the Department of the Prime Minister and Cabinet?

Ms Belcher—Yes, it was. It was something that the Prime Minister's office would have been looking for.

Senator FAULKNER—Who initiated it? Was it initiated in the department or was it initiated in the Prime Minister's office?

Ms Belcher—To be honest, I am not sure because I think if it was initiated in the department it was because we would have expected that the Prime Minister would wish to be informed. I cannot recall offhand whether I first received a call saying please do a note or it was just that the note was expected. I cannot recall that.

Senator FAULKNER—You said it was done verbally on 12 May and in writing on 13 May. Is that right?

Senator ROBERT RAY—That is one aspect of it.

Senator FAULKNER—Yes.

Ms Belcher—Yes, I believe that is the case because by 12 May I was able to let the new official secretary know that if a person were required one would be provided.

Senator FAULKNER—I see. So when did preparation commence in the Department of the Prime Minister and Cabinet on this entitlements brief?

Ms Belcher—It was on the 12th, I believe.

Senator ROBERT RAY—You have mentioned salary, security, domestic support and administrative support. Were there any other matters, such as access to transport and VIP planes, covered here?

Ms Belcher—It was indicated that any interstate travel would be at the Governor-General's own expense.

Senator ROBERT RAY—Would that include the case if he had to go down to Admiralty House?

Ms Belcher—That was not raised as an issue.

Senator ROBERT RAY—We heard earlier today about a self-drive car. Was that mentioned in this or was it just assumed?

Ms Belcher—I am not sure that it was necessarily in that note restricted to a self-drive car. I thought there was some discussion around the possibility of travel in one of the police vehicles, but I am really not sure of the details and it is probably best that I not comment on them.

Senator FAULKNER—When we talk about entitlements, these are the entitlements for the period after the Governor-General had stood aside. Is that correct or not?

Ms Belcher—That is right—facilities, I suppose, rather than entitlements.

Senator FAULKNER—Facilities for the period that the Governor-General had stood down?

Ms Belcher—Yes.

Senator FAULKNER—I still do not understand the tasking of this. Given how the decision for the Governor-General to stand down was arrived at, were you just expecting it in the Department of the Prime Minister and Cabinet and so you could generate this brief yourself? You thought this was a likely outcome?

Ms Belcher—The announcement was on 11 May—

Senator ROBERT RAY—Sunday.

Ms Belcher—Yes.

Senator ROBERT RAY—And you initiated this on the 12th, the day after?

Ms Belcher—That is right, yes.

Mr Metcalfe—It was fairly logical, I think, the Governor-General having stood aside and PM&C obviously being involved in the work associated with the letters patent and those sort of issues, that consideration would occur as to what are the circumstances that apply to the Governor-General in this situation.

Senator ROBERT RAY—And if you had not done that we would be asking you why you had not done it, I suppose.

Mr Metcalfe—Absolutely.

Senator FAULKNER—The brief is one that went from the department to the Prime Minister?

Ms Belcher—Yes.

Senator FAULKNER—Are you aware of how these matters were communicated to Government House?

Ms Belcher—I communicated the one about the PM&C staff member. I am not sure. There was no letter.

Senator FAULKNER—I assume they were not decisions until the Prime Minister basically agreed with what was contained in the brief or made decisions about it. Is that right?

It was a brief from PM&C to the Prime Minister about facilities or entitlements for the Governor-General while he had stood down?

Ms Belcher—Yes.

Senator FAULKNER—They are matters for decision by the Prime Minister; is that right?

Ms Belcher—Yes. There was discussion, for example, with the PSCC. There was some discussion with Government House in relation to the incidental domestic assistance because we would have had no way of advising the Prime Minister without talking to Government House.

Senator ROBERT RAY—I am sorry, that is to do with consultation. Senator Faulkner is asking you: what is the approval mechanism to make this a fact?

Ms Belcher—Yes. We put a note up to the Prime Minister, and if he had disagreed with any part of that note, yes, that would not have happened.

Senator FAULKNER—And then whose task was it to inform the office of the Governor-General about the use of these facilities?

Senator ROBERT RAY—Salary, security?

Senator FAULKNER—I think entitlements and facilities is probably a better way to describe it, because salary is hardly a facility.

Ms Belcher—That is true. I do not think anyone needed to convey some of the decisions— for example, the salary one, because clearly under the Constitution there was no question that arose there. So I do not believe that it was necessary for each of those decisions to be conveyed. The obvious one, because it was not something of a continuing nature, of an obvious nature, was the staff member.

Senator FAULKNER—Yes. So let us get the timing clear on the staff member. I do not know if you heard the evidence that was provided by the office of the Governor-General. Can you confirm that evidence in the broad, that those time lines are correct?

Ms Belcher—Yes. Government House was informed on 12 May that an officer would be made available and if they told us what sorts of skills were required then we would provide someone. We heard on 20 May that they would like someone.

Senator FAULKNER—And they specified the sorts of skills that were required?

Ms Belcher—That is right, yes.

Mr Metcalfe—Just in personal terms, it was reasonably easy for us to identify someone because the person who had been working as my personal assistant on a higher duties basis was moving to another position, because the substantial occupant of the job was coming back to work with me, so we suggested that this officer may wish to undertake this task. As I think you heard in evidence earlier, she met the Governor-General late on Friday afternoon and was advised to commence work this morning. That is essentially the nature of the person and the nature of the work that we are talking about.

Senator ROBERT RAY—Does the appointment last for as long as the Governor-General holds his tenure, which is until the documents are finalised by the Queen, or does it go beyond that point?

Mr Metcalfe—The original arrangement—and this of course was last week in the context of the Governor-General having stood aside—would be that the officer's next job was essentially to be the personal assistant to the head of the new national security division, and we expect the officer to take up duties in a few weeks time. It was a temporary secondment for as long as required and was on the basis of the Governor-General having stood aside. Had he stood aside for a longer period of time than he has, then I would have expected her to have been there for a couple of weeks or three or four weeks depending upon how the situation played out. As it turned out, with the announcement yesterday, I advised her last night to report for duty and the issues about longer-term assistance to a former Governor-General, which is something that the PM&C provides to former Governors-General, will be put in place over the next period.

Senator FAULKNER—What is incidental domestic support entail, by your understanding?

Mr Metcalfe—I think it was described quite accurately by Mr Hazell earlier today. The flat at Government House that Dr and Mrs Hollingworth occupy does not have kitchen facilities, for example, so it was our expectation that they would take their meals there and that the room would be cleaned on a regular basis. It was that kind of incidental domestic support. It was incidental to the running of the house as a full-time operation.

Senator FAULKNER—At the time the brief in relation to entitlements and facilities was generated it was generated for the purposes of dealing with the period for which the Governor-General had stood aside—is that right?

Mr Metcalfe—Precisely.

Senator FAULKNER—Has there been any change as a result of yesterday's announcement?

Ms Belcher—No, Senator. I expect discussions will take place over coming days about the arrangements to be put in place for the former Governor-General.

Senator ROBERT RAY—What are the normal provisions for a former Governor-General in the way of support, starting the superannuation and going down?

Ms Belcher—In relation to superannuation, there is a pension entitlement of 60 per cent of the salary payable to the Chief Justice of the High Court. That is affected by the superannuation surcharge.

Senator ROBERT RAY—Can you give us a dollar figure on that?

Ms Belcher—I can give you 60 per cent of the current chief justice's salary. That would be \$184,860. From that there is surcharge debt that is taken away.

Mr Metcalfe—And income tax is payable on that amount as well, isn't it?

Ms Belcher—Yes, it is taxable.

Senator ROBERT RAY—I think income tax is payable on all of it.

Mr Metcalfe—No, I am just talking about the superannuation surcharge. It is not the only surcharge; there is income tax payable as well.

Ms Belcher—Yes, it is fully taxable.

Senator ROBERT RAY—I would hope so. That superannuation in terms of a Governor-General or an ex Governor-General kicks in after one day's service, doesn't it?

Ms Belcher—Yes. The legislation just refers to someone ceasing to hold the office.

Senator ROBERT RAY—So that is superannuation. What is next?

Ms Belcher—Relocation of personal effects and storage for up to six months if required.

Senator FAULKNER—This is removal expenses, effectively. You need to inform Government House of that because when I asked the Office of the Governor-General about that this afternoon they appeared very hazy. I think they knew that you were an expert on these sorts of things, Ms Belcher.

Mr Metcalfe—I think that essentially the situation changed yesterday and of course we will be having all of the proper discussions with Government House. They have been here today and we have been preparing for today, so these discussions will take place.

Senator ROBERT RAY—So we have got relocation costs—I think we understand that.

Ms Belcher—I would draw a distinction between the superannuation, which is a clear legal entitlement, and these other facilities that successive prime ministers have agreed to.

Senator ROBERT RAY—Yes.

Senator Hill—Relocation expenses has been the practice adopted in previous cases.

Senator ROBERT RAY—Yes, we know.

Senator Hill—We are making a list of the practices as well as entitlements.

Senator ROBERT RAY—Why don't, each time we get an entitlement read out, you tell us whether it is past practice or if it is a new one? You can be helpful there.

Senator FAULKNER—Perhaps you could tell us whether there are any contributions made by any retiring Governor-General to their superannuation or pension arrangements? Are any contributions required from the actual individual themselves?

Ms Belcher—No.

Senator FAULKNER—If Senator Hill wants to go down this track, that is fine.

Senator Hill—Go down what track? I am just trying to clarify the thing.

Senator FAULKNER—I am very pleased you are trying to clarify it.

Senator ROBERT RAY—We have got up to relocation; let's move on or we will be here all night.

Senator FAULKNER—That is a very positive contribution.

Senator ROBERT RAY—They will relocate us if we do not move on.

Senator Hill—Thank you.

Ms Belcher—Car and driver in the home city, or a self-drive vehicle.

Senator ROBERT RAY—You get a choice; you do not get both?

Ms Belcher—No, you do not get both. And access to the car pool elsewhere, when not in the home city.

