



COMMONWEALTH OF AUSTRALIA

Official Committee Hansard

SENATE

COMMUNITY AFFAIRS LEGISLATION COMMITTEE

ESTIMATES

(Additional Estimates)

WEDNESDAY, 15 FEBRUARY 2006

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SENATE

COMMUNITY AFFAIRS LEGISLATION COMMITTEE

Wednesday, 15 February 2006

Members: Senator Humphries (*Chair*), Senator Moore (*Deputy Chair*), Senators Adams, Barnett, Fielding and Polly

Senators in attendance: Senators Adams, Allison, Bartlett, Carr, Conroy, Crossin, Eggleston, Chris Evans, Fielding, Forshaw, Humphries, Joyce, McLucas, Moore, O'Brien, Polley, Siewert, Watson and Webber

Committee met at 9.05 am

FAMILIES, COMMUNITY SERVICES AND INDIGENOUS AFFAIRS PORTFOLIO

Consideration resumed from 3 November 2005

In Attendance

Senator Ellison, Minister for Justice and Customs

Department of Families, Community Services and Indigenous Affairs

Executive

Dr Jeff Harmer, Secretary

Mr Stephen Hunter, Deputy Secretary

Ms Glenys Beauchamp, Deputy Secretary

Group Managers

Mr Roger Barson, Acting Group Manager, Social Policy Group

Ms Robyn McKay, Group Manager, Families and Children Group

Ms Kerry Flanagan, Group Manager, Women and Youth Group

Mr Robert Knapp, Group Manager, Housing and Disability Group

Ms Cate McKenzie, Group Manager, Communities Group

Mr Andrew Wood, Group Manager, Corporate Support Group

Mr Tim Youngberry, Chief Financial Officer and Group Manager, Business, Financial Services and IT Group

Cross Outcomes

Mr Tim Youngberry, Chief Financial Officer and Group Manager, Business, Financial Services and IT Group

Mr Andrew Wood, Group Manager, Corporate Support Group

Mr Roger Barson, Acting Group Manager, Social Policy Group

Mr Steve Jennaway, Branch Manager, Budget Development Branch

Ms Jenny Bourne, Branch Manager, Data Management (and Library) Branch

Ms Christine Bruce, Branch Manager, Business Support Branch

Ms Sarah Byrne, Branch Manager, Legal Services Branch

Ms Gwenda Prince, Branch Manager, Ministerial, Media, Events and Executive Support Branch

Ms Julia Burns, Branch Manager, People Branch
Ms Helen Bedford, Branch Manager, One FaCSIA and Core Business Processes
Ms Fiona Smart, Branch Manager, Community Program Design
Mr Andrew Whitecross, Branch Manager, Research and Analysis Branch
Ms Peta Winzar, Manager, National Disability Operations and Queensland State Office

Outcome 1 — An integrated social support system

1.1 Support for Today

Mr Roger Barson, Acting Group Manager, Social Policy Group
Mr Sean Innis, Branch Manager, Strategic Policy Branch
Mr Simon Rosenberg, Branch Manager, Social Security Relationships and Compliance Branch

1.2 Preparing for the Future

Mr Roger Barson, Acting Group Manager, Social Policy Group
Mr Sean Innis, Branch Manager, Strategic Policy Branch
Mr Simon Rosenberg, Branch Manager, Social Security Relationships and Compliance Branch

Outcome 2 — Greater self-reliance and engagement for those in need through shared responsibility, practical support and help with housing

Practical Support and Sharing Responsibility

Mr Robert Knapp, Group Manager, Housing and Disability Group
Ms Cate McKenzie, Group Manager, Communities Group
Ms Dawn Casey, Branch Manager, Indigenous Housing and Infrastructure Branch
Ms Clare Wall, Branch Manager, Housing Support Branch
Ms Elizabeth Stehr, Acting Branch Manager, Indigenous Policy Branch
Ms Suzanne Bozic, Manager, Northern Territory Office
Ms Frances Davies, Manager, Victoria State Office
Ms Susan Finnigan, Manager, Western Australia State Office
Ms Gerri Ormonde, Acting Manager, New South Wales State Office
Mr John Shevlin, Acting Manager, Australian Capital Territory Office and Network Operations Unit
Ms Vicki Toovey, Manager, South Australia State Office

Outcome 3 — Seniors, people with disabilities, carers, youth and women are supported, recognized and encouraged to participate in the community

3.1 Support for the Aged

Mr Roger Barson, Acting Group Manager, Social Policy Group
Ms Michalina Stawyskyj, Branch Manager, International Branch
Mr Nick Hartland, Branch Manager, Seniors and Means Test Branch
Mr Mark Warburton, Manager, Financial Well-being Taskforce

3.2 Support for People with Disabilities

Mr Robert Knapp, Group Manager, Housing and Disability Group
Ms Michalina Stawyskyj, Branch Manager, International Branch
Ms Peta Winzar, Manager, National Disability Operations and Queensland State Office
Mr Ben Wallace, Branch Manager, Disability and Carers Branch

3.3 Support for Carers

Mr Robert Knapp, Group Manager, Housing and Disability Group

Ms Michalina Stawyskyj, Branch Manager, International Branch

Mr Ben Wallace, Branch Manager, Disability and Carers Branch

3.4 Support for Youth

Ms Kerry Flanagan, Group Manager, Women and Youth Group

Ms Kim Loveday, Branch Manager, Youth Bureau

3.5 Support for Women

Ms Kerry Flanagan, Group Manager, Women and Youth Group

Ms Lee Emerson, Branch Manager, Policy Research and International, Office for Women

Ms Donna Griffin, Branch Manager, Safety, Leadership and Consultation, Office for Women

Mr Nick Hartland, Branch Manager, Seniors and Means Test Branch

Outcome 4 — Families and children have choices and opportunities**4.1 Support for Families**

Mr Roger Barson, Acting Group Manager, Social Policy Group

Ms Robyn McKay, Group Manager, Families and Children Group

Ms Alanna Foster, Acting Branch Manager, Family Payments Branch

Mr Mark Warburton, Manager, Financial Well-being Taskforce

Ms Elizabeth Stehr, Acting Branch Manager, Indigenous Policy Branch

Mr Evan Lewis, Branch Manager, Early Childhood and Communities Branch

Ms Deborah Winkler, Deputy Branch Manager, Family Relationship Services and Child Support Policy Branch

Mr David Hazlehurst, Branch Manager, Family Relationship Services and Child Support Policy Branch

4.2 Child Support

Ms Robyn McKay, Group Manager, Families and Children Group

Mr David Hazlehurst, Branch Manager, Family Relationship Services and Child Support Policy Branch

Ms Pamela Kinnear, Deputy Branch Manager, Family Relationship Services and Child Support Policy Branch

4.3 Child Care Support

Ms Robyn McKay, Group Manager, Families and Children Group

Ms Liza Carroll, Branch Manager, Child Care Services Branch

Mr Jeff Popple, Branch Manager, Child Care Policy and Planning Branch

Ms Di White, Section Manager, Child Care Policy and Planning Branch

Outcome 5 — Strong and resilient communities**5.1 Supporting Communities and Delivering Local Solutions**

Ms Cate McKenzie, Group Manager, Communities Group

Mr Mark Warburton, Manager, Financial Well-being Taskforce

Ms Elizabeth Stehr, Acting Branch Manager, Indigenous Policy Branch

Mr Tony Carmichael, Branch Manager, Community Branch

Ms Peta Fitzgibbon, Manager, Community Think Tank Taskforce

**Outcome 6 — Innovative whole-of-government policy on Indigenous Affairs
Office of Indigenous Policy Coordination****Executive**

Mr Wayne Gibbons, Associate Secretary, Office of Indigenous Policy Coordination
Mr Bernie Yates, Deputy Secretary, Office of Indigenous Policy Coordination

Group Managers

Ms Di Hawgood, Group Manager, Partnership & Shared Responsibility
Ms Helen Hambling, Group Manager, Policy
Ms Jennifer Bryant, Group Manager, Performance
Ms Kerrie Tim, Group Manager, Leadership Development
Mr Peter Vaughan, Group Manager, Land and Resources
Mr Steve Davis, Group Manager, Corporate and Business Services
Mr Bryan Palmer, Manager, Performance and Single Budget

Managers

Mr Greg Roche, Manager, Land Rights Services
Mr Brian McMillan, Manager, Legal and Investigation Services
Mr Paul Omaji, Manager, Resources, Reconciliation and Repatriation Unit
Mr Adrian Brocklehurst, Manager, Administration Unit
Ms Kathryn Shugg, Manager, Policy Innovation Unit
Ms Christine Williams, Manager, Funding Reform

CHAIR—I declare open the hearing of the Senate Community Affairs Legislation Committee considering the additional estimates for the portfolio of Families, Community Services and Indigenous Affairs. The Senate has referred to this committee the particulars of proposed additional expenditure for 2005-06 for the portfolios of Families, Community Services and Indigenous Affairs and Health and Ageing. The committee is due to report to the Senate on 28 March, and Friday 31 March has been set as the date for the return of answers to questions taken on notice. I welcome Senator Chris Ellison, representing the Minister for Families, Community Services and Indigenous Affairs, the departmental secretary, Dr Jeff Harmer, and officers of the Department of Families, Community Services and Indigenous Affairs.

Can 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 also remind officers that they will not be asked to express an opinion on matters of policy and that they shall be given reasonable opportunity to refer questions asked of them to superior officers or to a minister. Witnesses are reminded that the evidence given to the committee is protected by parliamentary privilege. I also remind them that the giving of false or misleading evidence to the committee may constitute a contempt of the Senate.

The committee will be working with the portfolio additional estimate statements and I propose to call on the additional estimates in the order of the circulated program. Post-budget measures listed on pages 39 to 46 can be considered under the relevant outcome. Following the administrative arrangements orders issued on 27 January, outcome 6 covering Indigenous affairs is an addition to the FaCSIA portfolio structure and you can see in the program where that will be considered.

I propose to go through the outcomes quickly to ensure that there are in fact relevant questions that people propose to ask in each of those outcomes. If there are no questions identified around the table at this point, in the next hour or so we will check with those who may not be here to see if they have any questions. If they do not, I propose to send the relevant portfolio people away as not being required.

Senator CHRIS EVANS—Chair, can I just indicate that part of the problem with this is you often ask a question and they say, ‘No, that is 1.3, Senator,’ quite correctly, I am sure, but one is never absolutely sure one has the right section—particularly as the department changes its name every time we appear.

CHAIR—We will try to address that problem but, if we have already passed the area concerned and we have sent them away, that will be a difficult problem to resolve. Minister, do you wish to make an opening statement?

Senator Ellison—Mr Chairman, I am not accustomed to this committee and I just wonder what its practice is for lunch breaks and dinner breaks. If we could have some set times, it would be appreciated, for the officials and others to plan the day. I have got no opening statement; that is the only point I would make.

CHAIR—That is fine. With the leave of the committee, I suggest we break for lunch between one and two and for dinner between 6.30 pm and 7.30 pm.

Senator Ellison—Thank you.

CHAIR—We will take that as read. Thank you very much. Before the committee commences with cross-outcomes I suggest that the committee begin with any questions on the portfolio overview on pages 9 to 38 of PAES.

Senator CHRIS EVANS—The minister might be best placed to answer this, but I am just trying to get a handle on the division of responsibilities between the cabinet minister and the junior minister in the portfolio. I wonder if someone could outline those for me just so we know.

Senator Ellison—Dr Harmer can do that.

Dr Harmer—It is not finalised yet. The Prime Minister and the minister are still discussing the fine detail, but most likely Minister Cobb will have responsibility for housing, the Commonwealth-State Housing Agreement, homelessness, the Commonwealth State Territory Disability Agreement, disaster recovery and youth programs. So it is the SAAP agreement, the Commonwealth-State Housing Agreement and the Commonwealth State Territory Disability Agreement. But in the negotiations with the states in those agreements—the higher level cabinet based positioning with the states—I think it is likely that Minister Brough will take those negotiations.

Senator CHRIS EVANS—Day-to-day administration?

Dr Harmer—Day-to-day administration will be Minister Cobb. Correspondence, monitoring of the programs et cetera will be Minister Cobb. But Minister Brough will, I think, as he is currently planning, undertake the negotiations with the states and territories—for example, on the Commonwealth State Territory Disability Agreement, which is coming up over the next year and a half. We will be in a position quite soon to make it very clear.

Senator CHRIS EVANS—Don't they go through the Executive Council or something? Are the responsibilities formally adopted by the Executive Council?

Dr Harmer—No.

Senator CHRIS EVANS—Just the appointments?

Dr Harmer—It will be a matter for Minister Brough, in consultation with Minister Cobb, and agreed by the Prime Minister.

Senator CHRIS EVANS—Signed off by the PM.

Senator Ellison—Yes, signed off by the PM.

Senator CHRIS EVANS—You do not have a parliamentary secretary, do you?

Dr Harmer—No, we do not.

Senator CHRIS EVANS—Does Community Services cover all the community grants programs?

Dr Harmer—No, Community Services is a more traditional definition of the community services from the past, such as housing, SAAP, disability services and those things. The community grants programs, because they are very much related to families, and many of them are related to families issues and children's issues, will remain the responsibility of the senior minister, Minister Brough.

Senator CHRIS EVANS—I would have been surprised if you had put them in charge of the National Party, given the record. Thank you for that. I have another one, which is the Community Business Partnership. Is that still operating?

Dr Harmer—Yes, it is.

Senator CHRIS EVANS—What is its prime role now? It was set up quite a while ago.

Dr Harmer—That program is covered in outcome 5, I think.

Senator CHRIS EVANS—You want to do that in outcome 5?

Dr Harmer—Yes.

Senator CHRIS EVANS—I wanted to ask some questions about the ILC funding. The reason I am asking them now in overview is the transfer of the OIPC. You might be aware that Finance and Administration have now corrected the evidence they gave me the other day.

Dr Harmer—I have just seen the letter.

Senator CHRIS EVANS—Which is completely different from what they told me and much more in tune with what I had heard. I want to go through that with whoever is responsible. As far as I know, OIPC is not in charge of that: the department has the delegate authority. I do not want to miss the opportunity to make sure we have a clear agreement on when we are going to handle this.

Dr Harmer—Indeed. Senator, you are right. The ILC has been handling the finance area of the former Department of Immigration and Multicultural and Indigenous Affairs and it will now be the responsibility of the old FaCS department rather than the OIPC as a part of it. We are in the process of that transfer at the moment. We are happy to take questions, but I suspect

that if they are in any great detail we will have to take them on notice and provide you with answers. The reason for that is that we are in the process of transferring the functions.

Senator CHRIS EVANS—I appreciate that. I was going to ask some general questions about the function. Maybe I will start there. As I understand it, you have just picked up the Indigenous affairs section—

Dr Harmer—All of the Indigenous affairs area from what was DIMIA before has come over to Family and Community Services and Indigenous Affairs.

Senator CHRIS EVANS—So holus-bolus they picked up and moved.

Dr Harmer—Yes.

Senator CHRIS EVANS—There is no change in function, staffing or anything else?

Dr Harmer—We are still negotiating with DIMIA about the resource transfer, but we would anticipate that all of the resources, financial and staffing, will come across.

Senator CHRIS EVANS—There may be things like corporate management or payroll, obviously, but essentially the front-line service role is coming across?

Dr Harmer—Yes, it is.

Senator CHRIS EVANS—What about physical location?

Dr Harmer—We have not really got to that in our planning for how we are going to integrate the function. I am not anticipating that in the short term we will move the Office of Indigenous Policy Coordination from Woden, which is where they are. I already have quite a lot of people from the old FaCS in Woden as well. FaCSIA is still split between Tuggeranong and Woden; it will not be any different with OIPC. I am not anticipating any change in the short term.

Senator CHRIS EVANS—Their name will change but effectively they will be doing the same thing in the same place and they will be part of the FaCS department?

Dr Harmer—Yes, they will be doing much of the same things in the same place.

Senator CHRIS EVANS—Can we see who can help me with the land fund matters now.

Dr Harmer—Sure. I should make it clear that the Office of Indigenous Policy Coordination as a name will certainly remain as part of the FaCSIA department.

Senator CHRIS EVANS—What is in the department apart from OIPC?

