

THE JOINT STANDING COMMITTEE OF PUBLIC ACCOUNTS MET IN COMMITTEE ROOM 2, PARLIAMENT HOUSE, HOBART, ON FRIDAY 11 APRIL 2008.

INQUIRY INTO TELEVISION ADVERTISEMENTS BY THE TASMANIAN GREENS

Ms KIM HUDSON AND Mr TONY FERRALL, DEPARTMENT OF TREASURY AND FINANCE, WERE CALLED, MADE THE STATUTORY DECLARATION AND WERE EXAMINED.

CHAIR (Mr Wilkinson) - Thank you, Kim and Tony, for coming along. As you know, this is Public Accounts Committee inquiry into the television advertisements by the Tasmanian Greens in relation to the pulp mill. That is what we are investigating at the moment. We received some evidence last week and you are here today to give us your evidence. In relation to that, because you know the reason you are here, did you wish to make any opening comments?

Mr FERRALL - No. I have seen the earlier papers from DPAC in terms of the transactions so I have some knowledge of what has occurred and I am happy to answer your questions.

Mrs SMITH - We have received some evidence already and one of the comments made was that there was agreement that the whole-of-government communications policy is not a grey area when you are looking at government departments and agencies et cetera but is a grey area when you look at how it relates to opposition parties. Would you like to make some comment on that?

Mr ROCKLIFF - And individual members as well.

Mr FERRALL - Essentially our domain is the Treasurer's Instructions and the policy statement is effectively a DPAC policy statement. I would agree it is a grey area and by convention there are some aspects of the policy that wouldn't be suitable for or applicable to all political parties. I think over a period it is accepted that some aspects where they can apply should apply, but aspects that cannot, for good and sensible reasons, do not apply.

Mrs SMITH - Did you have any correspondence with either DPAC or the Tasmanian Greens on this issue?

Mr FERRALL - I will need to check whether we may have had correspondence from the Greens on this issue.

Mrs SMITH - If you could do that and come back to the committee with copies of that correspondence. If it stamped 'confidential' for any reason, could you give an explanation as to why it is stamped 'confidential'? Have you compared the Treasurer's

Instructions to the process used by the Tasmanian Greens in this pulp mill television advertisement?

Mr FERRALL - In terms of procurement, yes, we have had a look at that. Essentially there are a large number of Treasurer's Instructions, but in terms of procurement there are probably two that have the principal application. One is a general procurement TI, which talks about obtaining good value for money. There are two other Treasurer's Instructions which relate to when it is appropriate to tender or not to tender. From my understanding of the issues, there are four separate procurements that have occurred and individually they are each under \$10 000. If a procurement is under \$10 000 there is no explicit requirement for agencies to obtain quotes; in fact, it is effectively left to the discretion of the agencies in terms of whether they seek quotes or not. The overriding principles of TI-1101 still apply, which is effectively the value for money issue.

Mrs SMITH - Do you consider it as one project or several individual projects because of the billing structure of Southern Cross, WIN and the production, et cetera?

Mr FERRALL - From what I understand, they are separate procurements. In essence, they were separate transactions. In terms of the Treasurer's Instructions, we would try to ensure that agencies do not attempt to split transactions to deliberately reduce the amount below thresholds but these particular transactions, from what we can see, are separate transactions.

Mrs SMITH - Would you concede though that in areas of communications, media, et cetera, in a State the size of Tasmania unless there is an instruction that political parties or independents utilise a media company to do their work, and then it is one project, you really are doing exactly the same thing but you are trying to cover an audience by going to two separate media outlets, WIN and Southern Cross?

Mr FERRALL - That is possible. However, from a financial point of view, I guess the question is whether they are separate transactions or a single transaction. You might have an example where, in another form of procurement, people procure components of something from quite separate organisations and they would still be treated as separate procurements, even though fundamentally it might be a similar issue or aspect.

Mrs SMITH - If the Health department called tenders for the provision of fruit and vegetables for hospitals in Tasmania and Jimmy Apple applied to supply Hobart and Susan Orange Launceston, are they two separate procurements or one?

Mr FERRALL - It would depend on the tender. You could have a tender for a whole-of-State procurement of apples and oranges or the department could quite sensibly and legitimately call for a tender for provision of fruit and vegetables in a particular area. I mean, you could imagine that it might be quite appropriate for the Launceston General Hospital and the Royal Hobart Hospital to have separate transactions and quite separate procurements in relation to something like that.

Mrs SMITH - If it was under \$10 000 and they were not required to go to tender, what would your expectations be?

Mr FERRALL - Provided it is under \$10 000, if the agency can make a valid and sensible judgment that not going to tender is the most cost-effective and appropriate way of doing it then they are quite at liberty to not go to tender. If the amount was between \$10 000 and \$100 000 then the Treasurer's Instructions oblige them to obtain quotes. If they go over \$100 000 then the Treasurer's Instructions oblige them to effectively go to public tender.

Mr STURGES - Just following that line of questioning, I would like to rewind to the earlier question that Mrs Smith asked you to get information on and that was whether or not the Greens had sought specific information in relation to this particular procurement of services. I do not expect that you will have the answer with you now, but could you seek to ascertain whether the Greens have ever sought a briefing or detailed information from Treasury in relation to the application of Treasurer's Instructions, specifically relating to the procurement of services?

Mr FERRALL - I am aware of one example where the Greens have sought an exemption in terms of the applicability of the Treasurer's Instructions. I am only aware of that because it occurred last year and related to the procurement of legal services.

Mr STURGES - In relation to the Treasurer's Instructions - and you have already referred to 1101 - in that instruction I will refer to the subheading 'Compliance with Ethical Standards and Observing the Procurement Code of Conduct'. I seek your opinion as to whether or not you consider - and I will refer to a specific part of this in a minute - this particular provision, this instruction, would be applicable to a political party and, specifically in relation to our inquiry, to the Greens? In particular I refer you to XV, under the subheading, 'Procurement Code of Conduct.' It goes on to say:

'Buyers must complete a conflict of interest declaration and take steps to avoid involvement in any procurement activity where any conflict of interest (actual or perceived) may arise and abstain from soliciting or accepting remuneration or other benefits from a supplier for the discharge of official duties.'

So particularly in relation to XV, do you think that is applicable to this inquiry, and more generally to political parties using government funds?

Mr FERRALL - The Treasurer's Instructions have the force of law linked back through the appropriation process and its use of public funds. The Treasurer's Instructions apply to the use of, effectively, any public funds.

Mr STURGES - So therefore would it be reasonable to assume that if a member of a political party, real or perceived but more so real, was likely to have a conflict and likely that, through an association, financial reward was to be received as a result of the procurement process that that should apply and that a declaration should be made? To whom is that declaration made in this case - to the Parliament or the Treasury?

Mr FERRALL - It is a difficult question in terms of its being a hypothetical. I can say categorically that the TIs follow the flow of government funding, or public moneys, and to the extent that public moneys are being utilised then the TIs apply. I think to go

beyond that in terms of my answering the hypothetical is difficult. As I said, you would need to have a range of other facts to go through that.

Mr STURGES - I can be specific. Sorry, I was dancing around it. Do you want to do it, Sue?

Mrs SMITH - Yes, perhaps I am better at not dancing around it than you are. We are relating specifically in this issue to a perceived pecuniary interest by a member of the Greens in the media production company. Were there any documents and with whom should those documents, relating to any community conflict-of-interest issues, have been placed? Would they normally go to DPAC, Treasury or somewhere else if there was a pecuniary interest issue?