Senator ROBERT RAY—Yes, you do not have a designated driver but, if you are elsewhere, you get a driver and car in a metropolitan area or capital city.

Ms Belcher—Yes. Domestic air and train travel costs, where the travel is for official purposes.

Senator ROBERT RAY—Official purposes? Have you got the definition of ‘official purposes’ or is it as vague as the parliamentary entitlements one?

Ms Belcher—It is somewhat vague. I suppose the closest I could come would be that the travel was in some way related to the fact that the person was once Governor-General.

Senator ROBERT RAY—So that is air travel and train on occasion, maybe.

Ms Belcher—Office facilities in the home city, including furniture, equipment and facilities.

Senator FAULKNER—Office facilities?

Ms Belcher—All the things normally associated with an office.

Senator ROBERT RAY—What is the cost of office facilities for former governors-general? There is William Deane, Bill Hayden, Ninian Stephen, Zelman Cowen. Have I left someone out? I probably have. There are those four; are there any other exes?

Ms Belcher—Which ones did you say?

Senator ROBERT RAY—I said Deane, Hayden, Stephen and Cowan. Are there any more?

Mr Metcalfe—I think that is it; four.

Senator ROBERT RAY—What is the cost of providing them with office facilities? You can give it in total if you like; you do not have to individualise them.

Mr Metcalfe—I do not have a disaggregated amount. I do know that the cost of supporting former governors-general is now tabled on a regular basis in parliament. The figure in 2001-02 for all of the services provided to the former governors-general was \$767,000. That goes to vehicles, office accommodation, telephones—

Senator FAULKNER—If we divided that by four—

Senator ROBERT RAY—It is approximately \$190,000.

Mr Metcalfe—There were some costs in that year due to the need to establish Sir William Deane’s office, so I think that is possibly an unusual figure. The previous year, 2000-01, had been \$489,000. That is probably more—

Senator ROBERT RAY—So there was a capital expenditure in there?

Mr Metcalfe—That is right but, of course, we only had three former governors-general then, so there is a figure there—

Senator ROBERT RAY—Do the office facilities come with a staff member?

Ms Belcher—Yes, a full-time secretary assistant up to the APS 6 level.

Senator FAULKNER—One staff member?

Ms Belcher—Yes.

Senator ROBERT RAY—Is that the list?

Ms Belcher—Telephone and facsimile facilities at the residence.

Senator ROBERT RAY—Does that include a mobile phone?

Ms Belcher—I do not know.

Senator FAULKNER—Is that telephone and facsimile at the principal place of residence?

Ms Belcher—I think sometimes, in the past, it is been more than one residence. I might need to check on that.

Senator FAULKNER—If you could, thank you.

Ms Belcher—Publications newspapers and journals.

Senator ROBERT RAY—What is the entitlement there?

Ms Belcher—There is no limit suggested here.

Senator FAULKNER—Unlimited, is it?

Ms Belcher—It would seem to be, yes.

Senator ROBERT RAY—What happens there? The Governor-General goes to his local newsagent and puts the order in and they bill you directly, I assume.

Ms Belcher—We would need to check out how it has been done by the current former governors-general.

Senator ROBERT RAY—There is no urgency in that. Don't take that on notice—it is not worth it.

Senator FAULKNER—Are you able to indicate whether this telephone and facsimile issue relates to all residences or just the principal place of residence?

Ms Belcher—I think it is all residences, but I can double-check that.

Senator FAULKNER—What does that involve? Does it involve all costs concerned with the telephone and facsimile or just rent or just calls?

Ms Belcher—I might need to check that.

Mr Metcalfe—On the issue of newspapers and periodicals, I am told that the former Governor-General's office usually organises that with the local newsagent and verifies that the accounts are correct, and the account is processed by PM&C. Obviously we keep a broad look on what is happening, and the costs are always reasonable.

Senator ROBERT RAY—Sure. Is there anything else? We got to newspapers—was that the end of the list?

Ms Belcher—On the telephones, we can confirm that it appears that it is the full cost. Travel overseas is subject to the Prime Minister's approval. There are occasions such as, I think, the Centenary of Federation when former governors-general travelled to the UK.

Senator ROBERT RAY—Was that the last occasion former governors-general travelled with the PM's permission?

Ms Belcher—I think Sir William Deane made a trip after he ceased to be Governor-General.

Senator ROBERT RAY—Was that a lap of honour trip? I do not mean that in a derogatory way.

Ms Belcher—I think it was a farewell trip.

Senator FAULKNER—There is a traditional call on the monarch, isn't there?

Ms Belcher—Yes. I do not know whether it always occurs, but it certainly has.

Senator FAULKNER—Semi-traditional, is it?

Ms Belcher—It has occurred on some occasions.

Senator ROBERT RAY—So that could occur on this occasion?

Mr Metcalfe—It could, subject to the Prime Minister's approval.

Senator FAULKNER—Do we know if there are any plans in place for Dr Hollingworth to attend on the Queen?

Mr Metcalfe—We are not aware of them, if there are.

Senator ROBERT RAY—That was the last item, overseas travel, which is at the discretion and with the approval of the Prime Minister.

Ms Belcher—Yes.

Senator ROBERT RAY—There has been no mention of an ex gratia payment at this stage?

Ms Belcher—No, that has not been raised with me.

Senator FAULKNER—Senator Hill, can you confirm that you were one of the four cabinet ministers with whom the Prime Minister discussed Dr Hollingworth's possible appointment?

Senator Hill—I cannot confirm four. I can confirm that I was consulted before the appointment.

Senator FAULKNER—That is a reasonable answer. You can confirm that you were consulted prior to Dr Hollingworth's appointment.

Senator Hill—Yes.

Ms Belcher—Senator, may I just go back, because I felt just a little uncomfortable with my last answer. I have had no formal discussion about any sort of extra payment. I just felt that

my last answer might not have been entirely accurate, so I did want to say that, while nothing has been put to me in any formal sense, it would be inaccurate for me suggest that there have not been some informal discussions.

Senator ROBERT RAY—Could you define formality and informality? I understand you are being careful and I want you to be careful, so we are agreed on that. But I cannot decode what you have said. It is just too sophisticated for me.

Ms Belcher—I am sorry, Senator. I should say that there was a discussion between the secretary of PM&C and me about how such a matter would be handled if it were to be raised.

Senator ROBERT RAY—In terms of an ex gratia payment?

Ms Belcher—Not necessarily. I do not know that the term ex gratia payment was used, but any additional assistance.

Senator ROBERT RAY—Outside what we mentioned here?

Ms Belcher—That is right. I just thought I should say that because my answer had been a little too categorical.

Senator FAULKNER—What is the outcome of that discussion with Dr Shergold?

Ms Belcher—It was not resolved. It was left as a hypothetical issue to be considered further if necessary.

Senator ROBERT RAY—When was this raised?

Ms Belcher—Just today.

Senator ROBERT RAY—As a result of yesterday's announcement—I see. Again, there may be no substance to that; it may be just prudent planning. Was it raised in that context like you raised some of these other things: as you trying to be ahead of the game?

Ms Belcher—Yes.

Senator FAULKNER—Did that initiative come from you or did it come from Dr Shergold or did it come from the Prime Minister's office?

Ms Belcher—No, it was from Dr Shergold. I think in fact it was raised yesterday rather than just today.

Senator FAULKNER—Are you able to say whether the Prime Minister's office or the Prime Minister raised it with Dr Shergold?

Ms Belcher—No, I am not able to say that. It has not been raised with me by the Prime Minister's office.

Senator ROBERT RAY—Mr Metcalfe, you were sitting at the back of the room when we discussed the method of appointment of Mr Hazell, something I have never looked at before. As for the initial approach, did someone from the Governor-General's office or the Governor-General approach you and say, 'We're interested in appointing someone?' How did it work exactly? Obviously, Mr Hazell would not be fully aware of it because he was the person approached.

Mr Metcalfe—That is right. He is obviously aware of what happened to him but in terms of the process Dr Shergold spoke to me—I think it was in late February, from memory—and indicated that there was an expectation that there would be a vacancy in the position of official secretary. He indicated that he was writing to the Governor-General, at the Governor-General's request, identifying some possible candidates for a new official secretary. That letter was duly sent.

Senator ROBERT RAY—I'm sorry to interrupt you but so I understand: the letter goes from Dr Shergold directly to the Governor-General, rather than to the Governor-General's office?

Mr Metcalfe—Directly to the Governor-General.

Senator ROBERT RAY—It contains some suggestions as to who they may approach.

Mr Metcalfe—That contained a number of names of possible candidates.

Senator ROBERT RAY—Who assembles those names?

Mr Metcalfe—They were assembled within Prime Minister and Cabinet.

Senator ROBERT RAY—Am I allowed to know how many? I am not going to ask who they were.

Mr Metcalfe—From memory, there were four. There some people who, from our knowledge, might have the requisite background and experience to undertake the duties of the position. So that advice was provided. Subsequently Dr Shergold indicated to me that—and indeed I had some contact from Mr Bonsey that indicated—the Governor-General wished to seek my personal involvement in interviewing one of the people on that list of four and in discussing the relative merits of some of the others. So I was present during the discussions that Mr Hazell had with the Governor-General and I provided some advice to the Governor-General in relation to Mr Hazell and in relation to the other candidates that had been mentioned.

Senator ROBERT RAY—And then the final decision was the Governor-General's to make and then he informs you or Dr Shergold?

Mr Metcalfe—The Governor-General then formed the view as to the person he wished to appoint and formally communicated that to the Prime Minister. The Prime Minister, through the cabinet process, then arranged for the appointment to the statutory position.

Senator ROBERT RAY—And there is no term to that statutory position?

Mr Metcalfe—No, it is at the Governor-General's pleasure.

Senator FAULKNER—I presume, Ms Belcher, that your division has had a fair amount of contact with the office of the Secretary of the Governor-General over recent times?

Ms Belcher—Yes, Senator.

Senator FAULKNER—Can you indicate to the committee what matters you have been dealing with?