Dr Harmer—In the changes that occurred when ATSIC was abolished the department took over a range of programs relating to family violence and community housing and infrastructure programs. There is quite a bit of Indigenous mainstream and housing programs that were already in FaCSIA before we inherited the Office of Indigenous Policy Coordination.

Senator CHRIS EVANS—I appreciate that and I understand there is some symmetry. What is happening to those functions and staff? Are they going into Indigenous affairs—do you call it a separate department?

Dr Harmer—No, it is an office within the department.

Senator CHRIS EVANS—Are those functions going into the Aboriginal and Torres Strait Islander office?

Dr Harmer—We have not got to that point, but I do not think there is any need for that. FaCSIA is a mainstream department, and part of the government's policy in relation to Indigenous affairs is that, post-ATSIC, we are doing better with mainstreaming. Some of those programs are mainstream programs. I am not sure, because we are still going through quite a big exercise in making sure the integration works, and it would be premature to say where any one bit will be at the end of that. I will be in a better position to talk about that when we have had them a little longer.

Senator CHRIS EVANS—It sounds as though you have a copy of the letter from the Department of Finance and Administration dated 14 February where they advise me that basically the whole discussion we had about this was completely wrong. I am not saying that it was deliberate, but we basically ended up with a very confused picture. They told me that they were going to fund the Indigenous Land Fund to the order of \$75 million this year. The later advice says it is \$23 million. As you are now it, I really want to go through it. I want to go through why that is and what has happened. Part of the difficulty is that it is not in your portfolio statement, but if I look at the Immigration and Multicultural Affairs portfolio statement additional estimates, at page 41, it says that the budget estimate for 2005-06 was \$75,689,000, and the revised estimate is \$23,759,000. To round it off, it is \$50 million less than the estimate. I would like to understand what has happened there and why. We had a long discussion about realised rates of return and technical aspects like that, while I was assured that nothing had basically changed. It seems to me that \$50 million or two-thirds of the budget is a fairly big change. Is someone able to help me with that?

Dr Harmer—I have only just seen this letter from the first assistant secretary in the department of finance. It is true that this will be a function of ours, but I suspect that we have not got the detailed explanation. We will certainly take it on notice and get it for you. Mr Youngberry may be able to help. I will be surprised if he has got it already but maybe he has.

Senator CHRIS EVANS—Dr Harmer, I would be very disappointed if someone could not help me, because quite frankly we had this discussion with Finance and they said you are it. I do not want to be fobbed off all around the week. According to the base figures, you have cut two-thirds of the funding to the Indigenous Land Corporation. It seems to me that in a week of estimates someone ought to be able to tell me. I appreciate the difficulties but, given that this is not related to the Cole royal commission, as far as I know, I do not think that that is going to be acceptable. It may well be somebody is coming up later in the week, but I really would like to get some answers today.

Dr Harmer—You know that I have been here many times and done the best job I can in providing answers on the day. If we can get it for you during the day I will, but I can assure you we are not in the process—nor have we ever been—of misleading you, giving you false answers or holding back things that we know. If we can find out during the day, I will make sure you get them.

Senator CHRIS EVANS—Dr Harmer, I am not suggesting that.

Senator Ellison—I will find out.

Senator CHRIS EVANS—I am not suggesting you do that, Dr Harmer. I have always found you a very helpful and efficient public servant, and you know that. But I do want to make it clear that this is a substantial difference in the income to the land fund. In a long discussion with Finance the other day, I was assured there had been no change. Now I find on the current additional estimates that, rather than getting \$75 million, they are getting \$25 million. In anybody's language, that is a big change. I would like to get to the bottom of that.

Dr Harmer—We will do our best to get you an answer during the day.

Senator CHRIS EVANS—Thank you.

Senator Ellison—Dr Harmer said that, and we will come back later in the day. If it requires me to talk to one of my colleagues, I will do so.

CHAIR—Thank you, Minister.

Senator CROSSIN—Can I just ask a few questions on the cross-outcome. I want to clarify one or two things following up from the move of Indigenous affairs to FaCSIA. Do I take it that there will still be the same structure for ICCs in each region where they are currently located and that the FaCSIA manager of each state and territory or region will now be responsible for the previous Indigenous affairs areas of DIMIA? Is that correct?

Dr Harmer—We are in the very early stages of the integration process. We are doing it properly. There are some big issues in the integration. We are certainly not anticipating that the ICC network will change. As to the management arrangements within the state, while we are working out what will be the long-term management arrangements, the arrangements will remain the same. The OIPC has a state manager in each state, as well as the ICC network, and FaCSIA has a state manager in each state. In order to ensure services to Indigenous Australians and the efficiency of delivery of advice and programs, we do not plan to change that in the short term, but it is one of the issues that we will look at in the longer term.

Senator CROSSIN—We might revisit that in June. Thank you.

[9.25 am]

CHAIR—There being no further questions on cross-outcomes, we will now move to output group 6.1, Whole of government coordination and service delivery for Indigenous Australians.

Senator CHRIS EVANS—I would just like to ask OIPC some general questions about the coordination function. I suppose the first question is: has anything changed for OIPC's function, given the change in department?

Mr Gibbons—Some things will change but, as the secretary said, we are still working through the issues that arise from integration. The Prime Minister made clear in his announcement that the office will remain. The whole-of-government coordination function of the office remains. But there are synergies that need to be harvested in bringing OIPC into FaCSIA, and there are some issues that we are starting to look at. It will take us a little while to review that with the minister and come to an outcome.

Senator CHRIS EVANS—In a more general sense, though, Mr Gibbons, given that these arrangements are fairly new and they have been developing, are there trends emerging in your

relationships with the departments—outside of your mother department, as it were—in the way you are operating? These are new arrangements and obviously there is some experience now of whether things that looked like a good idea work or whether they have proven to be a failure. In a broad sense, what is happening in the relationships with other departments, the mainstreaming et cetera?

Mr Gibbons—I think it is fair to say that it is maturing. We—collectively, agencies in the Commonwealth—are getting better at understanding what is required and working on a whole-of-government basis. It is something quite new in public administration, and in this area, as you know, we are not just talking about it in a rhetorical sense. We are actually trying to put it into practice. Certainly the government arrangements have been useful—that is, the ministerial task force to give clarity on policy issues and the secretaries group in handling the administrative issues that arise from time to time in this area. The big cultural challenge was for the mainstream of the Public Service. That is improving. It still has a way to go. It is patchy. In the context of the Commonwealth, state and territory relationships, which is another important dimension to this, there are some areas where the relationship now is very close and sophisticated, and other areas where it is still developing. So there is work to be done there. I think, though, looking back over the last nearly two years—19 or 20 months—we have made some good progress.

Senator CHRIS EVANS—For instance, is the ministerial task force playing an important role or is it starting to be less central to the function?

Mr Gibbons—I think the ministerial task force is quite central. In terms of the structural reform to programs and in the Commonwealth-state relationship, I think is going to be critical in the future.

Senator CHRIS EVANS—What about the secretaries group? Is that meeting as regularly and still providing the policy direction?

Mr Gibbons—The secretaries group has, to this point, met almost monthly. There have been one or two months where that has not occurred. They have resolved this year to try and meet every two months, notwithstanding the exceptional meetings we have around budget time to review budget issues et cetera. The level of engagement at the ministerial level and with the head of the Public Service will remain, I believe.

Senator CHRIS EVANS—It would seem natural to me that that sort of oversight would reduce over time—that part of your function and the mainstream is that you get on with it.

Mr Gibbons—Over time it will. We are seeing a slight reduction this year, but there is still a lot of work to be done and a lot of work that requires the engagement of the heads of agencies. That is why they have resolved to continue to meet every fortnight.

Senator CHRIS EVANS—Every fortnight or—

Mr Gibbons—Sorry, every two months. Below that there is now a quite well established forum for engagement with Commonwealth agencies at the centre, Canberra, and in the states. OIPC convenes regular cross-agency meetings on a range of topics; and our state managers—who are basically in the states to coordinate the activities of the ICC and to bring together the Commonwealth agencies in that focus and the relationship with the states—convene regular

meetings of heads of agency in the state capitals and are regularly participating in engagement with state agencies at senior level.

Senator CHRIS EVANS—Is the secretaries group always the secretaries or do assistant secretaries, divisional heads or whatever turn up?

Mr Gibbons—It is always the secretary; if the secretary is absent and there is an acting secretary, the acting secretary attends.

Senator CHRIS EVANS—Is it fair to say that they are still driving policy decisions?

Mr Gibbons—Yes, policy and administration, where that is necessary, on the whole-of-government aspects. The ministerial task force is the key player in the policy determination, but the secretaries group reviews and advises the task force.

Senator CHRIS EVANS—Who does the task force consist of these days? What level officers are involved in the task force?

Mr Gibbons—The ministers are involved, with their secretaries. The National Indigenous Council meets a couple of times a year with the ministerial task force.

Senator CHRIS EVANS—Has the composition of ministers involved in the task force changed?

Mr Gibbons—There have been new ministers, because of the portfolio changes, but the composition remains the same.

Senator CHRIS EVANS—People are there representing particular portfolios; is that right?

Mr Gibbons—It involves the—

Senator CHRIS EVANS—I mean that people are on it by virtue of the portfolio they represent.

Mr Gibbons—That is right.

Senator CHRIS EVANS—There has been no alteration to that?

Mr Gibbons—No alteration, although a number of ministers who do not have direct responsibility for Indigenous affairs who from time to time are involved at the periphery are sometimes invited to participate.

Senator CHRIS EVANS—Does that mean they are there out of personal interest rather than out of—

Mr Gibbons—No, they may be interested in a particular issue. They may have an interest in a particular issue.

Senator CHRIS EVANS—They are invited in for that particular discussion, as it were?

Mr Gibbons—They are invited in for the discussion, yes.

Senator CHRIS EVANS—You mentioned the National Indigenous Council. How often is that meeting?

Mr Gibbons—That meets quarterly.

Senator CHRIS EVANS—I know you have had at least one member resign. I think two have resigned.

Mr Gibbons—One member, unfortunately, passed away. One has resigned and one has been on suspension pending an investigation.

Senator CHRIS EVANS—I was not sure if he had resigned or not. He is formally termed as being ‘on suspension’? Is that self-suspended?

Mr Gibbons—I think the formal term is ‘stood down’ pending the finalisation of a matter.

Senator CHRIS EVANS—Stood down by himself or by—

Mr Gibbons—By the minister.

Senator CHRIS EVANS—So the minister directed that he be stood down?

Mr Gibbons—I believe that is the case. We will double-check that. I think that is correct.

Senator CHRIS EVANS—Are the person who resigned, who I presume was Mr Mundine, and the deceased member to be replaced?

Mr Gibbons—I believe they will be. The matter is currently before the new minister. I expect he will make a decision soon.

Senator CHRIS EVANS—Is the intention to replace those two members?

Mr Gibbons—I believe so, yes.

Senator CHRIS EVANS—Have you got any idea when the stood down member’s issues are likely to be resolved?

Mr Gibbons—I think they are close to finalisation. We can check that for you. It is not something that we are—

Senator CHRIS EVANS—It was more a general question. I wondered whether you had any idea. I know it was a court related thing and not easy to predict. I am just trying to get a sense of the overview and whether those things are changing, but you mentioned the Commonwealth-state agreements—the bilaterals. Can you give us an update on those?

Mr Gibbons—Yes. We now have agreements with four jurisdictions: the Northern Territory, Queensland, New South Wales and South Australia. And my expectation is that we are reasonably close in Western Australia and Victoria, with then Tasmania and the ACT on the list of priorities.

Senator CHRIS EVANS—And you refer to these as ‘bilaterals’?

Mr Gibbons—Bilateral agreements, yes.

Senator CHRIS EVANS—What sort of scope are they encompassing?

Mr Gibbons—In the cases where we have achieved an agreement, it involves a framework and then a series of schedules that we add to over time that define the operational aspects, if you like, of the relationship. If you take the Northern Territory, which was the first agreement, as an example, there is a framework that sets out how we will cooperate and a few schedules signing on particular activities. Over time we are working on adding to that. So we have expanded the range of cooperation from the initial few to be more comprehensive. We

regularly meet with officials, and there are ministerial meetings, to discuss broadening the areas of cooperation. That is how we propose it will work in the other states as well—and indeed it is.

Senator CHRIS EVANS—Is the framework largely the same for each of the state agreements?

Mr Gibbons—At the high level, yes. There are a few adjustments to reflect the circumstances of each jurisdiction, but by and large I think the answer would be yes.

Senator CHRIS EVANS—Are they different legal frameworks or different policy frameworks?

Mr Gibbons—It is a framework for cooperation—common objectives, an outline of the approach we are going to take in working together; and the schedules add the substance of activity.

Senator CHRIS EVANS—Can you give us an example of a schedule—what sort of matters it would cover? I do not necessarily want a copy, but what would be typical?

Mr Gibbons—Take, for example, the Northern Territory government's decision to expand the coverage of local government to include remote Indigenous communities. Our agreement with them is to support that—to support the introduction of local government to these remote communities—so we are assisting in various ways, including with some investment to enable people to be employed to work with local government, to assist the communities to take full advantage of that. That is an example of one area of cooperation.

Senator CHRIS EVANS—So in that schedule, for instance, do you say you will provide \$2 million to supply 10 officers to support whatever? Is it that specific?

Mr Gibbons—As I recall, that one includes a commitment to provide funding for a number of officers to be available as development coordinators in each of the sites. Yes.

Senator CHRIS EVANS—So the schedules may well include specifics such as the amount of funding?

Mr Gibbons—They may well do, yes.

Senator CHRIS EVANS—I am just trying to get an idea of the level of detail. It might be as detailed as not only the function but the commitment of dollars?

Mr Gibbons—It may, yes. Another in the Northern Territory that we are looking at is jointly working on a program around Indigenous interest in caring for country. That will involve several agencies from both the Northern Territory and the Commonwealth working with Indigenous communities on engaging them in activities as diverse as protection of our fishing environment, weed eradication and other matters associated with heritage protection.

Senator CHRIS EVANS—Would the schedules include out years? Is it like a budget type thing where you have agreed for the four-year cycle?

Mr Gibbons—There was nothing to prevent us from concluding agreements in the out years and we are trying to focus on the longer term rather than short durations. I may stand corrected but I think in the context of the NT agreement on local government support, we are in that for the longer term rather than it just being a one-off.

Senator CHRIS EVANS—Would the dollars be specified for out years or just for the first year—or will you renegotiate—

Mr Gibbons—I will have to take that particular one on notice.

Senator CHRIS EVANS—I am not trying to hold you to that one.

Mr Gibbons—I think it is a commitment to provide, as I recall, support over a number of years.

Senator CHRIS EVANS—I am not trying to focus on that only. As you well know, this area has been blighted by communiques and declarations of good intent for many years by governments of all persuasions that are not then matched by commitment. I am trying to get a sense of whether the schedules provide some accountability as to whether their good intentions are met by performance.

Mr Gibbons—One of our objectives is to move away from this annual cycle of grant funding to a longer term strategic approach. In the negotiations that we have had with several of the states on the sort of schedules that we might conclude, we have been looking at longer term commitments; that includes putting our dollars in for the longer term.

Senator CHRIS EVANS—Are those schedules made public?

Mr Gibbons—I think all the details are available.

Ms Hambling—The completed bilateral agreements are up on the OIPC website. They are probably also on the websites of the states in question.

Senator CHRIS EVANS—Including the schedules?

Ms Hambling—Yes.

Senator CHRIS EVANS—I have seen one of the agreements but I did not know you had the schedules up. Mr Gibbons, is it the intention to add to those schedules as you negotiate new areas of agreement, as it were?

Mr Gibbons—Yes. We agreed earlier that we could not define the full extent of the relationship in one go—that it was something that would evolve and expand over time. That is why we started with a framework and allowed for it to be expanded through a series of schedules.

Senator CHRIS EVANS—One of my concerns, and I am not alone in this, has been the question of whether this whole process is responding to a needs analysis or not—whether we are correctly prioritising what should be done. What is your comment on whether the frameworks are correctly targeting priorities identified by both the governments and Indigenous people?