Mr FERRALL - I will check with Kim, but my understanding would be that if there were a conflict-of-interest declaration it would be made to the head of agency in the first instance.

Ms HUDSON - What would normally happen is that it would be completed, and if there was an evaluation committee established to evaluate tenders, it would be tabled at the committee. The actual form would not necessarily go to the head of agency but the procurement report prepared by the evaluation committee would note any conflicts of interest that had been tabled.

Mrs SMITH - In this particular instance there are no tenders involved, quite clearly.

Ms HUDSON - No.

Mrs SMITH - So it is a case of money being spent. If someone felt they should sign a conflict-of-interest form, to whom would they tender that form together with the paperwork that goes through the process - with DPAC? Where should a conflict-of-interest form go?

Ms HUDSON - It is not specified in the Treasurer Instructions which would mean that it would be up to the individual agency to determine what process to adopt.

Mrs SMITH - So you are telling me that in this instance it would be DPAC, as the head of agency responsible, that would receive any conflict-of-interest form?

Mr FERRALL - If there had been a conflict identified and a form completed, yes.

Mrs SMITH - Is the issue of a conflict of interest left to be decided by the political parties and independents or is it something that is delegated to the officers involved or would it be DPAC's responsibility?

Mr FERRALL - If you look at the example of procurement within an agency in a normal procurement, if individuals involved in that procurement recognise or identify that they may have either a real or potential conflict of interest then they would effectively self declare. If an agency - hypothetically Treasury - was undertaking a procurement - say, in a normal circumstance - and we identified that an individual who was participating or being part of the tender panel or some other component of the procurement might have a

conflict of interest then it could either be identified, as I said, by self identification or, if another individual was aware of that, they might identify that in a transaction sense.

Mrs SMITH - If, in your opinion as representing Treasury, head of agency delegates their responsibilities to an individual within a department or in this instance a delegation from DPAC to the head of the Greens' office, would the expectation be that the issue would have been settled in that arena? This delegation from DPAC down into offices appears to be one of the significantly interesting areas?

Mr FERRALL - The circumstances of how opposition parties relate in a procurement sense are not the same as every other agency. I think we accept that there are some circumstances where it would not be appropriate and sensible for every single thing to apply and that is why they have arrangements with DPAC where effectively the leader of the party is given a budget and they manage and operate on that budget. My understanding with DPAC is that they effectively complete the transactions on behalf of, in this case, the Greens.

Mrs SMITH - But surely conflict of interest is not a grey area. We all know whether we have a conflict of interest or not and regardless of the fuzziness or the greyness of the whole process of communication policies and Treasurer's Instructions, conflict of interest should be the number one issue perhaps. Would you accept that?

Mr FERRALL - Anybody who has a known conflict of interest should identify it.

Mrs SMITH - Have you in your time within Treasury been aware of any other times when this sort of issue has arisen where there have been issues about money spent by opposition parties or independents that has had to take a particular path of process to clarify - before purchase usually, one hopes?

Mr FERRALL - Not off hand I cannot recall.

Ms HUDSON - I am not aware of anything.

CHAIR - Can we go back to the start? Say, Jim Wilkinson is a member of an independent party and wants to do some television advertising; that advertising in total is going to cost \$40 000 but I have to get it from WIN, Fox - four or five different people - it is under \$10 000. What do I do? Who do I request that money from?

Mr FERRALL - I am not sure whether you request the money. You would have a budget, assuming that you are operating as effectively the Liberal Party and the Greens do at the moment in that there is a budget for ministerial and parliamentary support. Annually that is appropriated and it becomes the budget for that and then it follows the normal process and the Premier allocates funding. My understanding is the Premier writes to the particular head or the Leader of the Opposition and says, 'Your budget is x'.

CHAIR - So I am within budget and therefore I am eligible to obtain that money, correct?

Mr FERRALL - Yes.

CHAIR - I am eligible to obtain that money without getting a quote because it is under \$10 000 - each one of the transactions is under \$10 000?

Mr FERRALL - As long as they are legitimately separate transactions, and that again is a matter of judgment sometimes. When they are very clearly separate it is quite easy to establish they are separate transactions, but sometimes it is a matter of judgment to say, 'Is this really linked or not?', but that judgment would be made effectively by the head of agency.

CHAIR - In relation to that money, the instructions don't really cover that, do they, when we look at what's in these documents? In order to make that advertisement in concert with what is in the instructions, I have to have the Labor Party insignia on it and I have to do a number of different things, which would be ridiculous, for the advertisement that I want to place.

Mr FERRALL - That is in terms of the communications policy?

CHAIR - Yes. That being the case, I know the person I want to do the business with, he is a relation of mine. I then employ Ivan Dean - who is a relation of mine - to carry out that work. Is that a conflict of interest? Am I carrying out a conflict of interest by employing Ivan to do that work, so far as Treasury is concerned?

Mr FERRALL - I think the answer would be that it is most likely to be a conflict. It doesn't have to be.

CHAIR - How doesn't it have to be?

Mr FERRALL - Simply because you know an individual wouldn't necessarily make it a conflict. It is Tasmania and there are a lot of people who are known.

CHAIR - When does it become a conflict so far as Treasury is concerned?

Mr FERRALL - I think it is a question of whether the relationship is likely to either influence the outcome of the particular transaction or -

CHAIR - You could become a beneficiary of the moneys that are paid to purchase that advertising.

Mr FERRALL - It goes beyond just whether there is a real conflict. The next question is: is there an apparent conflict? In other words, even if there is no real conflict of interest, would it be seen to be potentially inappropriate? Again, in those circumstances, you would expect the potential conflict to be identified.

CHAIR - That being the case, I then have to fill in a conflict-of-interest declaration?

Mr FERRALL - That would be normal way.

CHAIR - And that form goes where?

Mr FERRALL - As Kim said, that would normally go to the procurement review panel, depending on the size, whether there is a tender panel that has been formed.

CHAIR - Here there is no tender panel because we don't even have to get a quote, so what would happen with that?

Ms HUDSON - There is no requirement under the Treasurer's Instructions so it is a matter of judgment, I guess. If there was a purchasing officer within Treasury doing that I would imagine they would give it to their superior officer so they at least -

CHAIR - What is the difference between what we are talking about and, say, Jim Wilkinson wanting to purchase a TV or a phone for his office downstairs? He knows a friend who sells these phones and therefore rings that friend up and gets him to sell Jim Wilkinson the phone? There is a relationship because he is a good friend. I am giving him the business because I want him to have the money as opposed to somebody else. What is the difference?

Mr FERRALL - Again, there is a difficulty in hypotheticals. In a procurement, say, within Treasury and if I were undertaking the procurement, if I wanted a phone, as an example, and the supplier happened to be a friend of mine I would, as an individual, attempt to ensure that I was not involved in that procurement. If you look at the way we conduct business within our agency, I would actually say to our corporate services people, 'I need a phone'.

CHAIR - So you are at arm's length.

Mr FERRALL - I am at arm's length. We would always attempt - as individuals or corporately - to ensure that we are arm's length from those transactions.

CHAIR - In relation to my independent party, I get Sue Smith who is in the party with me to ring up my relation and say, 'Can you put the business with that person?' I am at arm's length because Sue Smith, even though she is in the same party or the same organisation as I am, is the one that is doing the deal. Is that arm's length or should there still be a conflict of interest declaration as far as Treasury is concerned?