Senator Hill—Sounds like a bit of a fishing expedition to me.

Senator ROBERT RAY—Yes. Longline fishing, I would say.

Senator Hill—With a lot of hooks.

Senator FAULKNER—Just tell us about the embarrassing ones—that is what Senator Hill is suggesting.

Senator Hill—Can't you give her a hint—

Mr Metcalfe—We deal with Government House on a variety of routine day-to-day issues so it is a bit difficult—

Senator FAULKNER—Have any legal advices been sought by your division, Ms Belcher, in relation to matters affecting the Governor-General?

Ms Belcher—Yes, Senator, but certainly not at the request of the office of the official secretary though.

Senator FAULKNER—I appreciate that but Senator Hill would like us to define these things so I am always willing to cooperate. As you know I am a very cooperative person. Without going to the substance of the advice, which we never do—or generally do not do—

Ms Belcher—There needed to be consultation with AGS in relation, for example, to the new letters patent—whether the existing ones covered the situation or whether they need to be redrafted.

Senator FAULKNER—Yes.

Ms Belcher—There was the issue of whether the Governor-General could stand aside, if you like.

Senator FAULKNER—Yes. Are there any others?

Ms Belcher—There was a brief discussion—with no written advice. It was not so much legal advice as work on precedents in relation to the request to table the Anglican Church report.

Senator FAULKNER—In the parliament?

Ms Belcher—Yes.

Senator FAULKNER—Any others?

Ms Belcher—There was contact with the AGS but no legal advice sought by us and we were on the periphery of the intervention to expedite the Victorian court case.

Senator ROBERT RAY—Did Attorney-General's have the key carriage of that?

Ms Belcher—Yes, they did. There were procedural steps—whether a Governor-General could stand aside—and an opinion on the role of deputies of governors-general.

Senator FAULKNER—What was that one?

Ms Belcher—The extent of the role of deputies to governors-general. Then there was just the clearing of documents. For example, I showed AGS the documents that would be sent to the Queen for the revocation of the appointment, and I think that covers it, Senator.

Senator FAULKNER—Okay. When was that advice sought from the AGS on the letters patent?

Ms Belcher—I think that would have been in the period 9 May to 11 May. I think the first approach was probably Saturday, 10 May.

Senator ROBERT RAY—So this was the result of ongoing conversations that had yet to be finalised on 11 May?

Ms Belcher—I am sorry—

Senator Hill—What led you to take that action?

Senator ROBERT RAY—The matter was not finalised on 11 May but I assume that the department was aware of ongoing discussions that may have resulted in the decision of 11 May.

Ms Belcher—Yes, that is right.

Senator FAULKNER—If we can just look at the letters patent for a moment: is there a need for another letters patent given that the current administrator is in place during the ‘temporary absence’ of the Governor-General?

Ms Belcher—Not for new letters patent. There will be a proclamation in relation to Sir Guy Green that changes the basis of his administration. It was proclaimed that he would assume the administration of the Commonwealth because the Governor-General had temporarily absented himself from office. That will need to change.

Senator ROBERT RAY—But you would have had this situation on other occasions, where a Governor-General has gone and a new one has not come in and where someone steps in for a while, wouldn’t you?

Mr Metcalfe—Yes. Essentially the point that Ms Belcher is drawing is that the letters patent in their form prior to this month did not, on legal advice, contemplate a situation where a Governor-General would stand aside. Therefore, the commissions to the state governors to act as administrator did not contemplate their assuming the office of administrator in that situation.

Senator ROBERT RAY—But once a Governor-General has resigned, the existing letters patent would cover it.

Mr Metcalfe—That is right but, in the case of Sir Guy Green, he had been appointed administrator in the circumstances of the Governor-General having stood aside. Now that the Governor-General has indicated that he is resigning, Sir Guy will need to be appointed on the basis that there is no Governor-General.

Senator FAULKNER—So there will have to be another swearing in of Sir Guy Green?

Ms Belcher—No, he will not have to be sworn in. There will need to be a proclamation issued.

Senator FAULKNER—A proclamation only?

Ms Belcher—Yes.

Senator ROBERT RAY—Have we got a timetable for the appointment of a new Governor-General yet, Minister?

Senator Hill—No, it is in the hands of the Prime Minister.

Senator ROBERT RAY—You are representing him here. I thought that you might know the timetable.

Senator Hill—My understanding is that he is not binding himself to a specific timetable.

Senator ROBERT RAY—He will get a bit of research done this time, eh?

Senator Hill—In relation to background research, he said publicly today that he will adopt the practice that is longstanding.

Senator ROBERT RAY—Fair enough. You are happy to do it with other appointments though, aren't you?

Senator FAULKNER—Have the revocation documents been completed?

Ms Belcher—I cannot be certain. I think they have, but I do not know for sure.

Senator FAULKNER—Are they being done in your division?

Ms Belcher—Yes. The reason I say that is that I do not know what discussions have taken place with the palace. Therefore, I cannot be sure whether they are going to change in some way. I guess they have been done.

Senator FAULKNER—But they have to be completed first and then forwarded to the palace, don't they?

Ms Belcher—Yes. They have to be forwarded to the palace. The only reason that I am hesitating to say, 'Yes, they are all entirely complete,' is that I do not know the timing and it is just possible that there could be some request for further work. I do not know but, yes, the documents have been prepared.

CHAIR—Senator Faulkner, unless you wish to go on immediately we are well overdue for a break.

Senator FAULKNER—I am happy to have the break, but I do want to come back to these issues relating to the Governor-General.

CHAIR—Of course.

Proceedings suspended from 9.13 p.m. to 9.35 p.m.

Senator FAULKNER—In relation to the Anglican Church report, Ms Belcher, can you indicate who sought advice on the tabling of that report, please?

Ms Belcher—That was me—Government Division.

Senator FAULKNER—And why was that?

Ms Belcher—It was not so much legal advice as precedent. AGS, along with PM&C, deal with a number of issues relating to privilege matters et cetera, and we just discussed with AGS whether they had experience of a document of that nature having been commissioned elsewhere than in government being tabled and the implications of privilege et cetera.

Senator FAULKNER—That was on your own motion, was it, to undertake that course of action?

Ms Belcher—We needed to provide advice to the Prime Minister.

Senator FAULKNER—You nevertheless give the advice the status of legal advice that was provided? You did receive advice?

Ms Belcher—Not written advice but, yes, we received oral advice.

Senator FAULKNER—From whom?

Ms Belcher—From the head of AGS and from the Solicitor-General.

Senator FAULKNER—AGS and the Solicitor-General?

Ms Belcher—Yes.

Senator FAULKNER—Both verbal advice—oral advices?

Ms Belcher—That is right, yes.

Senator FAULKNER—Did you pass on the substance of those advices to anyone else—the Prime Minister's office, the PM, the Governor-General's office or whatever?

Ms Belcher—To the Prime Minister, not to the Governor-General's office.

Senator FAULKNER—And when you passed it on was it in written form—a written brief?

Ms Belcher—It was a mixture; some of it was oral and some of it was in writing.

Senator FAULKNER—Are you aware, Mr Metcalfe, whether the Department of the Prime Minister and Cabinet had any role at all in the appointment of the Governor-General's spin doctor, Mr Reynolds?

Mr Metcalfe—To the best of my knowledge we had no role in that matter, Senator.

Senator FAULKNER—Mr Reynolds, of course, had a background of working for the Department of the Prime Minister and Cabinet.

Mr Metcalfe—I think from memory it preceded my time but he may have been involved with the CHOGM issues. Was he an officer of the department, a consultant or—

Ms Belcher—I think he was a consultant but I am not certain.

Senator ROBERT RAY—He was with the Department of Defence for some time.

Mr Metcalfe—Yes, I think that is correct, Senator, but certainly in this most recent issue that was an issue that was dealt with by—

Senator FAULKNER—No, I just wondered whether there was any interface between PM&C and the office of the Governor-General suggesting that Mr Reynolds might have been the sort of person that it might be appropriate to appoint.

Ms Belcher—No, Senator.

Senator FAULKNER—I see. I assume that the Government Communications Unit would not have had any role in that, would they?

Mr Metcalfe—No, Senator.

Senator FAULKNER—Fair enough.

Senator ROBERT RAY—Minister, given the fact that the government, or at least the Prime Minister and I am not sure who else, was told about the unsubstantiated allegations in December last year relating to the court case that evolved in Melbourne, was any thought given to briefing the Leader of the Opposition about these developments?

Senator Hill—I don't know the answer to that; I can ask.

Senator ROBERT RAY—I am not prejudging it, but I think it is a question of public policy. There may be arguments both ways. I would like to know if any consideration was given. I know Leaders of the Opposition get briefed on some things and not on others. I think that question was misinterpreted this afternoon as to whether the Leader of the Opposition had proper advice—and I understand that is not appropriate—or whether he should have been informed about developments affecting the head of state. Will you take that one on notice?

Senator Hill—I will ask, yes.

Senator ROBERT RAY—Thank you.

Senator FAULKNER—So there was only one written advice to the Prime Minister on the issue of the tabling of the Anglican Church report?

Ms Belcher—Yes, that is right.

Senator FAULKNER—So in your office you melded the advices from the Solicitor-General and AGS?

Ms Belcher—The Solicitor-General's advice was conveyed orally.

Senator FAULKNER—And the AGS?

Ms Belcher—It was more to the issue of precedent and that was conveyed in writing.

Senator FAULKNER—I see. A little earlier you mentioned seeking advice on procedural steps. I was not quite sure what that entailed.

Ms Belcher—That was to enable me to know just how one would go about accepting a resignation of a Governor-General—just the steps that would be involved.

Senator FAULKNER—Who did you seek that advice from?

Ms Belcher—The AGS.

Senator FAULKNER—When was that sought?

Ms Belcher—This was sought at my own instigation so that I would have answers to questions if necessary. That was in February 2002.

Senator FAULKNER—So that might well have been preparation for Senate estimates?