Mr Gibbons—It is certainly the government's desire to improve the targeting and the scheduling of Commonwealth support intervention, and to do that in partnership with the states. We cannot move overnight to that situation from the ad hoc arrangements that have existed in the past; we are making progress on that. We have started with some of the states and are very closely working in a planned, targeted, coordinated way, but we have to expand that more broadly. Again, largely because it was the first cab off the rank, we are probably more advanced in the Northern Territory and parts of Queensland.

To illustrate my point, if you take the issues around violence, sexual abuse and substance misuse in Central Australia—places like Mutijulu, et cetera—we have not just gone in and dealt with the symptoms of the problem. We have sat down with the government in this case because there is a cross-border dimension to it, with three governments, and looked at some of the root causes and applied government activity to that, and we continue to work with them on the next steps. As we deal with one layer of the problem, we are ready for the next. It is a new way of working, and it is a way that I think guarantees better outcomes than we have had in the past.

Senator CHRIS EVANS—Who identifies what you prioritise?

Mr Gibbons—It is a matter of negotiation between—

Senator CHRIS EVANS—But before you have a negotiation you, representing the federal government, go in. What is your agenda? How do you determine that?

Mr Gibbons—We get information from many sources that enables us to build a picture of an environment. We consult with the communities. We consult with the state or territory administration. At the end of the day we reach an agreement on what is a priority for attention and at what level that attention should be. Just to illustrate that again, the new minister has been in discussion with chief ministers and ministers in several jurisdictions about prioritising what we term our communities in crisis intervention arrangements this year. We have a view based on our intelligence, based on our engagement with communities, but we have asked to sit down with the states to compare notes and to come to an agreement. We do not want to intervene on our own, and we do not want to do half the job. We want to not only bring together the resources of both governments but, where it is necessary, adjust government procedures—adjust the law if necessary—to try and achieve the outcome that we are after.

Senator CHRIS EVANS—How do you identify, for instance, that the communities in crisis program is your priority and how do you identify how much you are going to spend each year or how much you are willing to spend?

Mr Gibbons—The way we have constructed the appropriation is that we are not bound by a program that was conceived thousands of miles from the environment we are working with or that has assumed what the answers are. We have a very flexible resource pool, and that is supplemented by mainstream agencies. When we go into negotiations with communities and the state and territory jurisdictions, we can approach the issues with a quite open mind and rely on the evidence and the intelligence we have got rather than being bound by a structure that we designed some time back.

Senator CHRIS EVANS—So the priorities are identified in consultation with the states? You have your national framework, for instance. I thought that might have been a driving prioritising setting. I know they are very broad objectives, but is that part of what drives it?

Mr Gibbons—Yes. Where we have agreements, everything comes back to the bilateral commitment to work together. We do not go off and do things on our own, except at the fairly low level where we are dealing with individual communities who have expressed an interest in some support and where we are negotiating a single shared responsibility agreement. But there we try to involve the states if we can. Once you get up the scale of intervention, or

potential intervention, we talk to the states. We try to get an agreement on priorities and a joint approach with the state, and we are pushing that line more and more these days.

Senator CHRIS EVANS—I am just trying to think of accountability here to the minister. How do we measure whether you are meeting the right priorities and/or directing your energies in the right direction if we do not know what those are? I understand that it is more flexible, that there is a pool of funding. In some organisations, that has been a bit of a recipe for disaster, because money has—

Mr Gibbons—We are not doing this behind a wall; it is a transparent process. Once we reached an agreement—as we did in the Central Australian area with the Northern Territory government—that it was desirable to tackle the scourge of petrol and other problems in those towns in Central Australia, we drew in other governments and the outcomes are on the table for everyone to see. They know what we are focusing on; they know what thus far we have committed to do. We are still working with those states on further steps. When we have reached agreement they will be open for scrutiny, and in time the results will be available for people to evaluate. It is not rocket science. It is certainly a much more cooperative environment than it has been in the past, and it is an approach that is catching on. More and more interest is coming from jurisdictions and from across the Commonwealth in working as a team on these issues. It is not perfect yet but we are making good progress.

Senator CHRIS EVANS—I am just trying to explore how we prioritise what we do. That throws up the next question: how do you know you are having a proper holistic response? You might, for instance, tackle petrol sniffing but the alternative drug of choice is alcohol, amphetamines or what have you. How do you cope with the fact that the program might be attacking one problem which only transfers the problem somewhere else? These are often very dysfunctional communities.

Mr Gibbons—You have put your finger on a very good point there. In the past we would often go to a problem area and focus on one aspect and do something about that. We might go to a dysfunctional community that is wracked with substance abuse, self-harm, violence et cetera and see overcrowding as a problem. We would build a couple of houses but, because the social norms do not exist, there is violence and vandalism, and the houses are destroyed, so we did not really make any advance. Our approach now—and it is an approach that is supported by many of the jurisdictions that we are working with—is to look at the root cause. If you take, for example, the petrol-sniffing problem that was highlighted in the Northern Territory coroner's report into deaths in Mutijulu, petrol is certainly a problem, but tackling petrol alone will not resolve the problems at Mutijulu. There is trafficking in drugs of various kinds as well as petrol. That is linked to sexual abuse, paedophilia et cetera. It was linked to corruption; it was linked to antisocial behaviour. We have had to look at all of those issues, and we are doing so in a systematic way. We are tackling the problem of trafficking in petrol, but we are doing that in the context of other misuse of substances. You may have seen recently the first joint operation of the tristate police activity. Not only were they out looking for people trafficking in petrol; they were out looking for people trafficking in drugs. Indeed, they caught quite a few. It is a much more holistic approach these days.

Senator CHRIS EVANS—Can you just describe for me how the whole-of-government budget process works and how it is going to work for this coming budget?

Mr Yates—The single Indigenous budget submission process, as it is described, is essentially a way of harvesting proposals which might normally be simply developed within individual portfolios which have an impact on Indigenous Australians, and to see a more whole-of-government process which both contributes to the development of proposals which will have a more joined up impact, rather than a focus on any specific area, whether it is employment and health or education. You actually try to work across portfolios to shape proposals that are more in line with the government's whole-of-government approach. Working through that, there is the developmental phase in terms of shaping proposals. Then there is a process of bringing those proposals together before the Secretaries Group on Indigenous Affairs, to consider them and review them against a number of criteria as to whether they advance to the ministerial task force priorities, whether they are consistent with the government's whole-of-government directions and whether they respond to priorities which have been spelt out by government. Then there is a prioritisation of those quite extensive proposals. That is then taken forward to the ministerial task force for its consideration. It considers the advice from the secretaries group. It takes account of any priorities that have been flagged to the ministerial task force by the National Indigenous Council, and it develops a package for recommendation to the senior ministers review and, ultimately, the Expenditure Review Committee of cabinet.

Senator CHRIS EVANS—I can understand how that works with Indigenous specific initiatives—for instance, an education initiative designed to improve school attendance in Indigenous communities. But how does that work in terms of the education department's commitment to provide schooling for everyone in Bunbury, Western Australia, 10 per cent of whom will be Indigenous? I am just trying to work out how the mainstreaming concept fits in with that. Clearly, outside the process you mentioned, you have the rights of Indigenous people as citizens to the normal services—and, particularly in metropolitan or larger towns, Indigenous people rely on those mainstream services.

Mr Yates—Certainly.

Senator CHRIS EVANS—I am just trying to work out how you deal with that.

Mr Yates—A lot of those services are actually the responsibility of state and territory governments. What we try to do on that front is this. Firstly, where the federal government departments are putting forward mainstream proposals that are likely to have a significant impact on Indigenous Australians, those proposals are referred to the ministerial task force for its views. But, of course, you are right, there are a lot of funding arrangements between the Commonwealth and the states in regard to a number of mainstream activities. Education is one of those, and Indigenous education specifically. How do we ensure that those special purpose payments arrangements are themselves, into the future, guided by the government's overall approach? We have developed a set of advice around that which is being considered by the secretaries group. These reviews of special purpose payments—renegotiations—come up every three or four years. We are looking to ensure that, when those negotiations are due, they take full account of the government's priorities and new directions in Indigenous affairs. So there will be a multipronged attack, if you like. We have a single Indigenous budget submission process that focuses on proposals year by year, but we also have a number of other initiatives that are aimed at ensuring that the Commonwealth's overall spending on and

intervention for Australian citizens, and in particular Indigenous citizens, are guided by the government's overall new approach.

Senator CHRIS EVANS—I understand in broad what that means. I am just not sure practically how you do that. That is not a criticism. I am trying to understand conceptually. For instance, I was involved with trying to get aged care facilities for Indigenous people in Broome years back, and there was a real problem in getting funding and support for aged care facilities that were welcoming and suitable for Indigenous people. That funding was out of aged care in the normal way. I am just trying to understand. In mainstreaming, how do you ensure that aged care funding specifically provides for—not different aged care but aged care that is appropriate for Indigenous people, and that is sympathetic and accepted by Indigenous people as appropriate.

Mr Yates—That is a very important point. To some extent, people focusing on our local work in terms of the development of shared responsibility agreements—and, indeed, the initiatives that are being pursued under the bilaterals—also have to take account of work that we are doing to better harness the mainstream's efforts to produce improved outcomes for Indigenous Australians. You rightly touch on the importance of cultural appropriateness and the ways in which those services are shaped. Many of those services are available to Indigenous Australians, but the take-up rates are not always as high as they need to be in terms of the needs of those citizens. An important part of our strategy overall is to better harness the mainstream in reviewing the outcomes, the access and the take-up of those services by Indigenous Australians, the outcomes being achieved and how it can actually see improvements in the performance of mainstream programs. An example of that is the Job Network in the employment services area. Its early years were not seeing significantly good results in regard to the highly disadvantaged Indigenous job seekers. We have seen some significant improvements over time in that mainstream program. Changes in its incentives regime and the intensity of services that are being provided are achieving some improved outcomes—some significantly better outcomes—than they had been previously.

Senator CHRIS EVANS—I am just not clear how we do that. It is not an attack on mainstreaming. I am just trying to understand how we do that. As you know, one of the problems with ATSIC was that the mainstream departments and the state government instrumentalities said, 'Oh, great, we'll leave that to ATSIC as a special Indigenous body.' They said they could fund what the rest of us would regard as basic citizenship rights like education, health and roads. That makes it sound like the Romans. What have the Romans ever done for us? But there are those facilities, and aged care is a classic. How do you make sure that aged care services do meet those cultural needs and are provided? What is the check on the mainstream? You use employment where there has been an initiative, the Job Network. I accept that. I am not sure how successful it is yet, but we might come to that later. You have given me the broad philosophical approach, and I understand that. I do not pretend it is easy. But how do you measure whether aged care is actually delivering appropriate outcomes and places for Indigenous people?

Mr Yates—It requires you to have some fairly good information around need and take-up of services—whether the services are actually available but also whether they are being taken up and what the barriers may be that are limiting take-up in line with the need that is there. In

some areas of government servicing obviously there is provision of Indigenous specific delivery of what you might describe as mainstream services—say health services, through Aboriginal medical services, or legal aid, which is a mainstream service, but the government has tried to improve the uptake and accessibility of those services by providing a network of Aboriginal legal aid. There is a variety of mechanisms that you can try and use to improve both access and take-up and appropriateness of those services. Part of our effort with these new arrangements is actually to review what is working in which areas of government activity, and to take those lessons into other areas—whether it is a need to change the incentive regime in terms of what providers are focusing on or whether it is how you can actually improve the attractiveness of the service in terms of, for example, hiring more Indigenous people as part of the service delivery process to it make a more comfortable environment for Indigenous people to use. There is a variety of strategies that the mainstream could be putting more attention on in order to ensure that Indigenous Australians are accessing those services effectively.

Senator CHRIS EVANS—Thanks for that, Mr Yates, but can we go back to my example of aged care. I just choose it because it came into my head first. How do you know whether Health and Ageing, through their aged care programs, are actually delivering appropriate Indigenous aged care services and whether they are meeting the needs? How does OIPC know that? How do you monitor it? How do you evaluate it? Do you? Is that your job?

Mr Yates—Part of the overall monitoring and performance assessment of the new arrangements is to look at what impact they are having in regard to how individual departments are doing their Indigenous business. Each of them is responsible for undertaking evaluations of their specific programs, and we are obviously concerned what those evaluations are showing in the performance for Indigenous users.

Senator CHRIS EVANS—So they will provide an evaluation as to how well they are servicing Indigenous Australians—or is it a broader evaluation?

Mr Yates—That information is being drawn together each year in the context of the annual report from the secretaries group on the performance of Indigenous programs. The first of those reports was released late last year. Over time those reports will become a more consolidated form of reviewing how the Commonwealth's efforts are impacting on the ground, whether it is in regard to aged care, health or employment services and the like.

Senator CHRIS EVANS—If I was to look up the secretaries' report, it would tell me how we had done in aged care for Indigenous Australians over the last year?

Mr Yates—Into the future—

Senator CROSSIN—Where is the secretaries' report?

Mr Yates—It is on the website. It has been released.

Senator CROSSIN—It has not been tabled in parliament?

Mr Yates—It has not been formally tabled, but it has been publicly released. We can provide copies of that to the committee. Clearly there are other key reports, such as the report of government services. The secretariat is the Productivity Commission. They provide an Indigenous compendium that provides the public and users with information about outcomes.

There is a variety of sources. We do not want to duplicate those things, but where we can complement them usefully to help people appreciate what the impact of the changes are then we will be doing so.

Senator CHRIS EVANS—It is always useful to get an outside evaluation, isn't it, rather than just the departmental reporting? I remember the secretaries' report coming across my desk. Are you telling me that I could find how we are doing in aged care for Indigenous Australians in there? It is a bit more general than that.

Mr Yates—Not in Broome, no.

Senator CHRIS EVANS—Not in Broome. I mean more generally.

Mr Yates—We are not going to produce a tome that tries to bring together 800 evaluation reports. We will be looking to draw together the key messages from that work, as part of reporting on the performance of Indigenous programs. Clearly, in areas where there seem to be more significant issues about servicing, that will likely get greater priority attention in the scheme of things. Our role is not to replace or displace the role of individual departments and how they evaluate and report on the performance of their programs. But, if it is an area where there are poor outcomes or where we have limited information to be confident about the outcomes being achieved, we will be working with them to try and improve that.

Senator CHRIS EVANS—Is that more a function of the director of the Office of Evaluation and Audit inside the department of finance?

Mr Yates—The Office of Evaluation and Audit in the Department of Finance and Administration has a particular supplementary role. It is able to come in and undertake audits or evaluations of individual programs over and above those that are undertaken by departments. Our particular approach within OIPC is to focus on the more whole-of-government elements of the strategy. We are not going to try and shadow individual departments' evaluations.

Senator CHRIS EVANS—I know you have a relatively small staff. I am just trying to follow the train of accountability or access to information, because it seems to me that one of the potential dangers of mainstreaming is that once the political and leadership effort drops off and people go back to business as usual—I know it is OIPC's job is to make sure that does not happen, but there is a risk of it—how do we measure, for instance, the performance of the Department of Health and Ageing to ensure they are meeting Indigenous needs? That is what I am trying to follow through.

Mr Yates—There are both the traditional mechanisms for that: the accountability obligations of departments, which are tested in forums such as this, together with the other sources of information which are available on the outcomes from government services. We will be adding to that in our annual report that is being produced by the secretaries. The Office of Evaluation and Audit in the finance department has a broader brief than it ever had in ATSIC to examine Indigenous specific programs. So there will be a range of elements that support an improved accountability framework.

Mr Gibbons—Mainstreaming was designed to get mainstream agencies to recognise that they have Indigenous clients, that it was not the responsibility of another agency. But it was

not just transferred to agencies; this was a governance framework put in place. The ministerial task force is a key part of that and the secretaries group is another part of that. At the ministerial task force level, ministers have been asked to report to their colleagues on their performance—or the performance of their agencies—in this area, and several ministers have already provided reports to their colleagues on how they are progressing the mainstreaming agenda.

Senator CHRIS EVANS—Is that a requirement? You said several have. Is that an annual requirement?

Mr Gibbons—The chair, with the concurrence of the members, resolved that there would be a periodic or a regular report around the table from each minister on their performance or the performance of their agencies in this area.

Senator CHRIS EVANS—Is that just for the ministers at the table, though, or all departments?

Mr Gibbons—Most of the ministers with programs that are relevant are involved in the task force, and at the moment it is focused on those ministers who are members of the task force.