Mr FERRALL - Again, hypothetically, I would say it is not arm's length because you have influenced Sue Smith to contact your friend to obtain the phone. You have constructed a scenario to become one step removed but you are not really removed from the influence.

CHAIR - What happens if the price is exactly the same? In other words, I get the phone for \$1 000 from my friend, all the other phones are \$1 000 or maybe a \$1 100, therefore the cost of the phone is no different wherever it comes from. Does that create any issue?

Mr FERRALL - I think that, in terms of again the nature of the transactions that I am involved with, we would still avoid that because there is potentially an apparent conflict. The average person in the street may perceive that that was an inappropriate transaction and you would avoid even entering into or creating that circumstance if you can.

CHAIR - Am I to understand that you are saying that at all times there should be every endeavour to ensure that there is no perceived conflict of interest or actual conflict of interest?

Mr FERRALL - Correct, yes.

CHAIR - How many of conflict-of-interest forms have been submitted? Are you aware of that?

Mr FERRALL - I am not aware of it. As I said, we do not keep a register of it and there is no -

CHAIR - So if I asked if you could come back and let us know that you would not be able to really help, is that what we are saying?

Ms HUDSON - I do not think we would be able to do it. I know in relation to all the tenders run, it is in our procurement checklist that we offer for all agencies to follow when they are doing a tender. That checklist recommends that all members of an evaluation panel sign a conflict of interest, either declaring an interest or declaring that they do not have an interest. But that is for major purchases; it would not happen in this sort of situation.

Mr STURGES - Just again for the record - and I think I know what your answer is going to be; I asked a similar question of DPAC - what auditing process do you have to ensure that there is compliance with the Treasurer's Instructions, particularly in relation to matters that we have raised - value for money, conflict of interest, et cetera? Or do you just look to ensure that the money that has been allocated in the budget has been expended?

Mr FERRALL - I guess there is a range of mechanisms that ensure compliance. Most agencies, but not all, have internal auditors and depending on the appropriate audit processes they would be checking for compliance with the Treasurer's Instructions. The Auditor-General, as part of his audit, completes a general audit but he also undertakes particular reviews in terms of procurement. In those circumstances he would go through and check for compliance. Treasury, as an entity, doesn't undertake checks across agencies on compliance with the TIs.

Ms HUDSON - Agencies also have their procurement review committees established internally to review major procurements as they go through to make sure that the processes have been followed.

Mr STURGES - That is major procurements. Are you aware of agencies, in particular DPAC in this situation, having a similar process in place in relation to expenditure by political parties?

Mr FERRALL - I'm not aware of what DPAC has internally. I am not aware of that process and I can't comment whether they do or don't.

CHAIR - Are you aware of any information, booklet or document that goes to each of the parties in relation to what is and what isn't a conflict of interest?

Mr FERRALL - No.

CHAIR - Are you aware of any conversations had been the Greens party and either Treasury or DPAC in relation to conflict of interest?

Mr FERRALL - No, I'm not aware anything specifically.

Mr STURGES - With respect, Chair, that might be included in our previous requests in relation to 'Have the Greens sought specific information?' - I forget the specific nature of Mrs Smith's question - 'in relation to this matter but more generally in relation to the application of the Treasurer's Instructions'. I think we have that noted on record and I would be interested to ascertain whether or not that has ever occurred, whether a formal approach has ever been made to get a briefing in relation to the application, and the applicability, the suitability of the guidelines. It is apparent to me they are the only guidelines at the moment that apply to the expenditure of taxpayers' money.

CHAIR - And not only the Greens. Are you able to say whether the Liberal Party has spoken to you about what Graeme is talking about, or alternatively the Labor Party?

Mr FERRALL - I'm not aware, personally, of any approaches. There may well have been approaches within DPAC, or to DPAC. DPAC, in effectively looking after ministerial and parliament support, may have provided briefings in the past, but I'm not aware of them.

Mr STURGES - It would be good to ascertain generally if those briefings have been provided in a meeting format or whether briefing notes have gone out. Whatever material, if any, has been provided would help. It is part of our terms of reference to have a look at the appropriateness of the process and what sort of support processes there are.

Mrs SMITH - I have a copy of a letter of 28 March 2007 from the Secretary of Treasury, Don Challen, to Peg Putt as Leader of the Tasmanian Greens which gave an exemption from the application of TI-1118 for the procurement of legal services - a different issue to this.

Mr FERRALL - Yes, I mentioned that earlier. I'm aware of that.

Mrs SMITH - Are you aware whether there have been any other exemptions, particularly specific to this inquiry?

Mr FERRALL - I'm not aware of other exemptions, but we would need to check our records to establish there hadn't been any.

Mrs SMITH - Could you please clarify that because that is important, that there have been exemptions given to any part of the process. I don't have any paperwork that indicates it, but in light of that one being produced -

Ms HUDSON - I did a quick check of our database on exemptions before coming down and I couldn't find anything, but I haven't done an exhaustive search.

Mr DEAN - I think you said you have not been involved in any other similar positions to this one. Is that right?

Mr FERRALL - In terms of inquiries into the expenditure?

Mr DEAN - Yes.

Mr FERRALL - No, I'm not aware of any others that have occurred. As I said, I recalled the exemption from using crown legal services because I was actually involved in that particular request that came to the agency but I cannot recall any other similar circumstances.

Mr DEAN - I take you have been in your position for some time?

Mr FERRALL - It would be about four years.

CHAIR - And before that?

Mr FERRALL - And before that, different guises.

CHAIR - As far as your recollections are concerned, have there ever before been issues like this raising their heads?

Mr FERRALL - I do not believe so. There have been occasions where there has been, I guess, political commentary and questions in the Legislative Council many years ago, but again I am not aware of any previous inquiry or anything of this detail. I think there have been occasions when there have been questions raised in the Legislative Council - and you would probably remember better than I on that front, but that is probably many years ago.

Mr DEAN - Are you satisfied with the Treasurer's Instructions in relation to these issues as to whether they go far enough or whether they are good enough or whether they should be revisited? What is your position on that? Are they clear enough?

Mr FERRALL - I think the Treasurer's Instructions are clear enough. We review them quite regularly in relation to procurement. We look to see what other jurisdictions are doing. You would probably find that some people might think our instructions are more restrictive and more controlling than those of other jurisdictions. We tend to have relatively lower thresholds in terms of when you go to open processes as opposed to quotes than some of the other jurisdictions. I think they are robust and, as I said, they are reviewed regularly.

CHAIR - Should there be a separate policy in relation to parties because the instructions as we see them before us obviously do not really fit the bill as far as parties are concerned because of what is required? Therefore, should there be separate instructions provided to opposition parties?

Mr FERRALL - I guess that is not necessarily a question for me. I can answer that you could have separate instructions. I mean, it would be possible to create separate instructions.

CHAIR - Do you believe that it would in any way solve the greyness that appears to be in the area now? It would seem to me that, if you wanted to abide by the Treasurer's instructions to a 't,' it would not be workable - putting out an advertisement with the Labor Party sign on it when it is a Liberal Party advertisement or a Greens advertisement?

Mr FERRALL - I am not sure that in terms of the Treasurer's Instructions there is an issue there. There is certainly an issue in terms of the communications policy but not in terms of the Treasurer's Instructions.

CHAIR - Sorry, I meant communications.