Ms Belcher—Not as far as I remember. It was simply that I did not know what was going to happen. I did not want to be caught flat-footed, so I asked for advice.

Senator FAULKNER—Fair enough. I am just wondering that, when you say so that you could answer questions—

Ms Belcher—No, I meant if I were asked by the Prime Minister's office.

Senator FAULKNER—Internally.

Ms Belcher—Yes.

Senator FAULKNER—I see. Was the advice on the revocation formal, written advice too?

Ms Belcher—No. That was informal. That was not written. That was done just yesterday—sorry, Saturday night and Sunday—in terms of my contacting AGS and discussing with them the form of those papers.

Senator FAULKNER—Are we clear where that is up to? Is it any clearer where the revocation documentation is up to?

Ms Belcher—As far as I know, it has been completed but, because I do not know the timetable exactly, I cannot be sure that I won't be asked to do something more on it. But, as far as I know, it has been completed.

Senator FAULKNER—So it has been completed. When is it likely to be sent to the palace?

Ms Belcher—I don't know, Senator.

Senator FAULKNER—Who makes that decision?

Ms Belcher—That would be the Prime Minister.

Senator FAULKNER—So you provide the documentation to the Prime Minister and it is sent from there?

Ms Belcher—Yes.

Senator MURRAY—I assume, Mr Metcalfe, that partly as a result of the Governor-General issue there has been an increasing interest in the issue of child sexual assault in the Department of the Prime Minister and Cabinet.

Mr Metcalfe—I am not quite sure what you mean.

Senator ROBERT RAY—Would you like to rephrase that? That didn't come out right.

Senator MURRAY—It didn't. What I mean is that the sexual assault of children is a big issue and it has been growing as such. The Prime Minister's office takes an interest in big policy issues and, because of the allegations concerning the Governor-General and the issues of the Anglican Church inquiry, I would have assumed that the parallel interest in that area would have attracted the interest of policy makers or advisers within the Department of the Prime Minister and Cabinet policy unit. That is really what I am driving at.

Mr Metcalfe—It is certainly a matter of significant public concern. As with a number of issues, it is an issue that we look at closely.

Senator MURRAY—In his statement today, the Prime Minister said that child abuse is an abomination. I am certain that that is his opinion now and that it has always been his opinion. I think that is a restatement of a position. However, there has been a cabinet decision which is slightly at odds with these matters. Sometime ago the Senate Standing Committee on Community Affairs brought down a report which included a unanimous set of recommendations—it was unanimous in relation to the Liberal, Labor and Democrat members; there were no National Party people there—in relation to the child migrant inquiry

report entitled *Lost innocents: righting the record*. The report included a recommendation that Brother Francis Paul Keaney, who had received an award and who had died in the fifties, have his honour removed by whatever process was appropriate. The committee found him to be, and he is generally known to be, a person of notoriety who ran an institution where the physical and sexual assault of children was epidemic. He is notorious for that. Yet the response of the government to that recommendation was that they would not do anything about it. In view of the greater understanding that is perhaps flooding governments of all persuasions about this issue and in view of the more intense focus on it, is it possible that the government would reconsider that decision? I know this is a policy matter.

Senator Hill—I think it should be better directed to me.

Senator MURRAY—I can direct it to you, Minister. Would the government reconsider that decision? It would be a symbolic decision. It is an offensive matter with regard to sexual abuse.

Senator Hill—I have to confess that I do not remember that particular recommendation. I am wondering as to the basis of the response. It was suggested to me that the response may well have been based on the fact that there is not a technical process whereby it can be withdrawn posthumously. But I would need to take it on notice, which I will, and have a look at it again, and draw it to the Prime Minister's attention and see whether he believes there would be any benefit served in reconsidering the matter.

Senator MURRAY—I raise it with you, Minister—my apologies, Mr Metcalfe, for having addressed my question to you—because I am inclined to put on it a generous interpretation of the government's response—namely, that it was not thought about sufficiently in terms of both the context and the meaning of it. This man, particularly in my state of Western Australia, is regarded as a symbol of all that was evil in this area. I do think that it is an area, given the heightened understanding which I am starting to see around the place on these matters, which might be a useful one for you to revisit.

Senator Hill—As I have said, as you have raised it I will cause it to be revisited, but it does seem to me that it is rather difficult in the case of somebody who has died—not knowing all the facts, I am a bit reluctant to say anything—in effect to make a finding against that person without them having the opportunity to respond and to take that finding into a public response in the form that you suggested, even if it is technically possible. I think in your question you referred to the symbolism of it but, as you have raised it, I will see that it is looked at again and see whether the government wishes to reach any different conclusion.

Senator MURRAY—Thank you, Minister.

Senator FAULKNER—This raises the general issue of background checks. Ms Belcher, has your division been tasked at all for advice on a system of checking prospective candidates for the office of Governor-General?

Ms Belcher—No, Senator.

Senator FAULKNER—It has historically been the case, hasn't it, that PM&C have drawn up a short list of prospective candidates and provided it to Prime Ministers?

Ms Belcher—I have never been involved in that, Senator, so I cannot really comment.

Senator FAULKNER—I thought it was the practice. I am not suggesting that Prime Ministers, Labor or non-Labor, necessarily take any notice of such short lists but I thought it might have been standard operating procedure.

Ms Belcher—Not that I am aware of but I cannot really speak with authority on it because I have not been around forever.

Mr Metcalfe—Ms Belcher has been around for a while but not forever.

Senator MURRAY—It is all relative.

Senator Hill—It seems that she has been around forever.

Senator MURRAY—After seven years even novices might feel as though they have been there for a long time.

Senator FAULKNER—But you are not aware, Mr Metcalfe, of any future processes to undertake at some departmental level—in other words, at Prime Minister and Cabinet level—the checking of prospective appointees?

Mr Metcalfe—No, Senator.

Senator FAULKNER—Senator Hill, do you think that is a good idea?

Senator Hill—No, I am not very enthusiastic about the idea. I understand that through the response in the current circumstances but I do not particularly wish Australia to go down the US road in these matters. We rely on—

Senator ROBERT RAY—There might be a confirmation of ministers next but none of us wants that.

Senator Hill—I wasn't going to go that far, but we rely on the public standing of the public figures and I don't think we get it wrong any more times than the United States, which has a deep investigative process by the FBI and other authorities. It is one thing to say you would do it for the Governor-General; how far down the line would you intend to take this process? Presumably for High Court judges, Federal Court judges, federal magistrates, heads of departments? Where you have a public figure and there is nothing that gives you public reason to question the background of the person, I think our system has stood up pretty well over the years.

Senator FAULKNER—So you think it comes down more to the judgment of any particular Prime Minister, which is the system as it has operated?

Senator Hill—Yes, particularly further up the line, if that is the way to put it. Generally speaking, with respect to how much is publicly known about the individual, I think you appoint them on the basis of their public reputation.

Senator FAULKNER—Are there any lessons to be drawn from Dr Hollingworth's appointment—broader lessons in this area? I accept it is a matter that has been the subject of some public debate and strong views are held on different sides of the debate.

Senator Hill—It does not cause me to believe that there should be some form of investigative process for the future for prospective candidates.

Senator FAULKNER—I have heard you say that. I suppose my question to you is: do you see any lessons that can be drawn from the experience of the appointment of Dr Hollingworth, given we can now ask these questions with the benefit of hindsight?

Senator Hill—That is a very general question. I don't think in terms of learning from this experience as it applies to the processes associated with future appointments that there are too many lessons to be learnt.

Senator FAULKNER—So you don't draw any lessons from it?

Senator Hill—Not in that sense, no.

Senator FAULKNER—In any sense?

Senator Hill—I might have all sorts of personal views on that, but it is the appointment of these people to the posts that is relevant to this committee. I think the processes we have adopted in the past, which include this last occasion, have served us reasonably well.

Senator FAULKNER—Including the last occasion?

Senator Hill—Yes. Obviously there were facts in Dr Hollingworth's background that we were not aware of in terms of his administrative functions for the church, but that does not cause me to believe there should be some new investigative process adopted for the future.

Senator ROBERT RAY—Our interest as a committee is that it will cost the Australian taxpayer an extra million dollars over the next three years, when you take into account the services that have to be provided, which we understand averages out at \$190,000 or \$180,000 a year in superannuation for an ex-Governor-General. That misjudgment is actually going to cost a million dollars. So to some extent it is relevant to this committee in looking at expenditure, isn't it?

Senator Hill—I accept that, but I am saying that if you have a process that has been reasonably consistently applied for a long period of time, I do not think the fact that on this occasion the appointment led to an early resignation which has a cost associated with it is sufficient in itself to lead to a change of process. Some people will think so, but I do not.

Senator ROBERT RAY—Do you think Dr Hollingworth was treated fairly by the press?

Senator Hill—I think he was hounded by the press. That is something that all of us accept as part of public life. I don't think there was anything technically illegitimate in the way that he was hounded. I think there was a certain pack mentality in this process.

Senator ROBERT RAY—What? A feeding frenzy?

Senator Hill—There was a bit of a feeding frenzy. In saying that, there will be some people who will say that I am understating the importance of the issue of child abuse.

Senator ROBERT RAY—I am not saying—

Senator Hill—That is the risk you take when you try to be fair in these things. You have to try to be fair to Dr Hollingworth as well. There have been a lot of losers in his particular exercise. You have put to us that the taxpayers are losers, but Dr Hollingworth has certainly been a loser as well.

Senator FAULKNER—I understand that Mr Howard has this evening, in fact, named the four ministers—and you are one of the four ministers—who he had consulted about Dr Hollingworth’s appointment prior to it taking place some time ago. Have you reflected at all on your role in that consultation with the Prime Minister? Do you accept any responsibility? Do you believe that you may not have considered the issues deeply enough?