Senator CHRIS EVANS—So that is a decision made by the task force as to who they invite.

Mr Gibbons—I just mention that to show that this is being driven collectively from the top through several tiers in that governance framework. It is quite unique. We have not had such intensive oversight by a group of responsible ministers or by heads of agencies before.

Senator CHRIS EVANS—That is why I am trying to find out how it works; otherwise, it might be a bit mysterious.

Senator ADAMS—Are you aware that this committee has an inquiry into petrol sniffing at the moment?

Mr Gibbons—Yes, I am.

Senator ADAMS—I would like to know what agencies are taking part in the petrol and the drug activities investigations, because we would like them to come forward as witnesses for us. You said it was police and health. Are any other agencies involved?

Mr Gibbons—The Central Australian operation is a tristate activity involving the Northern Territory, Western Australia and South Australia. With financial assistance from the Commonwealth, the police from those three jurisdictions have agreed to work together. They have set up a joint intelligence desk based in Alice Springs to harvest information about trafficking and movement of substances, including petrol. They have determined on joint operations. The jurisdictions have looked at uniform laws. There are arrangements in place for police in one jurisdiction to pursue traffickers across borders into another, to arrest them, to take them before magistrates in each other's jurisdiction et cetera. We have been involved in getting the jurisdictions around the table, in contributing some resources, and in negotiating priorities as part of a broader program to assist these central communities. But it is being done at the state and territory agency level.

Senator ADAMS—Is education involved?

Mr Gibbons—In the Central Australian petrol sniffing strategy there is a place for education. In some of the communities we are working in, concurrently with the effort to crack down on trafficking and other undesirable practices, we have been looking at the capabilities of some of the education providers—reviewing their performance, reviewing their governance et cetera. At the Commonwealth level a number of agencies are involved in a steering group: Health; the new FaCSIA; Employment and Workplace Relations; Attorney-General's; Education, Science and Training; the Sports Commission; Communications, Information Technology and the Arts; as well as OIPC, of course.

Senator CROSSIN—What are some of the whole-of-government initiatives at a place like Mutijulu?

Mr Gibbons—Mutijulu is a community in crisis. There is no disagreement on that. The Commonwealth and the Northern Territory government have agreed that it is a particularly challenging environment. We reached agreement over a year ago to tackle this community in a tightly coordinated way. We began by determining that we needed to understand a lot more about what was causing the problems in the community, so we resolved to employ jointly an Indigenous person to work for us in the community over a lengthy period, to get the confidence of people in the community and to understand the dynamics of the community and what was happening there. Based on intelligence and what we learned from that approach, we determined what areas we needed to tackle early. That led us to conclude that we had to deal with the criminal problems around drugs and substance trafficking, which was linked to sexual abuse and child sexual abuse. As I mentioned earlier today and on other occasions, we have drawn three jurisdictions into that, because it is a problem that extends across borders.

We have also looked at the governance of the organisation, the community council at Mutijulu. As a result of that, the council has reconstructed its constitution. There has been a commitment to fresh elections. I think they have already had them. They resolved to have a balance of men and women on the council. And they also resolved to exclude from the council people with criminal records and also people with a conflict of interest.

Through the Office of the Registrar of Aboriginal Corporations, we have been examining some of the other organisations that have been funded by governments to deliver services on the basis of complaints from residents of Mutijulu and surrounding communities about what has been happening there. I think I am correct in recalling that the registrar has resolved to appoint administrators in at least one of those organisations—or has asked them to show cause why an administrator should not be appointed.

The Northern Territory government has agreed to put in a permanent police presence. We are contributing to the infrastructure for the police station.

Senator CROSSIN—At this stage do you have a total of moneys that have been dedicated to Mutijulu, or is that too hard to collate?

Mr Gibbons—We do not approach it and say, 'We'll spend \$2 million in Mutijulu.'

Senator CROSSIN—I am just wondering whether at the end of the day you have an idea of what a community in crisis will have cost in terms of financial impact.

Mr Gibbons—It would vary. I do not believe that it is a cost. I think it is a saving in the long term. I could refer you to a community where we began a similar methodology based intervention 2½ years ago—a place called Balgo in Western Australia—which for decades had been the centre of major problems and a few years ago was in very serious crisis. In many respects, it was worse than Mutijulu because, in addition to the dysfunction, the violence et cetera, there were serious infrastructure deficiencies, which did not exist in Mutijulu. Together with the Western Australian government and some community people, we intervened with a strategy to restore social norms, to improve the environment. That has cost several million dollars. We have probably spent about \$5½ million in that community over the last three years, and the Western Australian government has spent money as well. When you look at the circumstances of that community now, it is healthy and happy. There are still issues about education et cetera, but social norms have been restored and it is now possible to move on with development, with the community as partners. Violence has been removed; petrol sniffing has been removed; self-harm has been dramatically reduced. That costs money, but in terms of the outcome I do not think it is a cost.

Senator CROSSIN—I think you have misunderstood where I am coming from. I am just wondering if at the end of the day someone is keeping some collation of what is being spent at Mutijulu.

Mr Gibbons—Yes.

Senator CROSSIN—And whether you have an idea of whether it is \$1 million or \$20 million. That is all.

Mr Gibbons—Thus far it would amount to over \$1 million, and we have committed a little over \$3½ million thus far. We have not spent it all; there are still phases of the intervention that we have not fully scoped with the states and the community. At the moment, from memory, we have on our books about \$3½ million committed. That is the Commonwealth's contribution.

Senator CROSSIN—Chair, I am trying to work out where we are going. I have questions on the COAG trial.

Senator CHRIS EVANS—I would seek guidance from the chair, but I am happy to go on.

Senator CROSSIN—Will I just keep going? Have we finished with the whole-of-government strategy? I am going to move to another topic—COAG trials and SRAs. Is that all right?

CHAIR—I think you can keep going unless there is a problem. If it is covered by this output, you might as well keep going.

Senator CROSSIN—This department is still the lead agency for the Wadeye COAG trial, is it?

Dr Harmer—That is correct.

Senator CROSSIN—I have asked this a few times, but I still cannot seem to get an answer. Were any baseline data used to initiate or form the basis of the trial evaluation or are you simply still relying on the report that John Taylor did?

Dr Harmer—Are you asking about Wadeye in particular?

Senator CROSSIN—Yes, Wadeye in particular.

Dr Harmer—FaCSIA is the lead agency at the moment for that site. The people managing that will be here for outcome 5. If there are general questions about evaluation and trial sites, Mr Gibbons will be able to deal with it, but on that one specifically he probably is not aware and it would be better to leave it.

Senator CROSSIN—I have a whole series of questions about Wadeye so I will leave it till then. Can I ask about some SRAs generally? I am not sure if you can answer these specifically or whether I should put them on notice for you. I have read quite a number of the SRAs that were provided to us as an answer to a question on notice—and I thank whoever had to go to the trouble of photocopying those and delivering them to us. One I want to talk about is the Galiwinku SRA. It has \$984,000 attached to it, but I cannot see in the SRA what the breakdown of this money is. Because of the way the SRA is structured, with those four or five columns, it gives me a total amount and then in the end column it says that this will go towards a gymnasium, employ a sport and rec officer, renovate the existing arts centre et cetera. One of the deficiencies I saw in the SRA was that not each item was then allocated a specific amount out of the total. Am I able to get that for Galiwinku?

Ms Hawgood—I can take that on notice. I cannot give you those details today.

Senator CROSSIN—Thank you. Several parts of the Galiwinku SRA involved building work of a fairly major nature—for example, renovating the arts centre. What assessment of the actual scope of work required was done, and by whom, prior to drawing up that agreement?

Ms Hawgood—I will have to take that on notice as well. I need to refer back to the ICC to get those details.

Senator CROSSIN—When I saw the SRA I was a bit surprised that the amount—\$984,000—included renovating the arts centre and a whole heap of other stuff. Last time I was at Galiwinku the current arts centre had been totally eaten out by termites. I would have thought that you would just bulldoze it and build another one. I am not a builder, but I would have thought that would have cost a lot more than \$984,000. I am interested in how much of the \$984,000 is going towards the arts centre and what exactly it is going to be used for.

Ms Hawgood—I may be able to get that for you today. I can recall the SRA and I can recall that there were quite a lot of elements to it, but I do not have the background as to the precise history and cost of the arts centre part of it.

Senator CROSSIN—We might be better off just meeting with the ICC locally for these questions, but my next question goes to what happens if the funding proves insufficient in delivering that SRA.

Ms Hawgood—There is always scope to add to it. If, as they go, they find that there are additional things that need to be done as part of it, there is always the opportunity to renegotiate the SRA—to add to it or to change it. This was one of the SRAs that were reasonably comprehensive in terms of the number of activities they wanted to do. They may

find that they want to change some of those altogether as they progress. That is open to them to do.

Senator CROSSIN—I notice that a lot of them do not have a proposed time line. Why is that?

Ms Hawgood—We are trying to make sure that there is some indication of a time line in them. I know that some of the early ones have not had precise time lines. But I think again if you talk back to the ICC you will find that there has been some discussion of time lines even if it is not as yet specified in the SRA. Certainly having some agreed time frame will be a key part of future SRAs.

Senator CROSSIN—I noticed that in quite a few of the ones that I read, particularly where there is a third party—if a city council in conjunction with the Commonwealth is going to employ, let us say, a rec officer or a development officer—the SRAs do not specify what the third party is expected to contribute to that. Let us take out the community. You have the community, the federal government and, say, a city council. In a couple of the SRAs it said something like ‘Federal government in conjunction with the city council will employ a recreation officer.’ But it does not say who is contributing what to that or what the time line is for that—whether it is to employ a recreation officer within one month, five years or whatever. I thought in that instance they were a bit lacking in detail or commitment.

Ms Hawgood—In some of them the public information is summary information. Total budgets are not always included. It is possible, though, to get the specific information around the details of the budget. If there is a third party contributing, such as a local government council, we would be able to track back for you and tell you how much the local government council is putting in. Or, if it is an in kind contribution like a sport and recreation officer or a community development officer, it would say at what point that person is starting.

Senator CROSSIN—Are you saying there is another agreement—that there is a public agreement and then a funding agreement that is signed between the parties?

Ms Hawgood—No, I am saying that sometimes not all of those details are included in the agreement that is signed between the parties, but the details will be available within the ICC.

Senator CROSSIN—How does the community know what it is signing up to or how soon it can expect the SRA to be delivered upon?

Ms Hawgood—That is part of what is negotiated with the community, and part of what is discussed. Regular feedback happens around the agreement. Even though you might not find all of those details in the documents that you have—I am at a bit of a loss because I am not sure which ones you are referring to; if I had more specifics I might be able to help more.

Senator CROSSIN—Most of them really. Most of them do not have time lines and do not have budgeted items against most of the commitments.

Ms Hawgood—But they do have total amount of funding, I think.

Senator CROSSIN—Yes, they do.

Ms Hawgood—And a description of all of the various components of the SRA, even if they do not have that funding broken down within that document against each of those items.

Senator CROSSIN—So you are saying that that detail will be back on the file in the ICC?

Ms Hawgood—That is right.

Senator CROSSIN—Does the community or a third party have that detail as well?

Ms Hawgood—They would have access to that detail.

Senator CROSSIN—Only access to it?

Ms Hawgood—They may have copies of it; they certainly could have if they wanted to.

Senator CHRIS EVANS—This highlights one of the issues that Mr Calma, the Social Justice Commissioner, identified in his report tabled yesterday, and that is the concern about government accountability, which is what I raised, in the Mulan agreement, where OIP said, ‘We have provided the money but we cannot tell you whether the petrol pump has been delivered.’ Then we got some further information that it was still on its way, and I think it has now been installed. But I was concerned at the time that the OIPC response seemed to be: we have done our part of the bargain; we have made the money available—not our problem. That response concerned me. I noticed that the Social Justice Commissioner has identified his concern about government accountability—the absence in many agreements of sufficient benchmarks, targets and performance indicators—and really focuses in on whether or not the government meets its obligations and how we measure and evaluate that. He has expressed concerns about that and also argues that there ought to be some external examination. I think Senator Crossin is going to the same point: how do we know whether you have delivered, how do we know the detail and what sort of auditing occurs?

Ms Hawgood—There are a number of points there. Firstly, I think it is important to say that it is a transparent process between the government and the communities who negotiate these agreements. It is an open process. What is available to the government in this process is available to the communities. What we have realised as we have been looking back over the SRAs that have been done is that we do need to tighten the information around benchmarks, agreed outcomes and agreed time frames. That is clear and we have that on our agenda. Perhaps that also means we actually need to put a bit more detail in about the breakdown of costs—perhaps not in the front of the SRA, because the front of the SRA is purposely kept brief. That was something that communities asked for: to keep it simple. They did not want these SRAs to turn into documents that were like 70 pages of government funding contracts. They wanted something that was a picture in a page or two.

But there is no reason why behind that there cannot be more information on the breakdown of the costs. Certainly, even with that short information we know that around things like performance indicators, benchmarks and time frames there needs to be some tightening, but those things need to be agreed as well. I think that is not always a simple thing. In having discussions about benchmarks we have been at pains to look at not just a benchmark that is meaningful to us as government service providers but a benchmark that is actually meaningful to people on the ground in a community. Sometimes that takes some time to do and sometimes I think that is going to take more than one go at an SRA. So those are issues that we have clearly on our agenda as a focus and where we would want to have continuous improvement. Regarding evaluation, which you also raised, there is an intention to evaluate

SRAs. That first evaluation of SRAs will happen at the end of the first 12 months of an SRA or, if it is about a short-term issue, when that SRA finishes.

Senator CHRIS EVANS—We will come back to that. I want to follow a point: one of the great issues that was used against ATSIC and which I think led to its downfall was the lack of accountability of money spent on programs. Therefore, having abolished that system, now that the OIPC has taken over it seems to me the high jump for you is even higher in terms of accountability. I have been a bit surprised, since we started looking at SRAs et cetera, that the benchmarks have not been set. Evaluation seems to be a thing that is developing after the SRAs have started and, in a sense, is a catch-up. Given that accountability in Indigenous affairs has been the issue for so long—the accountability for taxpayers' funds and whether they are being used efficiently—and has been used by politicians and others as a means of attacking ATSIC and Indigenous organisations, it seems to me that this is pretty fundamental as to whether you have credibility. The social justice report reinforces my concern that this sense of evaluation has not been at the forefront of the SRA development. We discussed the evaluation process last time and I want to come to that, but it seems like evaluation ideas and benchmarks are following the roll-out and are not part of the original objectives.

Ms Hawgood—That is not right. Benchmarks were actually part of the objectives of an SRA from the beginning.

Senator CHRIS EVANS—Where do we find those?

Ms Hawgood—The original template contained—and all SRA templates contain—a component for benchmarks. Over the last few months, as I mentioned, we have been reviewing all of those benchmarks; identified them as an area that needs some improvement, but accountability has always been there in relation to the SRAs.

Senator CHRIS EVANS—Where?

Ms Hawgood—You will find benchmarks and performance indicators in the SRAs.

Senator CROSSIN—Can I just interrupt there. With respect to the Gapuwiyak SRA that I am talking about, apart from the fact that I think there are a couple of columns missing on the edge of the paper, one of the performance indicators that is specified in that is that families and students will commit to taking part in health fitness activities. What does that mean? What form will that take? Who runs it? Who is going to monitor that? What sort of indicator is that?

Ms Hawgood—I have said that it is an area that we have identified where we need to actually tighten performance indicators and benchmarks, but they have always been there.

Senator CHRIS EVANS—What about the social justice report's criticism of the data collection—the fact that that is also playing catch-up, as it were? You are not going to have any decent figures for a couple of years. What is the OIPC's view about data collection?

Mr Yates—Could you be a little bit more specific about which data we are talking about?

Senator CHRIS EVANS—Page 217 of Mr Calma's social justice report. I quote:
Significant concerns about data quality remain. There will be a big lag time of at least another two years before data collections begin to reflect the period during which the new arrangements have operated. This places additional reliance on performance information reporting and evaluation processes.

Mr Yates—That is a general statement—

Senator CHRIS EVANS—I know.