Did at any stage the Greens speak with you or Treasury in relation to the matter or as far as you are concerned their conversations were had with other agencies?

Mr FERRALL - Certainly they did not speak with me and I am not aware of any discussion with anybody in the agency.

CHAIR - Okay, thanks.

Mr FERRALL - Are you aware of anything?

Ms HUDSON - No, I talked to my staff to try to identify this, but no-one was aware of the issue at all which suggests there was no conversation.

CHAIR - Are there any other questions of either Tony or Kim? Thank you Tony and Kim for coming along and thanks for your information and advice.

Mr FERRALL - In terms of the committee's specific requests will we receive those formally? I know Kim took a note.

CHAIR - Yes, you will receive them formally.

Mr FERRALL - Thank you.

THE WITNESSES WITHDREW.

Ms PEG PUTT, LEADER OF THE TASMANIAN GREENS, PARLIAMENT HOUSE, HOBART, WAS CALLED AND EXAMINED.

CHAIR (Mr Wilkinson) - Peg, thanks very much for coming along. You are obviously aware of what the inquiry is about?

Ms PUTT - Yes.

CHAIR - I think the best way to start is to ask you for a history as to what took place.

Ms PUTT - The decision for the Greens to do some TV advertising about what we were doing in Parliament on the pulp mill arose in the context that the Parliament was about to vote on the pulp mill permit. The background to that is that it was a very contentious issue and the discussion of us potentially doing TV advertising in amplification to the regular newsletters that we were producing first arose at a Greens parliamentary party meeting on 13 August. We discussed potentially showing some TV advertisements in the context that the Premier was widely advertising support for the approval of the pulp mill to go through the Parliament at that time. I wasn't present at that meeting; I was on holidays. Nick McKim was acting leader and in that capacity, plus the fact that he understood advertising having previously been involved in the industry. The record of our parliamentary Greens party meeting actions and outcomes shows 'Nick McKim to draft simple text adverts for TV and will organise TV adverts'.

CHAIR - You weren't present when that decision was made, you were away, and Nick McKim was in charge of the meeting?

Ms PUTT - Yes, that's right. The next parliamentary Greens party meeting was Sunday 19 August, and I was back by then. The thing really hadn't been progressed very far and it records, against advertising, 'Nick McKim to take suggestions and draft proposed text for TV advertisement' - and bring it back to us the following day. We were having a lot of meetings at that time, including at the weekend, because of the nature of political events. We were also engaging people to analyse the SWECO PIC report and preparing for the pulp mill permit. There was that whole period of briefings going on on that as well. On the Monday meeting agenda we don't have a record of outcomes, which reflects how busy everything was; we simply have 'TV adverts, Nick's suggestion' as part of the agenda on our key proactive strategic issues, one of which we had identified for some while as the pulp mill.

I recall - and I think it was either on the Sunday 19 August or the Monday 20 August - that we gave the go-ahead for advertising to happen to a limit of \$20 000 or thereabouts. It was me saying, as the person in charge of the global budget, 'In total, all the elements are not to cost more than \$20 000'.

CHAIR - Who gave the go-ahead, the party?

Ms PUTT - Yes, the party room gave the go ahead for that. We do all our decision making by consensus. I mean, there are occasions when we do not meet when I, as Leader, just take the authority to make decisions. In terms of the go ahead for the individual quotes

that we later received, I gave that and I think I have provided you with copies already of that with my signed okay to proceed for each item.

CHAIR - So on the 19th and 20th go ahead was given?

Ms PUTT - Yes, to go out and get those quotes and so on. I delegated Nick and his office to liaise over the text production and showing of the ads. Now as I have already said, basically we were doing the initial work, at least via Nick but through ideas from the party room as to having a text-based ad, what that should say and that it should basically draw attention to the deficiencies in the assessment to make it clear that the Greens MPs were opposing the pulp mill in the Parliament on behalf of constituents and to urge that people also try to get other members of the Parliament to oppose the pulp mill through lobbying them. That is something that we have routinely done in all the other materials that we have also produced in relation to the pulp mill. I have brought an example with me of one of our pulp mill newsletters from December 2006 in which we again go through a range of issues to do with the pulp mill and on the back tell people what they can do and to get in touch with members of parliament, amongst other things.

One of the reasons that some of this was being handled out of Nick's office, apart from his experience in this, was the fact that others of us were dealing with other aspects of the whole process that we were going through in Parliament in assessing the SWECO PIC report and going through every detail that we possibly could of the pulp mill permit. It was also that Nick's new assistant, who was very newly employed, had just been engaged by us and had previously worked in administration at a TV station so she was doing the liaison about time schedules and how to book things in because she was very familiar with that type of undertaking.

Nick was requested by the party room to approach Zoot Productions, whom we knew to be capable of producing such an advertisement to ascertain if they could do so. It was Andy Wilson who was to be approached at Zoot and whom we hoped would undertake and coordinate the production. We said that if he was unavailable we would obtain a quote from elsewhere and look for another production company, but if he was available we would get a quote from Zoot, which we actually did.

CHAIR - Who wrote the quote?

Ms PUTT - Mr Wilson wrote the quote. I think I have supplied you with a copy of it.

CHAIR - Yes, but when you said 'if he was unavailable we would obtain a quote' -

Ms PUTT - Sorry, no, I said if he was unavailable we would go to another production company to obtain a quote. If he was available we would obtain a quote from him and we did obtain a quote from him, which he gave verbally. We wrote it down and I sent a note off to him saying, 'Please prepare television advertisements relating to the pulp mill as per our discussion and the cost agreed upon are ...'. I itemised it as he had communicated and signed off on that as the evidence of that quote. Actually when the work came in it came in quite a bit under that initial quote which of course was pleasing for us in terms of management of our budget.

We applied the DPAC rules insofar as we could to the best of our ability given that they are not written for opposition parties, which is why I'm framing it like that. It does become a little difficult on occasion because these rules are written for government departments and say, for example, 'You must use the Tasmanian Government logo on the majority of your communications', when clearly we would not do that. That is why we have instead always on our material used the Greens' logo.

Here are a range of other materials that are produced, some of them with the budget. I think these cards are available out of parliamentary funding, but they have the Greens' logo on them. The 'Pulp Mill News' has the Greens' logo, as do the folders that we put information in, our alternative budget and so on. It is a practice we have utilised for years and have never been informed that there was any problem in relation to that.

Probably the other aspect in relation to DPAC rules that I am aware has been discussed is some idea that we should have obtained three quotes for every single item. That is not our understanding. It was never communicated back to us by DPAC Finance that there had been any problem. I can tell you that they do get back in touch if they think we've done anything wrong and they are very strong about that. It is a bit like playing pin the tail on the donkey because we never know until we get a communication back that there could have been an issue in relation to what we were doing. We regularly consult if we feel we're unsure.

CHAIR - If quotes are under \$10 000 there's no need to.

Ms PUTT - That's right, under \$10 000 there is no need to. Clearly we were looking after these as individual items and they were each under \$10 000, so we only needed to obtain one quote on each of those occasions, and you couldn't do otherwise. Why would you obtain three different quotes for the same thing from the one TV station? You'd still get the same quote, so in actual fact it doesn't make logical sense either. There aren't more TV stations that will show advertisements than the ones we approached so it's not as if we could have gone to other TV stations for it.