Senator Hill—If you listen to my counsel on the matter, I will take my share of responsibility. My views—I have said it before and so I am happy to say it here—when the prospective appointment was put to me for comment were that I had some reservations about the church-state issue and whether you can have two masters in that sense, but I thought that Dr Hollingworth’s long career with the brotherhood, and his public record and performance in support of the poor and downtrodden over a long period of time, was a legitimate basis for appointment. I thought—and I still think—that, in terms of the commitment he has made to society, he is someone who has an extraordinary, positive record, which had been recognised by the community through his awards, appointments and the like. I certainly thought that in his case there was a sound basis for appointment.

Senator FAULKNER—So you are surprised at what effectively has evolved into a debacle in recent times?

Senator Hill—Obviously I did not know that there were any specific matters relating to his administration of the church and in particular in the area of dealing with priests who had been involved in child abuse—

Senator FAULKNER—I am sure you did not—

Senator Hill—and I have not seen anything since that should have caused me to say, ‘Yes, he looks to me to be a valid candidate, Prime Minister, but I think you should go back and check his record in dealing with priests accused of child abuse.’

Senator FAULKNER—Again, this brings into question the whole issue of the effectiveness of any checks to protect all concerned and, most importantly, the office of Governor-General, and the effectiveness of checks if, in fact, any checks take place.

Senator Hill—I do not think it just applies to Governor-General. I would have thought that if you are going to argue for some sort of investigation of prospective candidates it would just as much include judicial appointments. And if we are appointing—as you gave the example a while ago—down to, say, magistrates operating in the Family Court jurisdiction you could say that these sorts of issues are very relevant.

Senator ROBERT RAY—Yes, but you have got the Attorney-General interviewing prospective High Court judges now, so you obviously don’t support that, do you?

Senator Hill—The Attorney-General said that he was seeking to ascertain whether a particular person would be interested in appointment—

Senator ROBERT RAY—Oh, really.

Senator Hill—which is very different from carrying out an investigation or causing the police or some third party to go out and investigate somebody’s background.

Senator FAULKNER—But you would agree, wouldn't you, Senator Hill, that it is very important in terms of the standing of the office of Governor-General that, whomever the new appointment is, we do not find ourselves in a similar situation a few months or a year or less than two years down the track? I am sure you would accept that.

Senator Hill—Obviously we would not wish that to be the case. But I also did not believe that you should therefore limit appointments to distinguished jurists and distinguished generals or perhaps—is there such a thing?—a distinguished politician who—

Senator ROBERT RAY—Would have done a better job as G-G than most others, I can tell you.

Senator Hill—would have already had the public scrutiny. My view is that, if we look at the experience now over a long period of time, this is a rarity and I would not change practice to deal with an exception.

Senator FAULKNER—Very much dependent, obviously, on the judgment of the Prime Minister of the day.

Senator Hill—I accept that. He accepts that.

Senator ROBERT RAY—Then he shifted responsibility to four senior ministers at the same time—very clever of him.

Senator Hill—I am sorry?

Senator ROBERT RAY—Then for the first time he acknowledged that he had consulted four senior ministers on it, shifting the blame just a tad. I thought that was very clever. I admired that.

Senator Hill—I think that he has accepted his responsibility throughout.

Senator ROBERT RAY—Yes, full responsibility, plus he consulted four senior ministers.

Senator Hill—I think he could have actually shared it a bit more if he wanted to.

Senator ROBERT RAY—That is all on the G-G, I think.

CHAIR—Any further general questions?

Senator ROBERT RAY—The Prime Minister, I recall, was reported saying three days after the last election in 2001 that there was nothing to speculation about a diplomatic posting for Dr John Herron. Yet I notice the *Courier-Mail* reported on 28 April this year that documents obtained under FOI revealed that there had been government-to-government communications concerning a diplomatic appointment for Dr Herron as early as 20 February 2001. What I want to know is who kept this vital information of government-to-government communications from the Prime Minister? Isn't he entitled to know what the diplomatic people are up to? Surely they would have informed the Prime Minister, and why didn't they?

Senator Hill—Was this the *Courier-Mail*?

Senator ROBERT RAY—Yes.

Senator Hill—I must have missed the *Courier-Mail* report.

CHAIR—It is a distinguished newspaper.

Senator ROBERT RAY—It is not going to get bagged before these two face preselection on Saturday, so don't look for help there!

Senator FAULKNER—They weren't interested, to be fair, Senator Ray, in what happened to Senator Herron, only in who replaced him in the Senate.

Senator ROBERT RAY—That's fair enough. It is a serious question: the Prime Minister is there, three days after the election, saying there was nothing about speculation there. This is a period in mid-November 2001. Then we find out from the *Courier-Mail* through their FOI activities that there had been government-to-government discussions on that as early as February that year. You can only draw two conclusions from this. I am trying to draw the kind one—there has been a conspiracy to keep this information from the Prime Minister—because the alternative is that the Prime Minister told a porky to us all three days after the election. We would not want to have that as an explanation.

Senator Hill—I am confident that is not the case.

Senator ROBERT RAY—Then who deprived him of this information?

Senator Hill—I am wondering if there might be a third explanation, though.

Senator ROBERT RAY—I will await it.

Senator Hill—I have not seen the FOI response. I am not sure which governments were involved in the government-to-government negotiations. Obviously the Australian government was one, but I am not sure who the other was.

Senator ROBERT RAY—Minister, to foreshorten the agony here of my asking you 10 times 10 different ways, will you have yourself informed about this matter before you front up to the foreign affairs estimates committee hearing next Monday or Tuesday morning, in a week's time, and we will have a further discussion when you are better informed?

Senator Hill—Yes.

Senator FAULKNER—As I understand it, Mr Metcalfe, there are two new divisions in the Department of that Prime Minister and Cabinet.

Mr Metcalfe—Yes, Senator. There is to be a new National Security Division and the cabinet secretariat, which is currently a branch within the department, is to be expanded to become a division.

Senator FAULKNER—That will be called the implementation division?

Mr Metcalfe—The implementation branch will be one of the branches in the Cabinet Division.

Senator ROBERT RAY—It sounds like the Democrats' compliance branch.

Senator MURRAY—Which is still constitutionally alive, I must say.

Senator ROBERT RAY—Is it?

Senator MURRAY—Much to my great chagrin.

Senator ROBERT RAY—We have faith in you, Senator Murray.

Senator MURRAY—I am working hard.

Senator FAULKNER—What is the new division called?

Mr Metcalfe—It is called the Cabinet Division. It will comprise essentially the current cabinet secretariat branch as well as a new branch that will be responsible for examining implementation of key government decisions. We also expect that the cabinet secretariat will expand because the function of servicing the national security committee, which is currently in the International Division, will move to the cabinet secretariat, which is consistent with support to cabinet and/or the type of committee. So that particular arrangement will also move to the Cabinet Division.

Senator ROBERT RAY—What increase in personnel are we dealing with here?

Mr Metcalfe—In the Cabinet Division the head of the division will be a first assistant secretary. That is a new position. We expect the implementation unit will comprise an assistant secretary and probably around 10 or so staff seconded from both PM&C and other departments. The NSC support function will involve an assistant secretary and possibly one or two other people.

Senator ROBERT RAY—When you say seconded from other departments, will they continue to be paid from their home department?

Mr Metcalfe—It is our expectation that PM&C and their home departments will come to an arrangement. We may pay some of their salary; the other department may pay some of their salary. It is a development opportunity for officers. It is a way for us to bring in some subject matter expertise for defined periods of time.

Senator ROBERT RAY—In aggregate terms how much will this cause PM&C to grow by? Some are internal movements; I understand that.

Mr Metcalfe—Purely the Cabinet Division, Senator?

Senator ROBERT RAY—No, overall. Through this reorganisation are you a growth department now in terms of personnel?

Mr Metcalfe—We expect to be about 30 ASL greater but there may be some additional people on top of that 30—30 employed by PM&C. I expect there will be some additional people on top of that number who are seconded from other departments.

Senator ROBERT RAY—And you estimate that at about 10?

Mr Metcalfe—A total of 30 plus another 20 or so maximum. So I think a total of 50.

Senator ROBERT RAY—How many do you have working in PM&C?

Mr Metcalfe—About 350 at the moment.

Senator ROBERT RAY—So we are looking at an increase of about 14 per cent; is that right?

Mr Metcalfe—It is a reasonable increase and it reflects the fact that national security issues are obviously very front order issues and also that the issue of ensuring that key decisions of government are in fact implemented in a timely and effective way is a key priority for government. There has been a fair bit of discussion about that.

Senator FAULKNER—How many of those 50 are in the cabinet division?

Mr Metcalfe—Of the new 50, I think I indicated around 15 or so—about 10 in the implementation unit and three or four others in the NSC function in the new division.

Senator FAULKNER—And the balance will be in the National Security Division?

Mr Metcalfe—Not the entire balance. A significant number will be in the National Security Division but we are also going to supplement the existing International Division, which will continue to have important functions relating to foreign affairs and trade issues and a smaller number of staff in other areas across the department.

Senator ROBERT RAY—This area dealing with security, what precisely are its tasks? Is this area at output 3.2?

Mr Metcalfe—I think that is correct.

Senator ROBERT RAY—I am sorry, I do not have it in front of me.

Mr Metcalfe—It is 3.2 in the new departmental outcome arrangements. The new division will essentially comprise the Defence and Intelligence Branch, which currently exists within the International Division and those staff will move across to the new division. It will comprise the Domestic Security and Border Protection Unit, which currently exists in the Government Division. It is quite a small area and that will be expanded consistent with the Prime Minister's announcement back in October last year that PM&C will take on a broader policy coordination role on those issues. So it will be a two-branch division consisting of two existing areas from PM&C which have been brought together and which are being expanded in numbers.

Senator ROBERT RAY—That is how it is composed, but is its policy scope beyond those two?

Mr Metcalfe—No, its policy scope will essentially be in providing advice to the Prime Minister and policy coordination across government on issues of counterterrorism, defence, security, intelligence, border protection and law enforcement.

Senator ROBERT RAY—What is the official title of the division?

Mr Metcalfe—The National Security Division.

Senator ROBERT RAY—The NSD.