Mr Yates—about the availability of information about Indigenous outcomes more generally but there are always significant lags there, which are a hamstring to anybody who is trying to assess in a timely way the impact of any changed arrangements. But short of a massive investment of resource, you cannot accelerate the access to that information.

Senator CHRIS EVANS—I meant that as a general quote. I will give you another quote, if you like, on page 160:

Monitoring and evaluation mechanisms for SRAs are also limited within agreements and are even less satisfactory at a system wide level (with no independent monitoring in place).

Mr Yates—There will be an independent evaluation of SRAs. We talked about that at the last estimates hearing.

Senator CHRIS EVANS—I am going to follow that up in a minute. But the point is that there has not been, and there is a lot of criticism about benchmarks and evaluation.

Mr Yates—Apart from the fact that we are in a learning process—and I do not think that we have been pretending that we have not got opportunities to improve what we have been doing—it was always an integral part of the arrangement. You cannot start evaluating something until it has actually been implemented and you have a chance to look at it. There is an inevitable lag between what you are doing and evaluating what you are doing, so I am not sure what the commissioner was implying there about how we do this. We have obviously been trying to learn as we go in reviewing the SRAs that are emerging and looking to strengthen that as we go.

Senator CHRIS EVANS—But the concern is that you are under a lot of pressure to roll out SRAs. Whether there is pressure or not you have talked to me about your desire to roll out SRAs and it seems to me there are some questions we have to ask. Have the first ones worked? Is there a submission of accountability? Have you set appropriate benchmarks? Are they being achieved or not? Remind me when the first one was rolled out.

Ms Hawgood—Barely a year ago. I think everyone would completely agree with what you have said, but it would have been hard to do any real evaluation before now. We have performed evaluations over the last few months, so not much more than a year since the first SRA we had already started quite a detailed review around the performance indicators, the benchmarks and the outcomes in the SRAs, which is why I am saying to you: yes, you may have picked that up but so have we. That is feeding into our evaluation process and to changes that we will make to SRAs.

Mr Gibbons—I think we need to keep in mind that we have been doing this for a little over a year. We are talking about expenditure in these SRAs of around \$20 million or of that order of magnitude. It has been done in an environment of intense scrutiny; it has not been tucked away where there has been no interest. We have had communities, community advocates, the media and everyone who has had an interest in this, so it has been done in the full glare of that scrutiny. It has often been performed in partnership with state or territory jurisdictions. That is in contrast to the large amount of money which still goes out in the old

way through grants that have very little scrutiny. As Mr Yates said, until we have some results from these that we can evaluate formally, you will not get the sort of reports that the Human Rights Commissioner is hankering after.

Senator CHRIS EVANS—I accept some of that, Mr Gibbons. I guess my view is coloured by what I feel is the totally inadequate reporting and assessment of the COAG trials. I think that has been very slow and so far pretty inadequate, and that does colour my view. I just want to make sure that we are not in the situation that exists now with the COAG trials after a fairly extensive investment of money. Last time I think you told me the assessment agreed in 2002 was being rolled out last year and we will have some reports this year. We will come to how that is going, but I just want to be sure that we are applying the same standards to OIPC as we have applied to the Indigenous organisations and also that we learn early on whether or not this is working. You quite rightly say you are learning as you go, and I appreciate that. If it works I will be the first to say, ‘Good on you’, because we have a history of years and years of investment by successive governments that has not bloody worked—you have to be honest about that—but we do want to hold you to the mark so we do not just have the good-news stories without an assessment of what does work and what does not work.

Mr Gibbons—We are quite comfortable about confronting things that do not work. Rather than wait for formal evaluation, we are responding as it is obvious to us. It is part of the learning process and the application of that information as we move on. Going back to a point you made about accountability, I would not want to leave alone the suggestion that all of this is occurring without accountability. Everything we commit to deliver we account for; we have to account for what we deliver. As to the problem that you refer to in the arrangements with ATSIC and the arrangements that predated ATSIC—circumstances where we would hand over money to an organisation to do something—there were two issues: failure to achieve the outcome, which did not involve misuse of money or corruption, and then issues of very serious misuse or corruption involving public moneys, and that was a big problem. We are not talking about that dimension here.

Senator CROSSIN—I am interested to get to the guts of the SRAs here. Can you tell me how the funds are released? Are they done on a quarterly basis or do community councils or organisations request them?

Mr Gibbons—It depends on the SRA and what it is that we—

Senator CROSSIN—None of the SRAs I have read tell me that answer.

Ms Hawgood—It does depend on the SRA, and that is part of what is negotiated with the auspicing body. It may be quarterly; it may be—

Senator CROSSIN—This is the information that is on the other file in the ICC; is that correct?

Ms Hawgood—Yes. If you want that information about specific SRAs, I am happy to get it for you.

Senator CROSSIN—The point I am trying to make is that, if you want to talk about transparency and accountability, they ought to be in the SRAs so that they are there. We will go back and ask for that. We will make an appointment with the ICC and we will ask about

each and every one of the SRAs that we have read. But it is a lot of work for your people and it is a lot of work for us.

Ms Hawgood—Underpinning every SRA, there are funding contracts—a funding contract or a couple of funding contracts, but usually a funding contract. That funding contract has a schedule attached to it which sets out all of that information.

Senator CROSSIN—We will ask for that.

Mr Gibbons—It might be helpful if I just clarify something here. The SRA is an agreement between the Commonwealth and the community—sometimes the Commonwealth, a state, territory and the community—to make certain contributions to that community over and above the entitlements and universal services. It also sets out what the community is going to do in return. It is not an agreement necessarily to fund the community and to hand over money. For example, if part of the agreement is to provide a basketball court or to renovate a sports field, the agreement with the community will be fairly general. It will refer to repairing the sports field or building the basketball court or whatever it is. We will then have a contract with a provider who will deliver what we have undertaken to provide and that will be quite specific. It will be detailed. That is where you will see the financial schedules and the delivery lead times. We are not dealing with the community in that sense.

Senator CROSSIN—I understand that, Mr Gibbons. I suppose what you are saying to me is: whether the funds are released quarterly and whether they go to a contractor or to a council depends on the SRA, and I understand that. I just wonder why that detail is not available in the SRAs that we were provided. I just make that point. You say it is on another file in the ICC. We will go back and ask further questions then.

Ms Hawgood—It is in a funding contract. To put all of that information into the SRA would change the nature of the SRA which is, as Mr Gibbons has said, the agreement. It is not that that information is not transparent; that information is there. It is available to the community; the community will have a copy of it. It is available to the ICC. It is available to all parties in the SRA.

Senator CROSSIN—I understand what you are saying. What happens if there are ongoing recurrent costs associated with any aspect of the SRA? For example, if you are going to renovate the existing art centre, who then pays for the ongoing maintenance, power or upkeep of that art centre in the future?

Mr Gibbons—That would be negotiated, but normally we would be expecting the community to accept responsibility for maintenance and ongoing upkeep. We are not distributing arrangements in a passive welfare context; we are trying to encourage responsibility. So we are providing help, but at the same time demanding that the community accept its responsibility.

Senator CROSSIN—It is not always possible for communities to actually get from somewhere that additional money to pay for power. If you are going to employ a sport and recreation officer, say, for one year, what happens after the SRA is up after one year, or has that not been considered yet? Are you taking it year by year or agreement by agreement?

Mr Gibbons—It depends on the individual circumstances. It may be that we agree to provide a welfare officer or a youth officer for three years; it may be that we agree to provide one for six months. It really depends on what the community and the officers negotiate.

Ms Hawgood—And it may be that at the front of that negotiation the community has advised that if this money can be provided they will be able, within council funds, to make available the money for ongoing maintenance.

Senator CROSSIN—That might be the case in some communities, but not in others. How are funds acquitted? For example, the SRA for the painting of the fuel tank at East Arm—the Larrakia Nation—had \$186,000 against it. How do we know if that \$186,000 was spent? Did the painting of the fuel tank cost less than that? Did you come in on budget? How do I find out that information once an SRA project is completed? Where is that information available publicly?

Ms Hawgood—Normal acquittal processes apply like in the funding of any activity by a Commonwealth or state government. Normal acquittal processes apply and so, as money is expended, records will be kept, reports will be done and the money will be finally acquitted as either having been used appropriately for its purpose or otherwise. The difference between the way it should work with SRAs and the way it works with other grants is that there should be no surprises in relation to that acquittal. Again, in the past we have often had circumstances where grants have been awarded and things have not happened. There has not been any realisation of that until an agency comes to acquit that process and is unable to do so successfully. The SRA has a built-in feedback mechanism that happens on a regular basis, so that, if there is an issue with that money being used for the purpose for which it was given, there is early warning of that.

Senator CROSSIN—Are there plans to list SRAs in your annual report with amounts beside them and amounts expended or do I have to now put a question on notice that says, ‘Tell me if the \$186,000 came in on budget’? Where do I find that? What you have described, Ms Hawgood, is the custom and practice with each and every department—with each and every bill, I assume—that comes in for everything that every department does. But if I specifically want to know how each and every SRA has been acquitted—

Ms Hawgood—We can get that information from the local ICC.

Senator CROSSIN—So I will have to ask each and every time? It will not be in an annual report or on a website?

Mr Gibbons—The amount of money involved in a lot of these projects is not large and the amount of work in aggregating all of the information and publishing it might not be cost-effective. But certainly for large amounts—

Senator CROSSIN—But how do we know that?

Ms Hawgood—I was just trying to recall if every single program actually reports that way in departmental annual reports and I do not think they do.

Senator CROSSIN—It is pretty common to have, say, a list of consultants that the department has hired or—

Ms Hawgood—That is right, but I am not sure that every single grant—

Senator CROSSIN—This is a replacement of ATSIIC where the whole nation is going to be scrutinising the operation of these SRAs to the last cent. I would have thought that you would want to put in place the ultimate public transparency you possibly can. If at the end of the day I find you only spent \$80,000 painting the fuel tank at East Arm, I am naturally going to ask what happened to the other \$100,000.

Mr Gibbons—It would remain in the flexible funding pool to be used on something else.

Senator CROSSIN—But I would have thought that you would not have a problem with somehow working out how you are going to publish how you have spent the money on the SRAs.

Mr Gibbons—I think you have to understand here. If the objective is to paint the fuel tank, the agreement with the community is that we will fund the painting of the fuel tank. It is irrelevant to the community whether it costs \$30,000 or \$80,000; we undertake to fund the painting of the fuel tank. We will have a contract with an organisation or somebody to do that for us and we will acquit that amount. If it costs us \$30,000, we fund it out of the flexible funding pool. If it costs us \$60,000, it comes out of the flexible funding pool. If we put a notional figure in an SRA that it will cost \$60,000 and it costs \$30,000, then only \$30,000 comes out of the flexible funding pool; the balance remains there to be used on another SRA somewhere else.

Senator CHRIS EVANS—Have you ever checked to see whether it got painted?

Mr Gibbons—Yes, we do.

Ms Hawgood—Yes, we do, and clear records are kept—

Senator CHRIS EVANS—That was not the case in Mulan, though, was it?

Ms Hawgood—and ICCs have the monitoring of it.

Mr Gibbons—I have to come back to Mulan. The agreement with Mulan was that we would fund the provision of a bowser. The community had to organise it. The community had to enter into a contract with Fuel Services Australia, which provides the equipment, the data line and set up the supply arrangement. That is what the community wanted and that is what we agreed to do. Unfortunately, the community lost their CEO, who was the person who would organise all of this for them, and it took them about six months to find a replacement. But we did not undertake to step in and do all of that for them. It was not a passive welfare approach; it was a response to their request for funding for a bowser. They were capable—as they proved, once they got their new CEO—to do all of that themselves.

Senator CHRIS EVANS—So your performance indicator is that you pay the money; is that it?

Mr Gibbons—In that particular case, we agreed to fund a bowser.

Senator CHRIS EVANS—And that is the end of your responsibility.

Mr Gibbons—That was the end of our contribution. We were certainly interested in helping them with the challenge they faced in the context of trachoma.

Senator CHRIS EVANS—But this is why I was concerned about our discussion at the last estimates: from your answers, Mr Gibbons, I got the very clear impression that you had done

your bit by giving them the money. The performance indicator was that you had paid the money, not that the community had got the petrol bowser and the issues of the community had been addressed. That is one of the reasons why we are focusing on accountability. This is exactly what everyone said was wrong with Indigenous affairs under the old set-up: that the money was paid, but it did not go to do what it was supposed to do.

Mr Gibbons—Yes, there is an element of self-responsibility.

Senator CHRIS EVANS—There has been one example on the front page of the *Australian*, there has been the highlighting of the SRA movement and its lauding by ministers and journos have been briefed and people have taken photos. It turns out they did not get the bowser until, what, a year or so after they were supposed to? This is why we are focusing on accountability. I do not want to hear just that you have paid the money to somebody. You want an outcome; you are outcome focused. I want to know that the bowser is there. If I had not rung the community and asked, I would not have known that the bowser was not there. That is why I asked you. You had to get some officer to come forward to say, ‘Yes, we understand that it hasn’t been delivered.’ But I reckon your performance indicator ought to be not that you paid the money but that the bowser is there.

Mr Gibbons—I disagree. One of the performance indicators on the delivery of the bowsers belonged to the community.

Senator CHRIS EVANS—One of the reasons why money was not spent well under the old system is this turnover of staff and the fact that there was not continuity of people to deliver services. This is supposed to be getting over this. The first example of that—and it is not my choice to publicise it; it is the choice of the government or whoever—is that it is the same problem: the money was paid and it did not deliver the outcome for a very long time.

Mr Gibbons—I disagree entirely. This is not a situation of the past where we throw money over the fence and walk away. We entered into an agreement, initiated by them, that we would provide the financial resource to enable the community to integrate into their community store a fuel outlet facility; we agreed. If we simply step in, as we used to in the past, and plonk it in and say, ‘Here are the keys; off you go,’ we often find that those things do not work. Where they take responsibility for organising the deal with Fuel Services Australia for siting the equipment, for learning how to operate and for understanding how they have to manage their contract for fuel supply, you get better sustainability of those arrangements. That was part of the understanding on this occasion—that we would provide the financial backing and they would undertake to do the procurement.

Unfortunately, they lost their CEO. Normally, a CEO would be turned around fairly quickly and I do not know why they did not turn around their CEO very quickly. But their new CEO, when they got him, took up the task and finalised it. We stood behind them with the financial support, but we also stood behind them in terms of assisting them to tackle the scourge of trachoma. So we are not walking away from the community; we have an interest in looking after the community. The community have actively participated in measures that are recommended by the World Health Organisation. They are a happy, functioning clean community and we are not going to abandon them.

Proceedings suspended from 11.06 am to 11.22 am

CHAIR—We will resume our hearing into the Families, Community Services and Indigenous Affairs portfolio. We are still on output groups 6.1 and 6.2, if I am not mistaken, and I think Senator Evans was in full flight.

Senator CHRIS EVANS—Yes. You made me lose my rhythm, Chair!

CHAIR—I am very sorry about that, Senator.

Senator CHRIS EVANS—But I am glad to see industrial conditions are continuing despite the legislation.

CHAIR—Of course.

Senator CHRIS EVANS—Can we move on to the more general information again about the evaluation of the COAG trials. We had a discussion last time about that and I want to have a bit of an update on the procedure and progress on the assessment of the COAG trials.

Mr Yates—I will try not to repeat the material that we shared at the last estimates.

Senator CHRIS EVANS—No. I have the *Hansard* in front of me. I just want a sense of what has happened since.

Mr Yates—There is a two-stage process. The first stage is now under way. There has been some delay in settling some aspects of this because we are doing these jointly with the states and territories and also consulting with communities. We are expecting to finalise the ACT and the South Australian evaluations over the next month, and then the other states and territories will be behind that. But we are hoping that they will be completed certainly in the course of this year and as early as possible within the year. I think we advised you in the earlier estimates about the framework that we were working with.

Senator CHRIS EVANS—You were going to have a formative evaluation and a summative evaluation—is that right?

Mr Yates—That is correct. That is stage 2—to draw together the learnings across each of the specific trial evaluations. We are hopeful of having that undertaken in the second half of this year.

Senator CHRIS EVANS—So we have slipped to the second half of the year. I think we were talking about later 2005 and the first couple of months of 2006, but it has slipped a bit, has it?