The timing was that this was urgent and, as I have said, we were trying to a lot of other things. The commencement was to happen, if possible, over the weekend of the 25th and 26th August and the advertisements were to continue to run on 27, 28 and 29 August. There was a bit of toing-and-froing about the 30th at one stage but it was apparent to us there was no point in running the ads on that day, which was the day that the Legislative Council voted. To my recollection we may have voted the day before.

Mr STURGES - You said that the decision was made to go ahead with the advertising through the party room process, which I assume is normal political process?

Ms PUTT - Yes.

Mr STURGES - What process did you engage to determine the production company that you went to?

Ms PUTT - We discussed whom we knew of who could do that production, whom we would approach to see if they could do it at short notice. We knew that Zoot did that sort of work and we therefore approached them. I can't recollect if we have used them in the past.

Mr STURGES - Just following that line of questioning, you have advised in correspondence that a Ms Binning is - to quote you - 'Nick McKim's lifelong partner'.

Ms PUTT - I think I advised that in the Parliament - his life partner.

Mr STURGES - Were you aware of that situation at the time that Zoot was approached?

Ms PUTT - That Ms Binning was Mr McKim's partner?

Mr STURGES - Yes.

Ms PUTT - Of course.

Mr STURGES - And that she was a partner at Zoot.

Ms PUTT - That she was his partner, yes. I am trying to recollect. I probably knew that she had an involvement with the company. I cannot recollect whether I knew she was a partner in the company but I was very clear that she was not to be engaged by us to do this job and that she was not to play a role in this so it was therefore my understanding that there was no conflict of interest that would arise.

Mr STURGES - Did you require Mr McKim to complete a conflict of interest declaration in accordance with the Treasurer's Instructions? Did you think that was necessary?

Ms PUTT - No, and I am not actually aware of that in the Treasurer's Instructions. I did not ask him to do that. As I say, I did not believe there was a conflict of interest so even were I aware of that particular form I would not have asked him to do so because I did not believe there was a conflict of interest involved.

Mr STURGES - Just this last one and -

Ms PUTT - If I can just answer further in relation to the Treasurer's Instructions, this is what I mean about it, it is a bit like playing 'pin the tail on the donkey'. If you have seen the Treasurer's Instructions you will know that they are enormous and labyrinthine and they change frequently. We do not know how people know that they have changed. We do not get any notification that they have changed. In the past when we have spoken with DPAC about keeping up to date with these things we have been informed that there is an internal notification process that happens in government departments but that we are not allowed to be connected to their intranet and therefore cannot get those notifications. So we are actually in the dark a lot of the time about these things.

I also should explain in relation to the Treasurer's Instructions that they were drawn to our attention with regard to exactly what they were and how they applied a few years ago. We had not been aware the entire time that we were operating the global budget of the application of the Treasurer's Instructions in terms of exactly what the Treasurer's Instructions were. My administrative staff had received a letter saying that the global budget was coming to us pursuant to the Treasurer's Instructions and had thought that that meant the Treasurer had instructed via the Tasmanian State Budget that we would be given a global allocation because nobody ever had actually said to us 'The Treasurer's

Instructions are this complete set of instructions as to how you administer a budget and you need to read, examine and try to comply, given that you are an opposition party with different needs, to all of these'. So there was a time when we did not actually even comprehend that, which I think goes to an issue I want to raise later about the need for training.

Mr STURGES - Okay. When you were made aware of the existence of the Treasurer's Instructions, which you say was a few years ago, have you sought to get a briefing or have you a copy of the Treasurer's Instructions accessible to you in your office? Do you refer to DPAC to get advice in relation to the application?

Ms PUTT - Yes, when we became aware of the Treasurer's Instructions of course we sought to get hold of a copy. My recollection is that that was difficult at the outset because again it was internally available but not available to us. That has since been rectified and it can now be accessed more easily by us. We did also seek a briefing from the DPAC assets and finance people and in fact we regularly liaise with them over aspects of our budget and how to administer the budget. It has been almost a fixation of Rosemary Bennett, our person who deals with that, and you could ask the staff in the assets and finance area at DPAC. She is a regular caller to try to make sure that we have everything correct on that.

I also had a meeting with some of the people higher up in the finance area of DPAC. We had had a situation arise in late 2006 or early 2007.

CHAIR - Was it Jeff Reeve?

Ms PUTT - No, it wasn't Jeff Reeve. A Geoff Owen was the previous incumbent - Sorry, I'm having a mental blank on the name.

CHAIR - We had a Jeff Reeve before us on 2 April. Rebekah Burton, Jeff Reeve, Phil Foulston and Mandy Smith.

Ms PUTT - No, it would be the next level down in the department. I can get you their names. I am not good at remembering names and I'm having a mental blank on it.

We had a meeting with them because we had had an invoice returned to us that we had sent over for payment for some legal advice we had obtained in relation to our parliamentary duties - it was an analysis of a bit of legislation or something of that type - saying that we shouldn't have sought external legal advice and that under the Treasurer's Instructions we should have gone to the Solicitor-General. We had just had a to and fro in the Parliament not long previously with the Premier in which I had sought access to the Solicitor-General for legal advice and he had told us in no uncertain terms that only the Government had access to the Solicitor-General, not opposition parties. Yet here we were being told that under the Treasurer's Instructions we must seek legal advice from the Solicitor-General. I had a meeting with them to say, 'You're going to have to pay this bill. We can't go to the Solicitor-General, we've been told we have to go to someone else'. They said, 'You'll have to clear that up with the Secretary to Treasury and get a special dispensation to this aspect of the Treasurer's Instructions'. I wrote to Mr Challen and pointed out to him that this couldn't possibly apply to us and he responded saying, 'Yes, that's right. In effect we'll give you an exemption on that point'.

I think this exemplifies a bit of a larger problem in relation to trying to apply the Treasurer's Instructions literally to opposition parties. On many occasions they will apply and on some they will not and we will not always be aware that some ramification is going to come back until an invoice gets turned down. So it is like playing pin the tail on the donkey.

Under advice from Finance during 2006 we had also gone to Crown Law for some advice about trying to contract some services because we'd been told we must seek Crown Law advice by DPAC Finance, again pursuant to the Treasurer's Instructions. The person we contacted at Crown Law said, 'What on earth are you doing contacting me? You're an opposition party and it would be a conflict of interest if I advised you'. So again, there was an issue in that regard.

Mr STURGES - If I can come back to the issue of payment to Zoot Film Tasmania - I think that is the official name on the invoice - you have advised Parliament, and we have ascertained now that Mr McKim's life partner is also a partner of Zoot Film Tasmania -

Ms PUTT - That's right.

Mr STURGES - and you've advised the committee that it was your expectation that you would be doing business only with Mr Andy Wilson.

Ms PUTT - That's right.

Mr STURGES - You have also advised Parliament that there would be no financial gain to Ms Binning as a result of the arrangement you'd entered into with Zoot.

Ms PUTT - Yes. I understand there was an accusation being made that she had made \$18 000 or something.

Mr STURGES - Is it normal to expect, if you contract work to be undertaken by a business, that you receive an invoice from the business and not an individual of the business? I note the invoice has come from the business, not Mr Wilson. Could you comment on that?

Ms PUTT - I would imagine so. They will have their internal arrangements in relation to when they received that payment how they pay the actual person in the business who did the job.

Mr STURGES - The Greens' policy statement, and you have also made claims in parliamentary debate, call for the highest possible levels of probity in government - and that is fine, I have no problem with that. Would you think that entering into a contractual arrangement with a small business, knowing that there are close personal links with a member of your parliamentary party, shows poor judgment in relation to the Greens' policy and in relation to the demands for the highest possible levels of probity? Do you think that is okay?