Mr Metcalfe—Yes.

Senator ROBERT RAY—What intelligence information will be given to the NSD from ASIO, ASIS, DIO, DSD and ONA?

Mr Metcalfe—Essentially the same material that we currently receive. So there is a significant amount of intelligence product assessments that come from the range of intelligence agencies, and we will continue to receive that material.

Senator ROBERT RAY—Will ONA stay entirely separate from this process?

Mr Metcalfe—ONA is a separate portfolio agency.

Senator ROBERT RAY—So they won't have a cosy relationship; they will be totally independent of each other.

Mr Metcalfe—We work very closely with ONA. One of the key objectives of this division is to ensure strong coordination on these issues, but ONA will remain a completely separate organisation and one we will continue to work with closely.

Senator ROBERT RAY—Who will head up this NSD?

Mr Metcalfe—Miles Jordana is being transferred from his current position and will head up the new division in a few weeks time.

Senator FAULKNER—Was that job advertised?

Mr Metcalfe—It was filled on transfer without advertising, which is quite commonplace in the Public Service.

Senator ROBERT RAY—Yes, we have noticed it a few times.

Mr Metcalfe—Mr Jordana is a substantive division head. He was previously the head of International Division, which covers much of this area in PM&C and he is returning to the department as a division head.

Senator ROBERT RAY—Where is he returning from?

Mr Metcalfe—From the Prime Minister's office. He is currently the Prime Minister's international adviser.

Senator ROBERT RAY—He has been in that position for several years.

Mr Metcalfe—A couple of years, I think.

Senator ROBERT RAY—Certainly through the 'children overboard' affair and all that.

Senator FAULKNER—Yes, he figured quite prominently there.

Senator ROBERT RAY—I was not being smart. I thought he may have moved from there to somewhere else and then he has come back.

Mr Metcalfe—He is currently in that position but before he went to the Prime Minister's office he headed the International Division in PM&C.

Senator ROBERT RAY—Do we know what the budget is for that distinct area of NSD?

Mr Metcalfe—I might take that on notice. I do not have a disaggregated figure and indeed one of the tasks that I have in the coming weeks is to form up and agree with the secretary on a budget. I can tell you that it is roughly 30 staff across the two branches and, apart from normal office expenses and a bit of travel, the salary component will be the most significant part of the work of the new division.

Senator FAULKNER—Is this the same Mr Jordana who was responsible for the analysis of ONA documents in the lead-up to the last election that led to Mr Howard's grand announcement in which he quoted from ONA documents at the Press Club on 8 November?

Mr Metcalfe—It is the Mr Jordana who is the international advisor to the Prime Minister.

Senator FAULKNER—Yes. So what is his position? Is it division head?

Mr Metcalfe—First assistant secretary, division head; the equivalent to Ms Belcher, for example.

Senator FAULKNER—What was the selection process for your job, Ms Belcher, when you were appointed as a division head?

Ms Belcher—The position was advertised and interviews were held.

Senator FAULKNER—We assume there was a short list and then you were appointed. What happened with the division head for the National Security Division?

Mr Metcalfe—As I explained—

Senator FAULKNER—Mr Jordana just got shunted in.

Mr Metcalfe—He didn't get shunted in. He is a very experienced officer.

Senator FAULKNER—He did get shunted in.

CHAIR—Let Mr Metcalfe answer.

Mr Metcalfe—Mr Jordana is being transferred to the position. As I explained, transfers to positions happen very regularly across the Public Service.

Senator FAULKNER—So there was no selection process.

Mr Metcalfe—We saw that there was no need to advertise the position because we had a senior and experienced officer available who was eminently qualified in terms of his background and experience to take on the duties.

Senator FAULKNER—This is the same Mr Jordana who allowed the Prime Minister to mislead the Australian people and the Australian media at the Press Club on 8 November 2001—

CHAIR—Senator Faulkner, I think we are going over issues—

Senator FAULKNER—No, we are not. I want to make sure that this is the same Miles Jordana—

Mr Metcalfe—I think we have established who Mr Jordana is, Senator.

Senator FAULKNER—It is the same Mr Jordana.

Mr Metcalfe—It is the Mr Jordana who is the Prime Minister's international adviser.

Senator FAULKNER—In my view, he is unappointable to a position without a proper process. That is just incredible.

Senator Hill—Unappointable without a proper process, but the point is—

Senator FAULKNER—There wasn't a process, Senator Hill.

Senator Hill—A proper process has taken place because, as the officer has said, transfer is commonplace within the Public Service.

Senator FAULKNER—Transfer is not a merit based process, is it?

Mr Metcalfe—There is no need for there to be a merit—

Senator FAULKNER—Of course there is a need for a merit based process given this bloke's background; of course there is.

Mr Metcalfe—I think that that is being rather unfair.

Senator Hill—Senator Faulkner is allowing his political prejudice to—

Senator FAULKNER—I am not being unfair. I think I am being very reasonable in the circumstances.

CHAIR—Order!

Senator ROBERT RAY—He didn't get a Public Service Medal for his job like the other one—you know, Anastasia of the Public Service; a lot better record than this bloke.

Senator Hill—I think it would be better if Senator Faulkner concentrated his political attack on the government rather than on public servants.

Senator FAULKNER—I want to know whether this position was established with Mr Jordana firmly in mind.

Mr Metcalfe—No. I can tell you quite clearly that it wasn't because I have been intimately involved in arguing, considering and discussing the best ways to fulfil our policy coordination role and, upon Dr Shergold's appointment as secretary, I had discussions with him about the need to increase our capabilities in this area and he in turn had discussions with the Prime Minister in relation to the proposal that the department provide more resourcing in this area. It was only subsequent to that that Dr Shergold and I had discussions and approached Mr Jordana to discuss the job.

Senator FAULKNER—Isn't transfer like this quite unusual for a new position?

Mr Metcalfe—No, not at all.

Senator FAULKNER—Isn't it usual that this sort of position is advertised?

Mr Metcalfe—Sometimes positions are advertised; sometimes they are filled on transfer.

Senator ROBERT RAY—We have Mr Jordana coming out of the Prime Minister's office into this and we have Mr Hazell coming out into the office. Has anyone else come out of the Prime Minister's office back into a substantive position like that recently? Are these the only two examples?

Mr Metcalfe—No. The only other example I can think of, and it is not really an example, is that Mr Conran has been appointed as the Secretary to Cabinet. That is a MOPS Act appointment as well.

Senator ROBERT RAY—That is entirely different.

Mr Metcalfe—If you are looking for examples of people moving out of the Prime Minister's office, Mr Jordana is transferring—and he has not done it yet—back to the department he came from, and Mr Hazell has been appointed to a statutory position.

CHAIR—It is not a promotion for Mr Jordana, is it?

Mr Metcalfe—No. Mr Jordana has been at first assistant secretary level for some time. He was promoted on merit to that level within the Department of Foreign Affairs and Trade some years ago. He transferred to be head of the international division in the Department of the Prime Minister and Cabinet. He subsequently transferred and was employed under the MOPS Act by the Prime Minister as his international adviser which is quite a common move between those two positions. He is returning to the department at the same level.

Senator FAULKNER—He has been appointed to a position as division head; that is a promotion, isn't it?

Mr Metcalfe—No. He was a division head when he left the Prime Minister's department to go to the Prime Minister's office.

Senator FAULKNER—Which division was that?

Mr Metcalfe—He was head of international division. As I explained earlier, part of International Division is moving to become part of the new National Security Division. So he is essentially returning to a job similar to the one that he left when he went to the Prime Minister's office.

Senator FAULKNER—So it is the same level?

Mr Metcalfe—It is the same level: SES officer band 2 is the correct designation.

Senator FAULKNER—At the next round of estimates, I will have some questions for Mr Jordana on certain defence and security issues. Are you absolutely satisfied that there was no breach of a protected ONA document at the Press Club on 8 November 2001?

Mr Metcalfe—I do not see how that is pertinent to these issues. We are talking about the establishment of a new division.

Senator FAULKNER—A security check agency.

Senator Hill—That is an issue that has been exhaustively dealt with elsewhere, over a long period of time.

Senator FAULKNER—We have just found out tonight that Mr Jordana, who was prohibited from attending Senate committee meetings to answer questions about issues relating to events in the latter part of 2001, has now been appointed to this new position. That is new information, with respect, Senator Hill. Were you aware of this appointment before tonight?

Mr Metcalfe—It was only decided on about Thursday of last week.

Senator FAULKNER—I just asked Senator Hill whether he was aware of it.

Mr Metcalfe—I do not think we had advised Senator Hill.

Senator Hill—No, I do not think I was.

Senator FAULKNER—No, I assume they would not have.

Mr Metcalfe—It was indicated to staff in the department on Friday.

Senator FAULKNER—The last advice he gave on a significant appointment turned out to be pretty unhelpful.

Senator Hill—I do not think I was informed, but I do know that it is commonplace for officers within Foreign Affairs and PM&C to transfer into the Prime Minister of the day's office and those international affairs jobs and to be transferred back after the completion of a period of service. There does not seem to me to be anything extraordinary in that at all.

Senator FAULKNER—The issue that is exercising my mind, and about which I would like to be satisfied, is the handling of the ONA report from which the Prime Minister quoted

at the Press Club on 8 November 2001, because we have just been told—and I can go into the background in some detail if you would like me to—that Mr Jordana, who had a key role in those events, has now been appointed as division head in PM&C, handling sensitive material.

Senator Hill—Mr Jordana at that time was an adviser to the Prime Minister; that is true.

Senator FAULKNER—I think we know that!

Senator Hill—The Prime Minister took certain action, which has been the subject of public debate in the past. If you are saying out of that that in some way Mr Jordana is no longer suitable or qualified to be a public servant then that is something about which we respectfully disagree. He is a well-qualified officer. He came out of the Public Service as a respected public servant and he goes back into it as a respected public servant.

Senator FAULKNER—You are entitled to your view on that. I am asking whether there was proper process in relation to the appointment.