Mr Yates—Yes, that is correct.

Senator CHRIS EVANS—Have you appointed the consultancies?

Mr Yates—In most instances we have.

Senator CHRIS EVANS—Can you give me the names of the consultancies that were appointed?

Mr Yates—I will provide you with a list of those, which I will make available through the secretariat.

Senator CHRIS EVANS—Have you appointed the consultancies for all the trials or not?

Mr Yates—Not in Queensland, New South Wales, Tasmania or the Northern Territory.

Senator CHRIS EVANS—Does that mean you have not done four of the six, then?

Mr Yates—They are still pending.

Senator CHRIS EVANS—Isn't the group not included larger than the group that is included—or is my maths wrong? You just gave me four that were not appointed, so—

Mr Yates—It is half and half.

Senator CHRIS EVANS—So we are only halfway through the appointment process.

Ms Bryant—A number of them are quite close, and the request for quote documentation is being finalised currently. It will be a matter of a week or two before they are settled.

Senator CHRIS EVANS—Were they tendered? I seem to remember you had some other process, didn't you?

Ms Bryant—A number of them were tender processes; a number were more limited requests for quotation by a select number of tenderers identified in agreement with the relevant state or territory governments.

Senator CHRIS EVANS—So half have been appointed, and you are going to provide me with the list. Have you got the costs of each consultancy? There was a range last time. Have you finalised the costs?

Ms Bryant—We have finalised the cost for the four that have been finalised.

Senator CHRIS EVANS—Is that on the list as well?

Ms Bryant—Yes, we can give you that information.

Senator CHRIS EVANS—I think we took on notice last time that those evaluations would be made public, didn't we?

Ms Bryant—Yes.

Mr Yates—I think we advised that that was a matter for the minister and the state or territory government, because they are joint ventures.

Senator CHRIS EVANS—Sure, but we have not had a decision on that and the minister took it on advice, I gather. But that is when COAG has got them, isn't it, that a decision will be made.

Mr Yates—Yes.

Senator CHRIS EVANS—What is the timeline now for the summative evaluation phase?

Ms Bryant—We would be looking at drawing together the common findings from all the site evaluations in the second half of 2006, so later this calendar year.

Senator CHRIS EVANS—So the summative evaluation stage is really just examining all of them in an overview sense and—

Ms Bryant—Identifying the common threads and what that says about where the systemic issues might lie and where we might need to make refinements across all the sites et cetera.

Senator CHRIS EVANS—So there is no sort of primary evaluation. You are assessing what lessons come from the eight, basically.

Ms Bryant—That is correct.

Senator CHRIS EVANS—Who is going to do that?

Ms Bryant—We anticipate tendering that again for an outside consultant to draw them together from the eight separate reports.

Senator CHRIS EVANS—OIPC is not going to do that itself; it is going to be done outside as well.

Ms Bryant—That is what we envisage at this stage.

Mr Yates—Before you go to any other topic, Senator, I was just going to supplement my answer to queries you were raising this morning about Indigenous aged care services. I am advised that data on those is available in the Indigenous compendium to the *Report on government services* at pages 115 to 128. This is the *Report on government services* prepared by the Steering Committee for the Review of Government Service Provision.

Senator CHRIS EVANS—I was just using that as an example. That is the external Productivity Commission, and I was really trying to focus on your role and what you do. You have this charter of coordinating mainstream services, and I was really trying to understand how that worked and how your function in that operated. I think we had a fairly good discussion about that.

Mr Yates—I think that by the time of the next estimates hopefully we can draw together a clearer picture of how those different elements fit together. We are not trying to duplicate other people's responsibilities but to add value to drawing together the overall picture to improve the accountability and the transparency of people while understanding what impact the government's overall efforts are having in the Indigenous area. We will seek to capture that in a picture and some text about how the various elements fit together.

Senator CHRIS EVANS—Thanks for that. It is not a criticism, but 'a cross-government approach' is easily said and, I would have thought, very difficult to achieve, so I am trying to work out how you are going to do it and how you are going to assess whether or not it is working.

Mr Yates—Certainly; that is a quite important question.

Senator CHRIS EVANS—Let us go to the SRA reviews and evaluations. I think, Ms Bryant, we talked about their starting, given that some of the SRAs are coming up for their anniversaries and/or, as you said, have had shorter term time frames. Can you tell me where they are at.

Ms Bryant—We put out a request for tender to establish a panel of consultants to undertake those SRA reviews. We put out the tender on 12 November 2005. In assessing the tenders, the tender evaluation panel decided to offer all tenderers the opportunity to submit best and final offers. The closing date for those is Friday this week, 17 February, and we expect to have the panels established shortly thereafter and for them to commence work in March-April.

Senator CHRIS EVANS—Don't you have another set of panels which are supposed to be assisting people to negotiate SRAs? I want to be clear in my mind as I do not want to get the panels mixed up.

Ms Bryant—There is another panel—you are correct—but this is a separate panel specifically to undertake evaluation and review work.

Senator CHRIS EVANS—So this is a panel of consultants?

Ms Bryant—That is correct.

Senator CHRIS EVANS—Are they doing one each or are they operating as a panel?

Ms Bryant—No, we have a panel of five to 10 independent consultants subject to the outcome of the tender. We estimate that something of the order of 270 to 370 SRAs will be reviewed over the next three years and that body of work will be then divided between members of the panel of consultants.

Senator CHRIS EVANS—Will they be largely geographically based?

Ms Bryant—Sorry, I missed that.

Senator CHRIS EVANS—Will the determination of who does it be based on geography or the particular skills they bring?

Ms Bryant—A combination of all of those factors: price, because the price that they tender could vary between them, geography, the skill mix, knowledge of particular communities et cetera.

Senator CHRIS EVANS—So when would you expect us to have the first assessment of an SRA?

Ms Bryant—If they commence work in late March or early April, I would hope to have early ones certainly within four to eight weeks after that—that is, one or two of them; I am not saying there would be significant numbers but a small number reasonably early.

Senator CHRIS EVANS—What will you do with them then?

Ms Bryant—We will be looking obviously at the information thrown up by the reviews and then examining what they are teaching us about the processes that we have—the very sorts of questions that Senator Crossin was pursuing: where we need to refine our accountability framework, where we need to refine our processes—and feeding that back into the way we do business then.

Senator CHRIS EVANS—And that will be an OIPC review, an internal review?

Ms Bryant—The assessment of how we should respond to the information identified by the consultants would be something that OIPC would undertake.

Senator CHRIS EVANS—So there is no provision for external audit or evaluation of the SRAs? I know the consultants are outside, but they are reporting to you.

Ms Bryant—Yes. We will look at using a consultant again to do a summative piece of work a little down the track. We anticipate also that the Office of Evaluation and Audit will perform a role in independent scrutiny within the next 18 months to two years. They have

expressed an interest in doing that work in our consultation processes with them. So there will be external scrutiny through those avenues as well.

Senator CHRIS EVANS—I want to ask a broader question about SRAs. The ones I come across tend to be more focused in outer urban areas or regional and outback areas. Are they seen as an appropriate tool in urban areas as well?

Ms Hawgood—Yes, they are. In certain circumstances, there are already examples of SRAs in urban areas—in Sydney, Brisbane and Darwin—and there are some under development in other areas.

Senator CHRIS EVANS—I know there is one at Redfern.

Ms Hawgood—There is—and at La Perouse in Sydney. They tend to be based on clusters of suburbs. Some of the other urban ones, though, are different to that. There is an economic development SRA in Darwin and in Brisbane there is an SRA around promoting young women's leadership.

Senator CHRIS EVANS—Obviously, it is a bit harder in the sense that there is less of a sense of identity in many urban communities, given that the Indigenous population is spread through various suburbs and parts of a larger metropolis, as it were. It must be harder to implement an SRA in those circumstances.

Ms Hawgood—To some extent it might be, although we are finding growing interest around what you might call 'communities of interest' across an urban area, where there are groups of people or organisations who have particular related interests. We are finding that urban ICCs are being approached by those sort of groups to work on SRAs.

Senator CHRIS EVANS—It is easier to define a community if you go to Mulan or somewhere—the community is the people who live there. I know there are always arguments about who lives there and who does not but, putting that complexity to one side, your definition of a community in an urban area is a bit different, is it? You call it a 'community of interest' rather than a 'community' as it is normally understood?

Ms Hawgood—'Community of interest' is my term. We have tried not to define it too closely so that it allows for some different arrangements to come forward in an SRA. So the Brisbane SRA which has been developed around young women's leadership involves young women from across the Brisbane metropolitan area who all have an interest in a particular sporting activity—a football activity—which they were using to help to develop leadership skills, team-building skills and that sort of thing. So it is built on that particular interest or particular issue. But there are others around—for example, based on prison release families, where various families might come together in different parts of a metropolitan area. I know there is some work being done on one of those at the moment; it has not come to finalisation yet. That is where there are a number of different groups across a metropolitan area—some families and some organisations who have been involved with prison release people, who are interested in working through whether they can develop an SRA around supporting some of the prison release people.

Senator CHRIS EVANS—How does a thing like prison release fit into Commonwealth responsibilities?

Ms Hawgood—There are other levels of government involved in that process. That is potentially one of those SRAs that might involve three levels of government, including local government as well.

Senator CHRIS EVANS—So these areas might be quite outside the normal Commonwealth ambit, as it were?

Ms Hawgood—Yes, but there might be a particular part of it that we facilitate. It may be that we do not even put any funds into that, but we are a partner in some other way.

Senator CHRIS EVANS—Maybe the Brisbane one is the best example. Who do you sign the agreement with if it is not clear? You were talking about a group of young women looking for leadership through football. Is it a football association? Who signs up for the mutual obligation bit?

Ms Hawgood—An auspicing body signed up but, as for the mutual obligation bit, the participants themselves—the young women—signed up to do particular things for some support that they got primarily from Commonwealth funding in this case, but the funding came through an organisation that they were part of.

Senator CHRIS EVANS—Can you tell me who the auspicing association was?

Ms Hawgood—I can; I will get that information for you.

Senator CHRIS EVANS—Nothing really hangs on it. I just want to understand what sort of body you could do that with. Was the negotiation of the La Perouse SRA done by the OIPC?

Ms Hawgood—It was.

Senator CHRIS EVANS—Who negotiated on behalf of the community there?

Ms Hawgood—I think there were a number of community organisations involved. I will take that on notice. I can get you this information today.

Senator CHRIS EVANS—I gather the priority there has been housing for a long time?

Ms Hawgood—Yes.

Senator CHRIS EVANS—I gather the SRA includes the question of a flag pole and a story book. I just want to know where those ideas came from and how they fit into the SRA. With respect to the regional representation agreements, the last time I saw something from the minister, some sort of regional representation structure had been put in place for 10 of the 35 regions. I think that was quite a while ago, though. Can someone update me on what has happened since those 10, which areas they are in and what the progress is on the other areas.

Ms Hawgood—Since the minister announced that work was progressing in those 10 regions, that work has continued to progress. In the Murdi Paaki region in western New South Wales, negotiations were finalised and representation arrangements were agreed, put in place and funded. In the other places, discussions are still under way to work through precisely how people might want to set these up and what they might want to do. In at least one of those areas, in the East Kimberley, people had done quite a lot of work on looking at what sort of structures they might want to have in place. Over time—even since that announcement—they have subsequently come back to us and said, ‘In the light of other things we are doing,

particularly around work on SRAs'—and some of that group are now involved in working towards a regional partnership agreement involving Argyle mine and a number of other partners—'we want to hold off for a while. We want to do some more thinking about what might be the kind of arrangements that we want to have in place.' So we are finding that, while initially there were quite a lot of ideas coming forward for arrangements that were, I think it is fair to say, quite similar to the old ATSIC arrangements one way or another, as people have done some further work and further thinking, I think people's ideas are changing in some cases about the sorts of arrangements that might suit them best. So that process is a continuing process.

At the start of that process the government had said that that was something that people on the ground should decide. While we are ready to support those processes we are also ready to support further thinking by people on the ground. Our next steps are to go back out in every region to have some further discussions to see if there is anything that we can do to facilitate those discussions and to help people bring any thinking to finalisation. We are also mindful that at least in some regions people are wanting a bit more time to work through what it is they want to have in place.

Senator CHRIS EVANS—How many would you say had been finalised. Is it one?

Ms Hawgood—One in Murdi Paaki. Sorry, there are two. The other is in the Western Desert in WA in Ngaanyatjarra lands where we have signed a regional partnership agreement. It covers 12 communities who are represented by the Ngaanyatjarra council.

Senator CHRIS EVANS—The minister's press release back in May last year said 10 had been finalised.

Ms Hawgood—Yes, discussions on those 10 had been finalised at that point. As I said, at least in some cases—

Senator CHRIS EVANS—That is not what the press release says. It is quite definitive. It says:

New arrangements have already been finalised in 10 of the 35 regions.

It lists them and describes them. Are you telling me the other eight have gone back to the drawing board?

Ms Hawgood—There are still discussions happening in most of those eight. At least in a couple of them, people have gone back to the drawing board, yes.

Senator CHRIS EVANS—So the descriptions attached to the press release for the other eight are not finalised?

Ms Hawgood—They were the sorts of things that people were discussing at the time.

Senator CHRIS EVANS—It says a two-level model has been agreed in the Cairns and district reference. Some say 'proposed' but the covering press release said 'finalised'. There was a map produced, as I recall, that showed those which had been finalised. You are effectively telling me that only two have been put into operation.

Ms Hawgood—And funded, yes.

Senator CHRIS EVANS—So two are formally operating and you are funding those. How are you funding them?

Ms Hawgood—We have provided funding partly through our flexible funding pool and some funding has also come from other agencies.

Senator CHRIS EVANS—Can you provide me with the amount of funding for these two regional representative bodies and where that money comes from?

Ms Hawgood—Yes, I can do that.

Senator CHRIS EVANS—Thank you. What progress has been made on the other 25? Have they been waiting to see how the first 10 pan out?

Ms Hawgood—As I mentioned, our next step is to go back out in all regions to touch base again with people who were involved in these consultations, probably six months to a year ago now, to understand where they have got to, where their thinking is and to work through with them whether we are able to provide some support for them in some way.

Senator CHRIS EVANS—So is it fair to say the other 25 are not as advanced as the other 10?

Ms Hawgood—Yes, it varied. These 10 were the ones that went out ahead. In other places, there were consultations in every region. They happened over the first year. It was in these 10 that progress was most definitive. There is also some work that is being done with state and territory governments in regard to representation arrangements and they are involved in—

Senator CHRIS EVANS—Some of them are proceeding on their own. Victoria and others have their own program about representation.

Ms Hawgood—We did that jointly. There was a statewide consultation process across Victoria, which was done jointly by us and the Victorian government.

Senator CHRIS EVANS—So whatever emerges from that will be a common exercise—is that what you are saying to me? I have seen news reports and press releases from the minister about the Victorian consultations et cetera. I just want to check that there will not be a Victorian representative structure and a Commonwealth representative structure.

Ms Hawgood—The Australian government said it would support representatives structures at the regional level. In some states and territories they are considering having state level regional representation structures as well as regional structures. That may be something they do on their own but it would be joint support, hopefully, for the regional arrangements.

Senator CHRIS EVANS—I take it they would be consistent.

Mr Gibbons—I think in one state they have moved to an advisory structure at the state level. I think I read that the South Australians have set up an advisory body, which is not representative. It is like the National Indigenous Council but it is focusing on South Australian issues.

Senator CHRIS EVANS—I take it that the Commonwealth will not be funding any of the state representative or advisory bodies.

Ms Hawgood—Not at the state level.

Senator CHRIS EVANS—In terms of the negotiations about the representative arrangements, certainly the 10 listed in the minister's press release from last May seem to have quite different approaches; yet you say only two have now been finalised. I know we are going to have one size fits all, but they seem to be quite markedly different in the structures proposed. I was interested in what OIPC's attitude to that is and what OIPC's objectives are. What are you prepared to sign up to, in a sense? I know you are waiting for input but no doubt you have some guidance about what you think is reasonable and acceptable for those structures, particularly if you are going to help fund them.

Ms Hawgood—We had given some broad guidance around what the government would and would not fund, but at a very high level. For example, the government was clear that it would not fund elected representatives and things like sitting fees and so on.