Ms PUTT - I do not think it shows poor judgment. As I have already said, I did not believe and do not believe that there is a conflict of interest and therefore I thought that it was perfectly above board.

Mrs SMITH - I might look at the process and the relationship between DPAC and your office?

Ms PUTT - Yes.

Mrs SMITH - We have a copy of a delegated authority from DPAC to a staff member in your office to deal with it. Can you tell me what, if any, training and instructions DPAC gave with that delegated authority to ensure that people were well versed in what their responsibilities were?

Ms PUTT - No.

Mrs SMITH - None?

Ms PUTT - None. I first had to deal with that when I found myself the sole Greens member of Parliament remaining in 1998 and I took charge of a budget allocation that arrived via DPAC. I asked repeatedly to understand how the budget allocation, with its different line items, had been arrived at because it had not had anything to do with me, how much I would allocate for staff or for stationery or for consultancies or whatever. It seemed to be an historical artefact of something. Furthermore, exactly how were we meant to apply any rules regarding this? We basically did not get any sort of coherent response. I did manage to have somebody come over and talk to me after probably more than a year of asking, but who really did not satisfactorily answer the questions.

Mr STURGES - Do you have letters that you can table where you have made those requests?

Ms PUTT - I think this probably happened verbally. I could not assure the committee that I could find those letters at this juncture from around 1998-1999.

Post 2002, when we achieved party status, and I took control of the budget on behalf of the parliamentary Greens, again there was no offer of training or any briefing in relation to this. -

Mr STURGES - Did you make that request?

Ms PUTT - and it was from that time onwards that we sought, on numerous occasions, advice in relation to how to administer the budget. My staff member has on numerous occasions asked whether there is training available and has not been advised that any training is available for us from DPAC for that.

Mr STURGES - Were those requests made in writing or again just verbally?

Ms PUTT - I believe that they have been made verbally. There may be an e-mail record. I will ask Ms Bennett in relation to that, but certainly she has been angsty about this for some years. I also have been concerned, which is why we had, for example, that meeting in relation to the Treasurer's instructions because on several occasions, as I say, it has

been like playing 'pin the tail on the donkey'. We feel like we do not know when we are going to transgress some rule that we do not know about, and we do not know how to find out in advance.

Mrs SMITH - In March 2007 you actually had correspondence with Don Challen -

Ms PUTT - Yes.

Mrs SMITH - over the procurement of legal services issue -

Ms PUTT - That is right, yes.

Mrs SMITH - and you received an exemption in that process.

Ms PUTT - Yes.

Mrs SMITH - Was there ever any consideration given at that time or at other times by your party to look for an exemption for promotion of your work within the parliamentary process, as per the advertising guidelines to motivate, inform, educate and change attitudes of people? I presume that is your link to advertising.

Ms PUTT - I guess the short answer is no. We had been routinely doing other advertising and no-one from DPAC had ever queried that at all, so we didn't feel that we needed an exemption. As I say, it was only when someone raised a query, unless we ourselves have thought it may be a grey area, that we perhaps felt that we might need to apply for something like this. What I did think, pursuant to this with the secretary of Treasury - and I went around saying it to my people at the time - was that we are going to have to think about approaching DPAC, the Government or perhaps the other opposition party about the fact that we don't have any specifically-written rules that apply to our disbursement of our budget that are written with opposition parties in mind. We seem to be constantly in this grey area, which is causing us great angst.

Mrs SMITH - At that particular time, with that one for which you provided documentation that had the Treasurer's instruction that you received exemption, in that the issue of conflict of interest was discussed. Could you give the committee your presumption of what you see as conflict of interest?

Ms PUTT - I am trying to think of how best to define it. A conflict of interest occurs, in these sorts of circumstances, if we were to set out to engage someone to do a service for us that would mean that it would conflict with their other duties - for example, that issue in relation to Crown Law. The person there whom we contacted on advice from DPAC finance promptly said, 'But I work for the Government, therefore I cannot advise you because you are not the Government. You are potentially opposing the Government in relation to something, so I can't advise you'. They identified that they could have a potential conflict of interest, so that is one aspect of it. The aspect that Mr Sturges raised earlier would be about utilising our budget to somehow funnel money into the Greens Party or something like that.

We have been very clear - and I meant to say this at the outset - that my overriding rule that I have always applied to the utilisation of the budget is that it must be in relation to

the pursuit of our parliamentary duties and that it must never be utilised for the purposes of the Greens Party - that external party; not the Greens parliamentary party as recognised by the Parliament, but the Greens political party. So, for example, we will not use our resources to photocopy minutes of party meetings or allow the party to conduct meetings in our rooms et cetera. In fact, we go to the extent that we won't allow our office to be used to print newsletters of community groups. I am aware that other MPs perhaps don't apply that rule. It is not a conflict of interest necessarily, but it is not applying the rules of the budget as I see them.

Mrs SMITH - Would you perceive it a conflict of interest if I awarded my brother a contract that was going to make him a profit on some job connected to my work as a politician?

Ms PUTT - Had that involved significantly advantaging him with a profit and had you not gone through all the proper channels, then of course.

Mrs SMITH - Perhaps we can look at the issue of Zoot and your response to them. Accepting that their cost agreement was \$4 181, and the account that came in was for \$1 419, it is a substantial saving of \$2 762. It is split up into director's fees, for instance, charged at \$300 instead of \$1 600 et cetera.

Ms PUTT - Yes.

Mrs SMITH - I quote the two parts of Treasury's instructions. One is to complete a conflict-of-interest declaration and take steps to avoid involvement in any procurement activity where any conflict of interest, actual or perceived, may arise. The other one is to abstain from soliciting or accepting remuneration or other benefits from a supplier, and I relate that instruction to the issue of other benefits. Do you regard that the difference in \$4 181 and the actual account of \$1 419 could be classified as a benefit back to your finances from this particular company?

Ms PUTT - Obviously I was pleased that it came in under the quote. That is not the only occasion on which we have had work delivered under a quote, just as occasionally it comes in a bit over a quote - although I get pretty annoyed if it comes in much over a quote. All I saw was that it came in at less than had originally been expected. I did not think any more of it than that and still do not.

Mr STURGES - That is a significant amount, \$2 762. You would not see that as an in-kind donation to the Greens in any way?

Ms PUTT - No, it never occurred to me.

Mr STURGES - It is a significant discount.

Ms PUTT - No, I just thought it meant that the way things had happened in a hurry had not involved as much work as had originally been envisaged.

CHAIR - In relation to the conflict of interest matter, I have here that you believed the money was to pay the actual person who does the job. That is what you stated.

Ms PUTT - Yes.

CHAIR - So by doing work with Andy Wilson, are you saying that your belief was that he was the only one paid?

Ms PUTT - My belief was that Andy Wilson was the one paid, except that he had also utilised other people to do parts of this job - I think it was the voice-over and 'sweetening', whatever that means, and so on - and that that went to the person whose voice was on there. So there were people that Mr Wilson would have reimbursed. Jane Binning was not one of those who did any of that work, if that is what you are asking.

CHAIR - Were you aware that Andy Wilson and Nick's partner were in the business together?

Ms PUTT - I was aware that Ms Binning had an involvement in the business. It was, and remains, my understanding that each of the partners takes on jobs individually through the way the company operates. They then get their individual remuneration for the jobs that they take on. I do not think she does this type of work.