Mr Metcalfe—Absolutely.

Senator Hill—That is a different issue.

Senator FAULKNER—It was not advertised, was it?

Mr Metcalfe—It does not have to be advertised.

Senator FAULKNER—It was not advertised, was it?

Mr Metcalfe—It was not advertised because it does not have to be advertised. So the secretary and I identified a person whom we regard as an extremely suitable candidate, and the decision was made to transfer him to the position.

Senator FAULKNER—Then you approached him?

Mr Metcalfe—That is correct.

Senator ROBERT RAY—I want to ask a question related to security. In terms of A Safer Australia, which is at page 76 of Budget Paper No. 2, I notice that over four financial years PM&C, or ONA more accurately, has \$10.1 million in additional funding. Is that correct?

Mr Metcalfe—That is correct, Senator.

Senator ROBERT RAY—Were you asked to provide savings measures for that \$10.1 million?

Mr Metcalfe—No, Senator, nor was ONA. I am sure that, if and when ONA appear before you, they can explain to the extent possible—

Senator ROBERT RAY—No, I am sure that is the case. I am just wondering and will pursue this elsewhere. With that \$370 million only one set of departments is asked to provide savings measures and to fund security. I am just making sure that you had not been asked. That is good. I think it says somewhere that the implementation unit was to ensure that government policies were implemented properly across the public service. Is that right?

Mr Metcalfe—That is the gist of it, Senator.

Senator ROBERT RAY—What is the enforcement mechanism or is it just a monitoring agency?

Mr Metcalfe—I suspect it is a body that will work very closely with the relevant departments and provide advice to the Prime Minister, who in turn may well work closely with relevant colleagues in relation to it. As long ago as a year ago the Prime Minister focused on the fact that there was a great deal of attention in getting the right policy advice to ministers and the right advice to ministers in reaching cabinet decisions. But quite often on key issues the work of central departments then moves on to the next policy issue and there is no real focus on whether that important matter of last week or last year is in fact being followed through and delivered on the ground. So the intention here is to provide some resourcing so that we can work with those implementation departments to see that the government is getting what it decided it wanted.

Senator ROBERT RAY—An unkind view—I am not saying that it is the correct view—not from your perspective but from the perspective of other departments, is that you have set up in PM&C an agency to spy on the activities of other departments. How do you react to that?

Mr Metcalfe—That is a very unkind view, Senator. PM&C already works very closely with departments and agencies on the whole gamut of policy issues, so we have well-established relationships and well-established mechanisms. Sometimes we agree with the position being taken by other departments; sometimes we provide contrary advice to the Prime Minister. That is part of our role. At the end of the day ministers make decisions and cabinet makes decisions. But what this is about is not only putting our resourcing into the front end of the process but also seeing whether the follow-through is there as well so that ultimately the taxpayer is getting what the government has decided they should have.

Senator ROBERT RAY—But ultimately the responsibility for implementing government policies is individual ministers running their departments.

Mr Metcalfe—I absolutely agree. One of the issues in setting up this unit—indeed, the secretary has been in discussion with his colleagues and I think the Prime Minister has been in discussion with his colleagues—is that this in no way will cut across ministerial responsibility but it will provide the ability to advise the Prime Minister in relation to the implementation of key decisions. So if some areas are not worthy of ongoing attention, those sorts of discussions can take place between ministers.

Senator ROBERT RAY—It sounds eerily like the set-up that was instituted by former Prime Minister Fraser about 24 years ago.

Mr Metcalfe—It is quite similar in some respects but it is not as large as arrangements that operate in the UK at the moment, where the cabinet office has quite a substantial implementation role and works quite closely in advising the Prime Minister on how things are being put in place.

Senator ROBERT RAY—And that was greeted with absolute rapture, wasn't it, by other departments?

Ms Belcher—I think another significant difference here is that it is not going to be every decision by cabinet and it is not going to be every program that is going to be monitored. It is going to be strategically focused.

Senator ROBERT RAY—Who makes that decision as to what the strategy is and where to focus?

Ms Belcher—It will be against the government's main priorities. There will be discussions with the cabinet policy unit and with agencies so that the scope of proposed policies can be assessed. It is not a matter of chasing up every decision to ensure that someone has got on and done the job.

Senator FAULKNER—Is there a new division head in the cabinet division?

Mr Metcalfe—There will be a new division head in the cabinet division.

Senator ROBERT RAY—Where are you up to with that?

Mr Metcalfe—That position has been advertised.

Senator FAULKNER—That one has been?

Mr Metcalfe—It has.

Senator FAULKNER—So no-one from the Prime Minister's staff will be going into that position?

Mr Metcalfe—No.

Senator ROBERT RAY—Of course not; it was advertised. No-one from the children overboard inquiry will be considered.

Senator Hill—They might apply.

Mr Metcalfe—All applicants will be treated on their merits but, in relation to that particular—

Senator FAULKNER—In relation to that particular vacancy?

Mr Metcalfe—For that particular vacancy there is no-one who came to mind who would be available for transfer, so we thought we would canvass the field.

Senator ROBERT RAY—What is the timetable for filling that position?

Mr Metcalfe—The advertisements appeared in the *Canberra Times* and the *Australian* on Saturday, and I think they will be in the *Gazette* this Wednesday or Thursday. Applications close mid-June. I hope to chair a selection process that would interview people, probably in early July, and we would hope to move fairly soon after that—so over the next couple of months.

Senator ROBERT RAY—Could you take on notice who the appointment is?

Mr Metcalfe—To advise you on notice?

Senator ROBERT RAY—Yes.

Mr Metcalfe—Yes.

Senator ROBERT RAY—Clearly, if the decision is made after 10 July, you cannot meet the 10 July deadline; I accept that.

Mr Metcalfe—I think it would be optimistic to think we would have the decision made and signed off by 10 July. But, on notice, we can advise you in due course.

Senator ROBERT RAY—I am just saying the cut-off motion does not apply to you in this case.

Mr Metcalfe—Thank you, Senator.

Senator ROBERT RAY—I notice in the *Canberra Times* of 10 April, Secretary Shergold says that the department has learnt certain lessons on record-keeping—I do not think I am misquoting him here—and that, in terms of the Iraq war, these matters were being properly documented and carefully recorded. What is the change involved in this compared with the previous practice?

Mr Metcalfe—I think that the secretary was possibly referring to the report of the Senate inquiry into A Certain Maritime Incident in relation to some of the observations in that report about record-keeping. In that interview, which I think was with Verona Burgess, if that is the one—

Senator ROBERT RAY—Yes, that is the one.

Mr Metcalfe—he was simply pointing out that he had reassured himself upon being appointed to the position that, on that issue and indeed on others—but on the key issue that we were involved with at the time—interdepartmental processes were being appropriately minuted and advice to ministers was appropriately put in written form.

Senator ROBERT RAY—Do we know that all that has occurred?

Mr Metcalfe—I chaired the interdepartmental committee that coordinated those issues, and we were fastidious in ensuring that there were agendas for meetings and that there were outcomes of meetings and, as appropriate, advice to ministers, which usually occurred through NSC processes that were occurring.

Senator ROBERT RAY—So, as chairman of that, you will not be placed in a position where you cannot recall or cannot remember on 57 occasions, I take it.

Mr Metcalfe—I would never want to give an absolute guarantee because there is so much detail that we get involved with but, if I ever have that experience, I would seek to refresh my memory as best I could before I gave evidence.

Senator ROBERT RAY—That would be good. On the implementation unit: are you having any staff seconded to that?

Mr Metcalfe—We do expect to. It is in its formative stage at the moment but the expectation is—and I think I mentioned this earlier—that a number of the 10 or so staff would be substantive officers from the Department of the Prime Minister and Cabinet, and a number of others would come from other departments.

Senator ROBERT RAY—How do they come? Does the department send them or do you request individuals from that department?

Mr Metcalfe—The secretary has had discussions with his colleagues about the fact that he wants to provide development opportunities for staff in other departments to come and work in PM&C because what we do in terms of being a central agency and our proximity to cabinet and other processes can provide valuable skills to staff from line departments. It is also a way for us to bring in some people with subject matter expertise for a period of time, as Ms

Belcher said, depending upon the particular issues that are being looked at, which will change over time. The secretary has had some discussions with his colleagues and I think he is planning to write to them to set in train an arrangement whereby secretaries identify a number of capable staff. We would then get into discussions about who might come across at certain times.

Senator ROBERT RAY—Do you think this sort of implementation unit could act as an early warning system to give the government warning about catastrophic failures such as the clustering of IT or the absolute failure or potential bankruptcy of Employment National, for instance, to give you a much earlier warning? With all these sorts of issues do you think you could get an earlier feel that government policy is not implemented and that it is going awry?

Mr Metcalfe—The intention is, as Ms Belcher said, not to try to monitor every decision that is being implemented but to focus on strategic areas, and the government has identified a number of key strategic areas. Within those no doubt there are particular areas that will require particular attention. Whether it serves as an early warning system or something that might not have been detected through any other way, time will tell. But the whole idea is to ensure that we are focusing strongly on the fact that people are getting on and putting in place what the government has decided to do.

Senator FAULKNER—When did planning kick off for the establishment of the cabinet division?

Mr Metcalfe—As you are probably aware, we already have a cabinet secretariat function so all of that work continues. I expect that the division head will be appointed over the next couple of months. The head of the implementation unit will be established over the next couple of months. So over the next two or three months we would expect the cabinet secretariat to move from its current work to take on that broader range of functions that I outlined to you earlier.

Senator FAULKNER—I may not have made my question clear. I meant to ask: when did planning commence for the restructuring that led to the establishment of the cabinet division?

Mr Metcalfe—In its early formative stages the planning really occurred very soon after Dr Shergold arrived in the department.

Senator FAULKNER—That is what I was wondering. Is it an initiative of Dr Shergold?