Senator CHRIS EVANS—So you would not fund any elected representatives?

Ms Hawgood—That is right. We would not fund elections.

Senator CHRIS EVANS—Sorry, can I just be clear. Are you changing your answer?

Ms Hawgood—No. We said that we would not fund elections and elected representatives. So if a paid chair position of a committee had been set up, for example, we would not fund that.

Senator CHRIS EVANS—I am trying to understand. The distinction you are drawing is whether they are paid or elected. Your first answer implied that you would not support anything where there was an election process, with no mention of money.

Ms Hawgood—We would not fund an election process.

Senator CHRIS EVANS—But you would fund the body that was elected?

Ms Hawgood—I am just trying to remember the specific details because I do not have them with me but the minister said we would not pay for elected officials. So we would not pay for an election and then we would not pay for people who had sitting fees, or chairs, for example, under the old ASIC arrangements. Some of these 10 had proposals that were quite similar that were proposing to have full-time chairs of elected bodies, and the minister had made it clear that the government would not pay for those people.

The focus of the Commonwealth money is to be on enabling processes; assisting people to come together to meet but not paying for the elections, if people wanted elected bodies. Some of these arrangements had proposals for elections, elected bodies and full-time representatives, and some of them did not. Some of them had proposals to have a much more formal process of appointing people to bodies.

Senator CHRIS EVANS—Are you saying to me that no representative body is allowed to pay anyone sitting fees or chairman type remunerations, or are you telling me that the only ones who are not allowed to be paid are those who are elected?

Mr Gibbons—Let me put it another way. The Commonwealth will spend money to facilitate meetings of representatives to engage with government and to deliberate on matters that are of interest to government. We are not going to fund structures, we are not going to fund elections, we are not going to fund office holders and we are not going to fund sitting

fees. If they pull together a representative body that involves an election and that involves office bearers, we are not opposed to that but we are not funding it.

Senator CHRIS EVANS—I think the question I want answered has still not been answered. If they set up a structure that requires bringing people together but that is not elected, in addition to financing the meetings, will you fund sitting fees and/or payments to chairpersons?

Ms Hawgood—No.

Senator CHRIS EVANS—However they come at it, you will not fund any payment to members for their attendance?

Ms Hawgood—That is right.

Senator CHRIS EVANS—But you will facilitate by helping with transport costs—I presume that is the main cost.

Ms Hawgood—Yes, and costs of meetings. In some jurisdictions, though, I understand that state governments are looking at what aspects of these sorts of arrangements they may fund, and it may be that there are complementary ways to fund it.

Senator CHRIS EVANS—Could you take on notice whether you can provide me with guidance on those matters so I understand how you are coming at it?

Ms Hawgood—Yes.

Senator CHRIS EVANS—Thank you. Can I skip to a couple of other issues. The Halls Creek trial, which has had much publicity, is on again, off again and on again. I think it is on again but in a different format. Has OIPC been involved in that, what is your involvement and did you provide advice on the concerns about whether it was meeting mutual obligation, whether it was discriminatory or whether it was feasible to go ahead?

Ms Hambling—DEWR is the lead agency on that and the policy responsibility falls squarely with it and Centrelink for the delivery of that. There have been some discussions across government about the issues relating to mutual obligation, as you say, but it has been primarily a DEWR issue.

Senator CHRIS EVANS—So there is no direct involvement of OIPC in it?

Ms Hambling—In the trial in Halls Creek?

Senator CHRIS EVANS—Yes.

Ms Hambling—No, other than the ICC. The ICC may have had some involvement in information around the trial and so on.

Senator CHRIS EVANS—So your only involvement would be in providing advice to the minister?

Ms Hambling—That is right.

Senator CHRIS EVANS—Thank you for that. Can I ask another question related to some questions on notice I asked about your staffing et cetera. I know a lot of government advertisements include the standard phrase ‘people of Indigenous and Torres Strait Islander background are encouraged to apply’ or some such words which have been fairly standard in

some of the public sector advertisements. Are they used in OIPC advertisements for job vacancies?

Mr Gibbons—No, we have a merit based process. We encourage applications from all people and we provide support to our Indigenous staff. Twenty-nine per cent of our staff are Indigenous, which is 13 times the APS average.

Senator CROSSIN—Do you have an affirmative action policy in OIPC?

Mr Gibbons—I will start at the beginning. We are an organisation—

Senator CROSSIN—It is either yes or no—either you have the policy or you do not.

Mr Gibbons—No. We have a merit system, not an affirmative action system. We are an agency that has been in transition. We had a lot of positions, in the transition from ATSSIS, that were at the low levels that were about process. We have very little process in the OIPC. Most of it is about policy, architecture and evaluation, so we have been in a transition process where we have been recruiting people at higher levels. Through that process we have to ensure we get the right skills to enable us to perform the job that government has assigned us and that has required a merit process.

Senator CHRIS EVANS—The implication, though, in your answer is that the other government departments do not have a merit process.

Mr Gibbons—No. I am commenting exclusively on the OIPC.

Senator CHRIS EVANS—I asked you: why do you not include that encouragement in your ads, whereas other government departments do? You do not use what is obviously a standard—not for every department—government provision. But the words used in the ads for a range of departments is common to Australian government ads. When it is used, it is common across the departments that use it. You say you do not use it because you are only interested in merit based recruitment. The implication is that the other departments are not interested in merit based recruitment, that they have some criteria other than merit. I am just trying to understand what you mean by that.

Dr Harmer—The departments that use it probably draw attention to the fact that they welcome Indigenous applicants, because there has been some overall decline over time in the number and proportion of Indigenous people working in the public sector. It is a whole-of-government approach led by the Public Service Commissioner to encourage more applications. I suspect that, in Mr Gibbons' case, because it is known that the OIPC work primarily on Indigenous issues, there is probably no need to do that. They already have the highest proportion of Indigenous staff, and it would be well known that Indigenous people would be very welcome in an organisation that already has the highest proportion of Indigenous staff, so there is probably no need. All departments, though, select on merit. The reference in the advertisements is usually to draw to the attention of Indigenous people that they are welcome and that they ought to be encouraged to apply.

Senator CHRIS EVANS—I accept that. I think there are a couple of courageous assumptions in that contribution, though, about Indigenous people knowing they are welcome et cetera. But, putting that to one side, it seems to me that the OIPC, whose main charter is a

whole-of-government approach, does not adopt a whole-of-government approach to advertising Indigenous participation and employment in its department.

Mr Yates—There is no whole-of-government standard clause in the advertisement of positions. Some departments, as part of their efforts to lift the Indigenous composition of their workforce, may have opted to use that as a technique. Most likely, those departments who have very low levels of Indigenous staffing are looking at quite a range of steps that they might take. If you do not have a critical mass of Indigenous staff, it is very hard to actually get people to come to the door. We have found that, with Indigenous people, word of mouth is a very powerful tool for passing on information about job opportunities in different organisations. We are fortunate enough to have a critical mass—which is not to say we do not need to nurture and grow that—and we are working on a career development and recruitment strategy for our Indigenous staff. We have just appointed a senior Indigenous mentor within the organisation to work in a targeted and intensive way on that issue. So there is not an implication that somehow we are out of the field in terms of something that is being approached in a standard way across the Public Service.

Senator CHRIS EVANS—It is true that you have a much better percentage of Indigenous staff inside your branch and that is commendable and, to be honest, one would expect that. But your point of comparison—I think as Dr Harmer so rightly pointed out to us—is an extremely low base in the other departments and a falling base so, while I am pleased you have a higher base, you are not having to compete against much. Yours is substantially higher. I was concerned that the figures you gave me showed that in 2004 you had 201 Indigenous staff, which represented 40 per cent, but at November 2005 you had 155 Indigenous staff, which represented 29 per cent. So it seemed that you were also falling in terms of your percentage of Indigenous staff.

Mr Yates—We lost staff in the transfer to other agencies and in the wind-up of ATSIC. For a period, we had a pool of staff who were supporting the regional councils because, as you know, the abolition of ATSIC bill was not passed at the time that OIPC was established and most of those staff were at levels that could not be accommodated within OIPC or within our budget.

Senator CHRIS EVANS—I understand but equally it is true on the figures you gave me that there has been a reduction. It seems to be that what you are saying to me is that you are not able to recruit Indigenous staff at senior levels. Your message seemed to be before that you had a lot of junior staff who are Indigenous and they have gone—

Mr Gibbons—Only in the last week we have recruited another SES officer who is also an Indigenous officer. As Mr Yates made clear, we have also appointed a very senior Indigenous member as a mentor to nurture the environment within OIPC for Indigenous staff at the right levels and to help us recruit more people at the levels we need. To be honest, we need graduates in OIPC.

Senator CHRIS EVANS—I appreciate the particular examples you are talking about, but I am looking at the overall results and, as I say, I was a bit surprised to note that you did not use that clause in your advertisements. But you explained the reasoning for that.

Senator MOORE—Mr Gibbons and Mr Yates, just following up on the same point, you have explained the situation in the APS. I know Mr Harmer has come in and I have asked questions about the wider staffing in FaCS at previous estimates, but I want to know whether you feel that there is any particular expectation from your area in the APS and in wider employment to be a leader—I think the current trendy turn is ‘champion’ in most of the literature—in the issue of effective Indigenous employment and career development. Certainly there were ongoing comments made for many years about concerns about the levels and career development in ATSIIC, and we know that your organisation is the next step forward in that. But, in the answers that both of you gave, while you gave information about what you are doing now, I see that there is an extra responsibility for your agency. I just want to know whether that is me putting more pressure on you or whether that is something that you see when you are looking at the staffing and HR policies in OIPC and even, Mr Harmer, in the wider Department of Families, Community Services and Indigenous Affairs.

Mr Gibbons—There is an expectation on us to take a lead and to lead by example, and I believe we are doing that. The challenges for the Public Service as a whole is to lift the numbers of Indigenous staff above the levels that it has at the moment. I think we are the moment showing some leadership in participating in consultation and in partnership with the Public Service Commissioner in this area.

Senator MOORE—So it is something that you accept, that your area—

Mr Gibbons—Yes, we have been doing this in a period where we have gone through this transition where we morphed out of one organisation and had to distribute staff across the Public Service with functions—those functions were mainstreamed—and the role of the residual, which became OIPC, was very different to what it was in ATSIIC. APS levels 1 and 2 were of no use to us in OIPC; we need people at the APS6 level and the EL1, EL2 and SES levels. That is our focus. That is the reason we have appointed a senior Indigenous mentor and the reason we are active in the recruitment of graduates at the moment.

Senator MOORE—Mr Harmer, do you have a comment on that from your department’s point of view?

Dr Harmer—Going back to the comment Mr Yates made, he is of course right: departments choose to either put or not put some reference about the types of people who are encouraged to apply. There is no whole-of-government policy but there is a whole-of-government view that we need to do better across the service.

Senator MOORE—There is that agreement, isn’t there?

Dr Harmer—Yes, there is. But departments and departmental secretaries have responsibility for running their own recruitment, so each one chooses to do it differently. But they are certainly all alert, as Mr Gibbons said, to their responsibility to try to increase the employment of Indigenous people. We in FaCSIA certainly feel now, with the added responsibility of the OIPC, a heightened responsibility to do better.

Senator CROSSIN—Dr Harmer, I want to ask a few questions. Is your department currently managing any programs or money associated with implementing the *Bringing them home* report?

Dr Harmer—I need to check with my people in a later program. It would be under outcome 5. When I have got the right people here, could you check to make sure on that?

Senator CROSSIN—That would be much later tonight. So I should ask them then?

Dr Harmer—I can probably find out the answer to that quite quickly.

Senator CROSSIN—I am coming back to ask them about COAG trials, so I could ask them about that then.

Dr Harmer—Mr Gibbons has just informed me that it is quite likely that particular comeback is dealt with by the health department rather than us, but I will confirm that.

Mr Gibbons—There was a program called Link Up. I think it was called that.

Senator CROSSIN—It has been a long time since we have asked where some of the *Bringing them home* report money has gone. You might recall that some years ago \$63 million was allocated across a number of agencies. From my memory, I think that \$63 million has probably run out or that this is the last year of it. I am wondering if OIPC, as a whole-of-government agency, knows anything about where the money or the programs for implementing the *Bringing them home* recommendations might be at.

Mr Gibbons—I do not have it with me, but we can find out.

Dr Harmer—We will try to find out and if you are going to be here for outcome 5 we will try to provide an answer for you in outcome 5 in terms of what we know about where the money is and where we are up to.

Senator CROSSIN—Thank you. I have some questions about native title that Attorney-General's said they could not answer but you could answer.

CHAIR—Are you putting those on notice?

Senator CROSSIN—The native title questions?

CHAIR—Yes.

Senator CROSSIN—No, I am waiting for the two people to come to the table.

Ms Hawgood—Senator Evans, whilst a break is happening, I have some information that I had promised earlier about a Brisbane metropolitan SRA that I had talked about, the young women's leadership one called 2 Indig, through touch football. The auspicing body is called First Contact Aboriginal Corporation. It is a body that is primarily funded by the Attorney-General's Department. It has some key roles around community prevention, diversion and education and, in relation to some of its prevention and diversion activities, it has associations with touch football, which is how these young women come through. It also has a component of the SRA funded by DCITA, the Department of Communications, Information Technology and the Arts. As for the La Perouse SRA that you asked about, you mentioned the flagpole and the storybook. The story book was something that the residents, who are partners to the SRA, wanted to develop to tell the story of La Perouse's Aboriginal land because until now they had not got that story down. The flagpole was a symbol of that, which was important to them in that process.

Senator CHRIS EVANS—So you are telling me that they were identified by the community as their priorities?

Ms Hawgood—The housing issues were their priorities, but also getting the story—the whole picture—told of La Perouse's Aboriginal land was an important part of that for them.

Senator CHRIS EVANS—How are we going on the housing front?

Ms Hawgood—As I understand it, I think the La Perouse funding has already started. I can confirm that for you very quickly with a phone call, but my understanding is that it is quite well advanced.

Senator CHRIS EVANS—Could you take it on notice.

Ms Hawgood—Okay. I also have an answer for Senator Crossin on the Galiwinku break-up of funding. The environmental health part of that SRA has been funded by DEWR, and that component is \$40,000. Establishing the rural transaction centre has been jointly funded by DOTARS and the OIPC—\$425,000 from DOTARS and \$350,000 from the OIPC. The component of the SRA that is about economic development through cultural tourism has been funded by DEWR is \$40,000 and DCITA, \$99,980. The health fitness component, which has been funded again by DCITA, is \$30,638. That is a total of \$984,000.

Senator CROSSIN—So the bulk of that relates to the RTC?

Ms Hawgood—Yes.

Senator CROSSIN—I will now turn to the Native Title Unit. These are some questions that are left over from yesterday. I started them when dealing with the Attorney-General's Department, then they flicked them to me to ask of you. When is the exposure draft of the technical amendments likely to be released?

Mr Vaughan—The exposure draft on the technical amendments concerns the A-G's part of the legislation and part of the process, so I cannot add anything more to what Ian Anderson said yesterday about the timing of the release of that. I think he mentioned it was tied up with access to drafting resources and whether the claims resolution review would feed into it or come at a later stage. Because that is a part of the bill, I cannot add anything more to that.

Senator CROSSIN—Two QCs were employed as consultants to undertake the consultation on the Native Title Act changes. Is that correct?

Mr Vaughan—Yes. They were engaged by the Attorney-General's Department, not by us. I am sorry it sounds like flicking.

Senator CROSSIN—In terms of the way in which they operated, they are telling me you can answer all the questions about that. It is interesting, because I want to know how it came about that at least eight or nine different individuals or organisations were consulted in any one day, particularly in Perth. Also, they suggested to me that you had overall coverage of that and you would be able to answer these questions for me.

Mr Vaughan—We have responsibility under the administrative arrangement orders. The Native Title Act is split into two. The Minister for Families, Community Services and Indigenous Affairs has responsibility for the part-dealing of representative bodies. The rest of the act and the overall responsibility for native title rests with the Attorney-General. So that

review of the component called the claims resolution review, which you are reverting to, is being handled by the Attorney-General's portfolio. The bit relating to native title representative bodies and the changes to the act relating to that are something which our department is handling and which I can help you with.