CHAIR - In normal partnerships, if I do one part of a job and somebody else does something else, the finances go into the basket and then they are shared between the partners of that business.

Ms PUTT - You would have to talk to them about that but that is not my understanding of how they actually do that.

CHAIR - Yes but we are talking about perceived or actual conflicts of interest. Was there ever any conversation such as, 'Look, even though we are giving this work to Andy, it could cause a problem because it is the business where Nick's partner was involved'. Did that ever come across your mind?

Ms PUTT - No, it didn't and I do not recollect any conversation of that nature.

CHAIR - Can you see how some may deem it to be a perceived conflict of interest?

Ms PUTT - I suppose now that it has been cast in this light I can understand how that has happened and perhaps the motivation for it, so to that degree I can understand it but it is still my clear perception that there actually is not a conflict involved.

Mr STURGES - In 2007, Ms Putt, in relation to debate on the Greens' Post-Ministerial Probity Bill 2007 you went on to say:

'Tasmania deserves the highest standards of probity. Clearly there is potential to confer commercial advantage on that company by virtue of the minister's knowledge and contacts, an issue that has been hotly debated in other jurisdictions'.

You do not think that statement applies in relation to the relationship that your Deputy Leader has with a partner of Zoot Film Tasmania?

Ms PUTT - With respect, that quote is quite out of context to be applied in this manner. That quote was when I was talking about a minister having had responsibility for a particular area of government such as, for example, say, the resources minister having had a lot to do with mining companies and then going immediately, having retired from the Parliament, into an employment situation with a mining company where they would be able to use the knowledge they had as a minister to benefit that company. So that is quite a different thing that I was actually talking about.

Mr STURGES - So as far as you are concerned then it does not apply to sitting members of parliament if they wish to engage in contracts with organisations that may benefit through contacts and knowledge?

Ms PUTT - In the Parliament that day I was talking about the utilisation of knowledge gained by a minister in the course of their ministerial duties.

Mr STURGES - Yes, I know that. So it does not apply to sitting members?

Ms PUTT - How would a sitting member engaging a company to do advertising somehow confer knowledge that would be of benefit to the advertising company in pursuing their business?

Mr STURGES - Commercial advantage.

Ms PUTT - I do not understand what you are saying.

Mr STURGES - Yes, I will explain. Clearly there is potential to confer commercial advantage.

Ms PUTT - I think when you engage a company to do something you generally pay them -

Mr STURGES - Through contacts.

Ms PUTT - Yes, you pay a company to do work so whenever you engage a company to do work of course you confer a commercial windfall to them. I do not know about your use of the term 'advantage'. If you are trying to suggest that I or we deliberately chose a company in order to specifically advantage that company that is completely wrong. We were in a hurry. We chose a company that we knew of that we discovered could do the work in a hurry. That was that.

Mr STURGES - You knew of it and discovered that they could do the work. You do not know of any other advertising organisations in -

Ms PUTT - It was in a hurry. On a Sunday we said 'We want to get this fixed on Monday'. We delegated Nick to ring up that company that we knew of to see if they could do it. If they had not been able to we would have rung the next one that we could think of.

CHAIR - The original quote, as I understand it, Peg, was from Andy Wilson dated 20 August and you signed the letter to him saying, 'Could you please prepare television advertisement relating to the pulp mill as per our discussion. The costs agreed on are'

and you have director's fee, \$1 600 and it goes down and we can see that. Did you make payment to Andy Wilson or was it to be paid to Zoot Film Tasmania?

Ms PUTT - We sent this invoice across to DPAC. We never touch the money. We never actually make the direct payment.

CHAIR - Because the letter has got -

Ms PUTT - DPAC pay on the invoice so I would imagine that it went across to Zoot Film Tasmania and that Zoot Film would then internally have directed that payment.

Mr STURGES - But the invoice clearly shows with your signature, 'Okay to pay'. It is invoice 57, circled 'direct bank deposit Zoot Film Tasmania' with the relevant account details and you have signed that so you knew that it was going to Zoot Tasmania and not Andy Wilson.

Ms PUTT - It was pursuant to the quote which was all for Andy Wilson as creative producer.

Mr STURGES - You knew the payment was going to Zoot Film Tasmania, yes or no?

Ms PUTT - I knew it was going to Zoot Film Tasmania pursuant to the quote I had received from Andy Wilson for him to do the work.

Mr STURGES - Because previously you said DPAC paid for it and you didn't know.

Ms PUTT - Of course DPAC pay for it; we don't handle the money.

Mr STURGES - But you've got your signature on here.

Ms PUTT - Yes, but you don't understand the process.

Mr STURGES - I do.

CHAIR - Graeme, please, I am in the process of asking some questions. In relation to the actual moneys that were paid to Zoot Film Tasmania, you can see the director's and producer's fee and there was quite a marked discount of \$1 300, so the fee was \$300. As far as the director's profit was concerned, did you at all put your mind to the fact that Zoot Film Tasmania received \$300 for the work it did as director's-producer's fee?

Ms PUTT - Only insofar as I believed that that was money that would go to Andy Wilson.

CHAIR - So what you're saying is that you didn't think this account which came to \$1 419, which is a marked discount of \$4 181, was going to go Andy Wilson's partner, being Nick's partner?

Ms PUTT - No, I didn't.

CHAIR - At all?

Ms PUTT - No, I didn't believe that would happen. It didn't occur to me that it would happen at all. It was not my understanding that that would occur.

CHAIR - Do you believe that people on the outside might think that if you paid money to a firm that money would be going to the directors or partners of that firm? In other words, if, for instance, I pay money to somebody who is a partner in a firm, are you saying that you believe that that money would only go to that person and not be part of the firm's money?

Ms PUTT - That was my understanding in relation to the way this company operates. But also, if you pay a company, the majority of the money is going to go to the actual job that occurred and the costs of doing the job et cetera.

CHAIR - There are expenses to be met, that's what you are saying?

Ms PUTT - Yes, it pays their cost of doing the job plus the payment they then receive for the work they did.

CHAIR - When you say you believed that the money would only to Andy Wilson, can I ask how you believed that? Were you aware of a business arrangement between the two beforehand that if you employed them that that would only go to that person, or if you employed somebody else in the company that money would going to that person?

Ms PUTT - I did have an apprehension that that was the way that company was organised. As I recollect it, it must have been as a result of some conversation I had had previously, that had nothing to do with this job in hand. I can't recall how or why I would have had that conversation now, but that was my understanding.

CHAIR - In the end it seems on the face of it you got a very good deal.

Ms PUTT - Yes.

CHAIR - I accept that, but - and I know hindsight is 20:20 vision. This perceived conflict - and some people might think there is a conflict because of what has occurred -

Ms PUTT - I was really surprised when that was brought up in the Parliament in the lower House. It was not something that I had apprehended before that or had a concern over. Obviously, with hindsight, I realise that there was the opportunity for mischief-making around that, but I certainly didn't think of that or have an awareness of that at the time.

Mr DEAN - Was that good deal discussed in your party?

Ms PUTT - No, the party room didn't discuss that.

Mr DEAN - So no discussion at all?

Ms PUTT - The way these bills come in and get paid happens subsequent to the events at quite some length and I cannot recall any occasion on which I have taken the amount of money that something cost after the event to the party room. Our discussions have

always been around obtaining quotes and getting value for money at the time that we get the quotes.