Mr Metcalfe—These are iterative processes. Dr Shergold, in coming to the job, was clearly interested in how the department worked and where a fresh pair of eyes might decide to make some changes. He obviously had some discussions with the Prime Minister about the performance of the department and some areas where some priorities might be changed or added to. Through that period from his appointment in February and through the budget process these considerations continued. Part of it were the discussions between ourselves, the Department of Finance and Administration and the budget process about some additional resourcing to undertake this extra work.

Senator FAULKNER—So fundamentally it is an initiative of Dr Shergold?

Mr Metcalfe—Dr Shergold. But if I can claim a little bit of credit, he obviously drew on the advice of a number of senior colleagues.

Senator Hill—Sound advice.

Senator ROBERT RAY—You got the words ‘iterative process’ so you win a prize for that at least.

Senator FAULKNER—I was wondering whether this commenced after Mr Moore-Wilton had left the department, but I did not mean in any way to demean your significant involvement.

Mr Metcalfe—Thank you, Senator. I should say that these issues are not static. For example, in relation to the national security division, the former secretary had to put in place some new arrangements in the second half of last year and indeed the Prime Minister’s statement following the heads of government meeting on 24 October last year talked about PM&C taking on a greater policy coordination role on counterterrorism issues. Parts of this were in train as Dr Shergold arrived, but others firmed up very much after his arrival.

Senator ROBERT RAY—Can I have an update on leaks inquiries? I usually ask for a regular update—not on DLOs, do not reach for it yet. Have we had any leaks inquiries initiated by PM&C in the last year?

Mr Metcalfe—In the last year, Senator?

Senator ROBERT RAY—Yes. We usually have a couple.

Mr Metcalfe—Senator, I will ask Mr Hamburger, the Assistant Secretary to Cabinet, to respond to that.

Mr Hamburger—The only inquiry initiated since the last hearing—

Senator ROBERT RAY—No, I said in the last year—going back to 1 July last year.

Mr Hamburger—It is probably still the only one for the last year. The only one in the last year was a possible leak of a cabinet document relating to ethanol.

Senator ROBERT RAY—Who was that referred to?

Mr Hamburger—The Australian Federal Police.

Senator ROBERT RAY—How did you come to know that the document had been leaked?

Mr Hamburger—There were a number of questions asked at the last round of Senate estimates which suggested it may well have been.

Senator ROBERT RAY—Do you ever educate yourself on parliamentary privilege, Mr Metcalfe, to know that you cannot use any evidence in *Hansard* to initiate or prosecute an investigation? You are not Robinson Crusoe here.

Mr Metcalfe—No, but it was fairly apparent from questions of a number of departments—

Senator ROBERT RAY—I am sorry, it does not matter how apparent it is; I am asking you whether you have actually studied parliamentary privilege to know what you can use as an evidentiary base to launch an investigation. Surely you have read some of the reports.

Mr Metcalfe—I have, Senator.

Senator ROBERT RAY—There must be some other evidence on which you launch the investigation other than what questions were asked in the parliament, the estimates or committee process.

Mr Hamburger—I don't think, Senator, that we are precluded from launching an investigation in relation to something that has been initiated in parliament. We could not use any of the proceedings of parliament in legal proceedings, but the fact that questions are asked in a parliamentary committee I think allows us to launch an inquiry.

Senator ROBERT RAY—I think if it was used in the proceedings of parliament it does not take you anywhere, but let me ask you this: did you catch someone?

Mr Hamburger—No, Senator.

Senator ROBERT RAY—PM&C has a perfect record, at least in the last 7½ or eight years.

Mr Hamburger—I think most departments have in this area.

Senator ROBERT RAY—We will get to one of those next week. That department promised to catch someone. As I understand it, there was a budget document about the rephrasing of the Defence budget to cover a deficit. Did you have an investigation into that?

Mr Hamburger—It certainly was not initiated by us. If it was a document owned by another department, it is quite possible it would have been—

Senator ROBERT RAY—It is a budget document, as I understand it, so it is actually owned by your department.

Mr Hamburger—If it is a budget document, it is more likely to be the Department of Finance and Administration, I would think.

Senator ROBERT RAY—What was the ethanol one?

Mr Hamburger—It purported to be a leak of a cabinet submission relating to ethanol.

Mr Metcalfe—From my recollection, at various estimates hearings involving various departments—not PM&C but other departments—there were selective quotes being taken from what could possibly have been coordination comments of various departments. So it was reasonably easy to deduce that a cabinet document may have been leaked.

Senator ROBERT RAY—You deduced that; you did not know it?

Mr Metcalfe—I think that from the comments that were being made and the questions asked, it was fairly obvious.

Senator ROBERT RAY—When did you ask the AFP to investigate?

Mr Hamburger—It would have been very shortly after that. The questions and subsequent press reports were in the week beginning 20 November. We would have approached the police within days of that.

Senator ROBERT RAY—How long did they investigate it for?

Mr Hamburger—They advised us on 25 February that they did not think they would catch anyone.

Senator ROBERT RAY—Did they advise you of what the total cost of their investigation was?

Mr Hamburger—No, Senator.

Senator ROBERT RAY—Maybe it would be a good idea to institute user pays, so that you pay for these futile investigations that you launch.

Senator FAULKNER—Am I correct in thinking that the department had confirmed that you had been investigating the leak of a PM&C document relating to Defence's budget rephasing last year sometime?

Mr Metcalfe—It does not ring any bells.

Mr Hamburger—Not a PM&C document; in fact, the entire incident does not ring any bells.

Senator FAULKNER—Okay. I will check that.

Senator ROBERT RAY—Yes, we have plenty of time tomorrow.

Senator FAULKNER—Yes, we have plenty of time tomorrow. You are right, unfortunately; we have all day. There was that dramatic incident when Mr Henderson announced the inquiry into the advertising campaign for education changes—that leak. Where did that ever go to? It related to some press release or something that I had put out. That was a good one. Why have I never heard any more about it from that day to this?

Mr Metcalfe—If you want to discuss that matter then I will ask Mr Williams to come to the table.

Senator FAULKNER—There was another leak inquiry, wasn't there—or allegedly, anyway?

Mr Metcalfe—It was an issue of whether there had been an unauthorised disclosure of confidential material.

Senator FAULKNER—It was very dramatic because Mr Henderson was able to mention my name. I was greatly amused by it all. Where did that end up?

Mr Williams—I do not have the papers with me but, from memory, that referral was some time in August or September 2001. It related to a media plan which had been tabled in parliament and had also been released as part of a press and media release.

Senator FAULKNER—That is right, yes.

Mr Williams—The police conducted an investigation. They believed they knew who had done it but they had difficulty proving it. As such, they discontinued the case.

Senator FAULKNER—Okay. I have never heard about it from the dramatic moment that Mr Henderson mentioned it at the estimates committee to this day.

Mr Williams—The issue was proving it.

Senator ROBERT RAY—Do we ever learn the lesson? Across the whole of government, we have had at least 10 but probably 20 police inquiries into leaks. The Americans have a

great saying in baseball: 0 for 5. Well, you are about 0 for 20. When do you cut your losses on this? Or do you just keep persisting?

Mr Williams—If there is evidence that a criminal act has occurred, I do not know if it is a question of whether you just shrug and turn a blind eye. It is important that these issues are addressed.

Senator FAULKNER—No-one ever investigates the leaks of cabinet documents and discussions, budget leaks and everything that comes from the government. Anything that is seen as being in the interests of the government is never inquired into at all. These leaks are happening all the time. It is just when the old truck pulls up with something about the advertising campaign for education change—wasn't it, Mr Williams?—and something falls off the back of a truck into the hands of some character who eventually passes it on to a person like me that anyone worries about it. They do not worry about the budget leaks, the ones that are generated out of ministers' offices or the government or anything like that. It is just something that might be quoted by an opposition senator or member.

Mr Metcalfe—There is a distinction between an authorised disclosure of information and an unauthorised disclosure of information.

Senator ROBERT RAY—So you are saying that it is okay to ring up a journalist and tell them what is in the budget if you are a minister? Do you call that an authorised leak?

Mr Metcalfe—I am not saying that it is an authorised leak; I am saying that it is about the provision of information. Ultimately, it is up to the minister to decide what needs to be put into the public domain or not, but it is not up to public servants to make that decision. The law is quite clear about what is authorised and what is unauthorised. For people to take it upon themselves to start releasing confidential material ultimately weakens the system of government that we have where there needs to be trust between the Public Service and the government.

Senator ROBERT RAY—Of course I have misled the committee when I say the Federal Police have never caught anyone. They did catch one—

Mr Metcalfe—That is right.

Senator ROBERT RAY—but it happened to be a MOPS staffer in Senator Newman's office. So let me just correct the record: they did catch one leaker. But, of course, they had no power to prosecute because they were not public servants.

Senator FAULKNER—We should not name him.

Senator ROBERT RAY—No, we do not want to knock the person, do we.

Senator FAULKNER—So has any leak inquiry resulted in any action whatsoever—legal, disciplinary, administrative—since 1996?

Mr Metcalfe—I do not think we have that information at the table here. We could take that on notice and see if we could possibly answer it.

Senator FAULKNER—It is a one word answer, with two letters.

Mr Metcalfe—We are not aware of anything in recent experience.

Senator FAULKNER—No, nor am I.

Mr Metcalfe—But just because it happens does not mean that you simply let it go by.

Senator ROBERT RAY—It is just that there are a lot of police resources getting wasted.

CHAIR—Is this a convenient time to adjourn?

Senator ROBERT RAY—Yes, it probably is.

CHAIR—In that case, Minister and Mr Metcalfe, we might call it quits for this evening and recommence tomorrow at 9 a.m.

Senator FAULKNER—You will take that last question on notice?

Mr Metcalfe—I do not think I will get an answer tomorrow.

Senator FAULKNER—I did not expect you to.

Senator ROBERT RAY—You have got until 10 July.

Senator FAULKNER—It is only a one word answer, as I say, with two letters—the first one is N and the second one is O.

Mr Metcalfe—We will take it on notice anyway.

Committee adjourned at 10.56 p.m.