Mr DEAN - So with the small party that you have, there was no discussion in the group or party room at all about it receiving an account which was substantially less than the quote that you had for this job?

Ms PUTT - My administrative officer who deals with the budget drew my attention to the fact that the bill had come in lower than the quote and asked me whether we were to expect a further invoice. I said, 'Let's have a look at what has been invoiced and whether it looks as if there are other parts to the job that haven't been invoiced'. We concluded that, although the wording was slightly different, it looked as if all the bits were probably there so I signed off on it and said to her, 'If, however, a further bill comes in that is pursuant to one of these other parts then obviously we will have to pay that too', so that was all that occurred there.

Normally she draws my attention to it when things go over the budget.

Mr DEAN - Did you have any discussion at all with Nick about the amended bill?

Ms PUTT - I really cannot recall. I may have said to him that it had come in at less and that I was pleased because that enabled us to keep to our \$20 000 or less decision.

Mr ROCKLIFF - Ms Putt, at the beginning of your evidence you alluded to the fact that Andy Wilson would be specifically asked in relation to this advertising campaign. I got the impression from the way you conveyed that to the committee that you may well have been aware of a potential conflict of interest between Nick's partner at the time, given the way you expressed the fact that Andy had to be requested with respect to this campaign.

Are you telling the committee that there was, to your knowledge, no discussion at any time, either when you were away and Nick was in charge as acting Leader or when the final decision was made, with respect to a potential conflict of interest?

Ms PUTT - I do not think we articulated anything about that. Clearly, I was thinking that if Andy Wilson was doing the job, that was fine, so I did not think that there was a conflict of interest. I did not expressly say, 'We don't want to engage Jane Binning because there could be a conflict of interest'. I suppose it was expressed in the other - I was going to say in the negative but I do not know if that is quite the right English - but it was expressed in the reverse of, 'We'll employ Andy Wilson, solely, on this', so therefore we did not talk about a conflict of interest because we did not think that we were engaging in one. I know that sounds convoluted; I am trying to put it simply.

CHAIR - Can I put this to you as a scenario: did you think, 'We have done business with this firm before. The partner of Nick McKim is involved with the firm, but I know they can do the work. There is a time limit which is fairly difficult, we will just get them to do it because we know they do the work, we know they do it well, we know they are going to be reasonable with costs, therefore we will employ them' without putting your mind to conflict of interest?

Ms PUTT - Yes, basically that is what occurred. I do not know if we have employed them before - I would have to check that - but everything else that you said was basically it

and that was because, in my mind, we were employing Andy Wilson and it never occurred to me that there was any conflict of interest situation.

Mr STURGES - You were saying you were under pressure and needed to get this work done in a timely manner -

Ms PUTT - Yes.

Mr STURGES - I understand that the member for Huon, Paul Harriss MLC, wrote to you regarding these matters.

Ms PUTT - No, he didn't.

Mr STURGES - There is a letter to Paul Harriss, 19 November 2007.

Ms PUTT - I wrote to him. I wrote to all the members of the Legislative Council.

Mr STURGES - Okay. In that letter you say:

'In the limited time available I sought quotes before committing to expenditure items.'

Ms PUTT - That's right.

Mr STURGES - Quotes in relation to the specific expenditure items or quotes -

Ms PUTT - I sought a quote for each expenditure item, that adds up to 'quotes'.

Mr STURGES - But from one company.

Ms PUTT - I had a quote from Southern Cross - there would be no point in getting two quotes from Southern Cross for the same thing. I had a quote from WIN, the same story. I had a quote from TDT, the same story, and I had a quote from Zoot, so there were four quotes.

Mr DEAN - Was there any discussion at all about the splitting of these contracts to ensure that you were under the \$10 000 limit for each one?

Ms PUTT - No, as in there was no discussion of 'we will have to split them to get under a \$10 000 threshold', if that is what you're putting to me. It was a simple assumption of 'we are seeking quotes for each particular job and getting each thing done as a job on its own'. We were not going out to a consultancy that might do all the booking and organise the production and so on, in which case it would have gone over \$10 000 and we would have had to get three different quotes. It never even occurred to us to pursue that course. We have never pursued that course. I didn't even know that that was how government organised things until partway through when we were informed that that was how government did things. But we didn't think that meant we had to do it that way. We have never been told that and in fact there was nothing that came from DPAC to say that.

Mr DEAN - I am still not quite sure as to whose suggestion it was that you use this company?

Ms PUTT - It was a party room decision.

Mr DEAN - Who raised it?

Ms PUTT - I honestly can't recollect. I suspect it might have been me.

CHAIR - As I understand it, Nick was in charge at first.

Ms PUTT - Nick was in charge and he was in the first instance to draft simple text adverts for TV, so he was getting up the idea. It was when I came back that we were moving on and engaging someone to do it, after we had ascertained that we thought it was a good idea and that we could do some text-based ads that would draw attention to what we wanted.

Mr STURGES - You had your internal discussion regarding the advertising and I have heard what you have said there. Just for the record, can you tell us who was at that meeting? Did you keep notes of the discussions?

Ms PUTT - There were a number of discussions. At the discussion that took place on 13 August there was Nick McKim; Tim Morris; Kim Booth by phone; Cath Hughes, our senior adviser, and I was an apology. On 19 August present was Nick McKim, myself, Kim Booth, Cath Hughes, and Tim Morris was an apology. As I say, we don't have a record of the meeting of 20 August, but I believe that all four members of the Greens parliamentary team plus Ms Hughes were present, although I have say that people were in and out of that meeting a lot because it was pretty frantic on that day. We don't have notes of that meeting and we don't record all the details of every discussion; we simply record actions that people have to take so that at the next meeting we can see whether people have done them.

Mr DEAN - In answer, and I think it was to the Chairman, you make the comment that that was not your understanding of how it was done - that is, within the company and I think you were talking about Andrew Wilson and you were talking about the young lady, Nick's partner as well.

Ms PUTT - Ms Binning.

Mr DEAN - I need to be fair to you, what is your understanding of how they do it?

Ms PUTT - Obviously you would have to ask them. But my understanding is that in that company each of the partners go and secure their own work and they then receive reimbursement for that work that they do and if, along the way, they had to engage someone else to do voice-over or whatever, they pay that person. So that they have a splitting of the money that comes in to go to one partner or the other, depending on who actually did the work.

Mr DEAN - So it is your understanding that there is no company bank account as it were or central funding or -

Ms PUTT - I do not know. I do not know how they organise their bank accounts - I just simply could not tell you.

CHAIR - Thanks, Peg, for coming along and giving us your evidence.

Ms PUTT - Okay. There is one other thing, if I could just say this. I think I probably said it earlier but just to be really clear. I wrote to the Auditor-General about this, too, but it is my belief that rules expressly designed to apply to expenditure by opposition parties of their allocated global budget need to be developed and that this should be done by an independent authority, that there should be some sort of independent oversight of that. Then there needs to be training for MPs and staff involved with that. These rules should be developed with regard to the rules that apply in other jurisdictions. That has been my concern for some while before this issue even came up; it is one of those things I have been meaning to get around to dealing with and have not and this has really highlighted it in my mind. Hopefully, this has drawn it to the attention of the Public Accounts Committee because I think it is a seriously difficult area at the moment. As I say, I have felt very unsure on a number of occasions as to how to apply rules and it has not been clear.

CHAIR - Thanks, Peg.

THE WITNESS WITHDREW.