Senator CROSSIN—In an answer I received to a question, there was quite a comprehensive list of who had been consulted on what day. I think it was split into three areas. I do not have that list with me but I noticed that, in Perth, eight or nine people or organisations were consulted on the one day. My question went to A-G's about how the consultants undertook their work. Was there a group forum? Did they get to each one individually? They suggested to me that you could answer that question. Are you saying you cannot answer that question?

Mr Vaughan—I can answer question. We will get you an answer to that question.

Senator CROSSIN—I can see this whole-of-government strategy is working really well!

Mr Vaughan—We will get you an answer to that question. We did have communications after yesterday's hearings. They mentioned things about rep bodies about which you have been asking about but, in respect of those matters, I did not get the impression that there was any issue remaining for us to answer.

Senator CROSSIN—I think that, if you look at the transcript, you will find there are quite a few questions that they suggested it would be better if I asked today.

Mr Vaughan—We will get you the answer one way or another.

Senator CROSSIN—I will leave it there because I think you are probably going to suggest it is A-G's as well for the rest of the questions I have.

Mr Vaughan—Unless it is to do with native title rep bodies.

Senator CROSSIN—No, it is not to do with that. It is really to do with the changes to the Native Title Act per se.

Mr Vaughan—There are changes that will affect rep bodies.

Senator CROSSIN—Yes, I understand that. Can you sort that out with A-G's? You have got it sorted out, have you?

Mr Vaughan—You will get answers to whichever questions are on notice.

Senator CROSSIN—Perhaps you had better let A-G's know. That might be just a dent in the whole-of-government strategy that is not quite working this week.

Mr Vaughan—It might be a bubble under the lino.

Senator BARTLETT—I have seen media commentary calling for the Barunga Statement to be handed back. I am wondering whether any consideration has been given to that call and whether there has been any formal communication with the relevant minister about that.

Mr Gibbons—I am aware of the calls. I think consideration of this is a matter for the Prime Minister and the Department of the Prime Minister and Cabinet.

Senator BARTLETT—Has any actual communication been received, as opposed to just public statements?

Mr Gibbons—I do not know. It is not a matter that would come to OIPC.

Senator BARTLETT—It would be likely to go to the minister, wouldn't it?

Mr Gibbons—The Prime Minister might refer it to the minister, but I think it would go to the Department of the Prime Minister and Cabinet.

Senator BARTLETT—Regarding the proposed changes to the Land Rights (Northern Territory) Act, what stage is the drafting of the legislation up to, and can you give any indication of what consultation there has been with affected stakeholders following the announcements?

Mr Vaughan—Prior to the announcements, we had briefing sessions with the major land councils. We have been in continuing dialogue with them and also the Northern Territory government in terms of some of the fine detail of the drafting as to the interaction between their legislation and our legislation. We are pretty well advanced in that process at the moment. As you know, the changes themselves were the result of a long period of review and consultation stretching over several years.

Senator BARTLETT—Is there any estimate of when the proposed legislative changes would be ready?

Mr Vaughan—We would be planning for the first half of this year, but it does depend on some other players, such as the Northern Territory government, and our ongoing dialogue with them.

Senator BARTLETT—How are the changes going to affect the Aboriginal Benefits Account? Some changes are proposed in that area as part of this, aren't there?

Mr Vaughan—There are a couple of changes in relation to the Aboriginal Benefits Account. One is that in terms of the membership of the advisory committee, which is 17 or 18 at the moment, the minister will be empowered to appoint a couple of extra members to the advisory committee. Secondly, in relation to the provision in the act that says that a minimum of 40 per cent of the revenues must go to land councils for administration, that floor will be removed.

Senator BARTLETT—I read something in the coverage around the time of the announcements that funds from the account would be able to be spent assessing or assisting with proposals to use Aboriginal land for certain other purposes. Is that right?

Mr Vaughan—As part of the land tenure changes and the measures to assist Aboriginal home ownership on community owned land, an amount of \$2½ million has been earmarked from the Aboriginal Benefits Account as part of \$7.3 million in total as an initial program of assistance for that purpose.

CHAIR—Do you have further questions, Senator Evans?

Senator CHRIS EVANS—Yes, the officers were going to get back to me on the question of the ILC funding.

Dr Harmer—I will get back to you on that, but it will probably be just after lunch—

Senator CHRIS EVANS—Fine.

Dr Harmer—or before the end of the day.

Senator CHRIS EVANS—I did not know whether you wanted to do that with the OIPC here. They are keen to stay out of that one.

[12.26 pm]

CHAIR—I take it there are no further questions on outcome 6, so I will move to outcome 1. In the program we have listed output group 1.2. Of course we will also include questions here on output 1.1. Are there any questions about 1.1? We have not included it in the program. There were no questions last year, so we have not included—

Senator CHRIS EVANS—I always know what program it is after I ask the question, when the department officials tell me.

CHAIR—If we assume that we are asking questions on 1.1 first, do you have any questions specifically that you think are in 1.1?

Senator CHRIS EVANS—I wanted to ask about—

CHAIR—I tell you what, let us do 1.2.

Senator CHRIS EVANS—And see how I go.

CHAIR—That will not take very long, will it? Hopefully, if anything arises in 1.2 that needs to be handled in 1.1, we will get those officers in as the need arises. We will move to 1.2, Preparing for the future.

Senator CHRIS EVANS—Can I seek some guidance from Dr Harmer about a couple of matters and which programs they come into. If I can ask him the question where, then I will be clearer when you ask me difficult questions like that.

CHAIR—Dr Harmer, do you want to provide some advice?

Dr Harmer—Sure.

Senator CHRIS EVANS—I want to ask some questions about power supply in the Kimberley region, which really go to your involvement in Indigenous programs.

Dr Harmer—That is outcome 5.

Senator CHRIS EVANS—Is all your Indigenous stuff in outcome 5?

Dr Harmer—Yes.

Senator CHRIS EVANS—I think the other thing I—

Dr Harmer—Mr Barson has just reminded me that the Indigenous Community Housing and Infrastructure program, which may actually be the area you want to ask about, is it Output 2.

Senator CHRIS EVANS—I want to ask about improvised dwellings and about the electricity supply.

Dr Harmer—Outcome 2.

Senator CHRIS EVANS—So you were just trying to delay me to outcome 5, I will remember that.

Dr Harmer—Certainly not, Senator.

Senator CHRIS EVANS—Taking advantage of my ignorance! So we do both under outcome 2, is that right.

Dr Harmer—Outcome 2.

Senator CHRIS EVANS—What about the factors involving SRAs?

Dr Harmer—That would be outcome 5. Well, it depends on what part of our involvement in SRAs, if it is a housing element funded from the community housing and infrastructure program then it is outcome 2 but the policy role for FaCSIA in SRAs is outcome 5.

Senator CHRIS EVANS—I will have a go in outcome 2 and see how I go.

Dr Harmer—Okay, that is probably the safest.

Senator CHRIS EVANS—Yes, I do not want to get to outcome 5 and you tell me it was in outcome 2. Mr Chairman, I apologise I think the questions I have in outcome 1 are really more related to outcome 1.1. They go to the issue of the budgets for preparing for the future and support for today so I seek your guidance.

CHAIR—The budgets for preparing for the future would be in outcome 1.2 I would assume.

Senator CHRIS EVANS—Yes, I think support for today is actually in outcome 1.1.

CHAIR—If there are no questions specifically on 1.2 let us move to 1.1.

[12.32]

Senator CHRIS EVANS—The current outcome was formed when you split the working age payments to DEWR in 2004?

Dr Harmer—Yes, we revised our outcome structure then.

Senator CHRIS EVANS—The budget is about \$44 million and there are 280 staff. I gather it is mainly research, is that the function?

Dr Harmer—I will let Mr Barson elaborate but it is primarily policy functions, not running specific programs and the money is primarily staffing.

Mr Barson—Yes, a good part of the outlay in that area is in research.

Senator CHRIS EVANS—Are you able to give me a rough idea of what the split is between policy and research? I will not hold you to it I just want to get a sense of what it is.

Dr Harmer—That is one that we can probably get back to you on during the day but I suspect Mr Barson might be able to do the calculations.

Senator CHRIS EVANS—If you have got the exact numbers you can give them to me and I will work out what the percentage is if you like. Have you got them there?

Mr Barson—I will get them for you very shortly. **Senator CHRIS EVANS**—Sorry, I was trying to get a sense of it but it does not have to be exact. So what about preparing for the future? Is that policy and research as well?

Dr Harmer—It would be both.

Senator CHRIS EVANS—Maybe you could give me the sense—

Dr Harmer—It is primarily funding FaCSIA's capacity on strategic policy where we interact with universities on research. We have arrangements with a number of research bodies and universities. We have some staff in the department managing those research contracts advising on strategic policy which cuts right across the department rather than being in a particular program area and this did come about following the transfer of the three big income support payments to DEWR. I created a new strategic policy area to put the research and some of the overarching policy in it but it is primarily funding which Mr Barson is currently running.

Senator CHRIS EVANS—So a lot of the funds would actually go out to third parties?

Dr Harmer—I think the vast majority of the \$44 million would be for staffing costs but there would be some going out to universities. I think that is right.

Mr Barson—Yes.

Dr Harmer—We will give you a split between staffing and research.

Mr Barson—Referring back to the agency budget statements in the estimates papers, we had a departmental appropriation at that stage of \$18 million for output group 1.1 and \$23 million for output group 1.2. You asked, I guess, for some further information on what those things cover. I should point out that within those we have the National Secretariat Program, which is the support that is provided by the department to various peak bodies.

Senator CHRIS EVANS—That comes out of 1.1 does it?

Mr Barson—It comes out of outcome 1. I am just looking through my papers to check that; I believe that is support today—1.1; so there is the National Secretariat Program, which I think you know very well, the support to national secretariats; and 1.2 is more concerned with—

Senator CHRIS EVANS—How much is that worth?

Mr Barson—The budget estimates for that are \$2 million—\$2.118 million—and we will get back to you during this session to confirm on the split between money that is spent on research and money that is spent on staffing. I have a figure; I just want to confirm it before I give it to you.

Senator CHRIS EVANS—Thanks for that; there is no great rush. So where is the majority of staff? Or is it split between the two fairly evenly?

Dr Harmer—I stand to be corrected, but I think it is probably reasonably evenly split between the two.

Mr Barson—That is correct.

Senator CHRIS EVANS—I'm trying to get a sense of what the size of the internal research is.

Mr Barson—Yes, certainly; I can give you that.

Senator CHRIS EVANS—And the research function is going on in both?

Mr Barson—Take as an example the payments in the category of payments to universities and other organisations for special studies and research. The estimates for that were \$168,000, but I will come back to you with a more detailed figure because there are—

Senator CHRIS EVANS—Is that for 1.1 or 1.2?

Mr Barson—That is under 1.2. I will come back to you in this session with the split between those two.

Senator CHRIS EVANS—So the outside funding is fairly small?

Dr Harmer—Yes it is.

Senator CHRIS EVANS—And is a description of those projects provided on your website?

Mr Barson—Yes, there is a description of the funding arrangements and the research programs. Within that outcome, we have our longitudinal studies as well, such as the Household, Income and Labour Dynamics in Australia survey, the HILDA survey—

Dr Harmer—Which we fund the Melbourne University for.

Mr Barson—There is that and there is the longitudinal study on Australian children. So there are these longer term research programs that operate from within 1.2 as well. Our involvement with the Centre for Aboriginal Economic Policy Research at the ANU is also funded under that outcome. So output 1.2 is mainly concerned with—as you would understand—the research, and developing evidence based policy.

Senator CHRIS EVANS—So is it fair to say that they are predominantly those long-term longitudinal studies? Or are you commissioning short-term work as well?

Dr Harmer—There is both.

Senator CHRIS EVANS—How do you work out what your research program ought to be?

Dr Harmer—We have a research committee within the department.

Senator CHRIS EVANS—All internal?

Dr Harmer—All internal; it is a separate subcommittee that works to my executive management group meeting and a consultative process with people running programs and people administering the various elements of FaCS's responsibilities that input into the process. We then negotiate and work with the three or four research centres at universities about who is best placed to undertake some of the research. But it is driven from within, yes.

Senator CHRIS EVANS—So could I find on the website the various programs that you have funded and the research completed?

Mr Barson—Yes.

Dr Harmer—I believe so.

Senator CHRIS EVANS—And what about the ongoing program? Is that published, or do you just put it out when you have done it?

Dr Harmer—From time to time we have publications about our research program. I do not know if we publish a forward program or the program once it is completed, but we can check that for you.

Senator CHRIS EVANS—If you can, could you give me what your ongoing program is?

Mr Barson—Certainly.

Senator CHRIS EVANS—And what happens to the completed research? Is that shared? Obviously, the stuff you do is pretty useful for other social policy researchers; do you make that freely available?

Mr Barson—Absolutely, Senator. In fact, when the external research is completed it is published. Within that, I guess the biggest area would be things like the longitudinal studies, which are in great use by researchers. We have a series of regular requests for access to that information. They go through a kind of scrutiny and probity process, of course, because it does contain confidential data, and there is great use being made of those databases.

Senator CHRIS EVANS—So is all your work made public or is some held back because of those confidentiality issues?

Mr Barson—The confidentiality issues there are more to do with the information that is actually in a longitudinal database which might in some circumstances be able to be used to track through individuals. It is more a matter of the confidentiality agreements that the researchers sign as part of access to that information in order to do the research. The research itself is open issue.

Senator CHRIS EVANS—Readily available.

Dr Harmer—I would not be sure that we would necessarily make every bit of research public because it may be that some of it feeds into cabinet processes and some of it may be advice to government. Some of it may even be agreed beforehand as a contribution to something ongoing which in itself does not stand alone. I am not sure that I would necessarily think that all of our research output would be published.

Senator CHRIS EVANS—But the research priorities are done by the research committee and then endorsed by?

Dr Harmer—Endorsed by my executive management, a group which I chair.

Senator CHRIS EVANS—And not by the minister?

Dr Harmer—No, they are done by us.

Senator CHRIS EVANS—They do not need a sign off—

Dr Harmer—When looking at research priorities we would clearly take a great deal of interest in consulting with the minister because they are now his priorities—

Senator CHRIS EVANS—It is supposed to be driving government policy?

Dr Harmer—Absolutely, so that would be an important part of the process so that if he had a view that we need to collect more information on this that would be a high priority in our research program.

Senator CHRIS EVANS—The National Framework for Action on Affordable Housing—I love these titles—it is not support for today and preparing for the future?

Dr Harmer—That would be under outcome 2.

Senator CHRIS EVANS—I see. Before we move on I just want to check: the research that underpins that, is that not done under outcome 1?

Dr Harmer—It may be but the people who would be able to answer your questions about the nature of that would be in outcome 2.

Senator CHRIS EVANS—Perhaps I could ask the head of the research area to tell me whether any research has been done on the framework for action on affordable housing and, in particular, the work in terms of the rental subsidy scheme and the Commonwealth rent assistance.

Mr Barson—Yes, Senator, could you just give us a moment and we will have the answer for you.

Mr Knapp—In terms of the various research and so on, that is being done through the Commonwealth-state mechanisms that we have through the Commonwealth-state housing agreements into the national affordable housing strategy and so on and it will be worked through that framework rather than through direct research done through Roger's area.

Senator CHRIS EVANS—So even though I have forgotten the name of Roger's area—

Mr Knapp—I am sorry, through the social policy group. My apologies, Senator. That is better known as Roger's area.

Senator CHRIS EVANS—I am more likely to understand Roger's area than the title. Roger's area I know what I am talking about; you give me the title or the acronym and I am lost.

Mr Knapp—I am sorry. And the other mechanism is through AHARI which is the—

Dr Harmer—The Australian Housing and Aboriginal Research Institute which we fund. It is an organisation based in Melbourne and I think we and the states contribute to it. I think we put in about \$1.5 million and the states contribute about \$1 million.

Senator CHRIS EVANS—So there is nothing coming out of output 1 or out of those offices that relates to affordable housing or the review of rent assistance?

Mr Knapp—That comes out of output 2.

Senator CHRIS EVANS—So there is no contribution from the research programs in those two sections to that process?

Mr Barson—A significant part of the research that is really within outcome 1.2. is the longitudinal studies. To the degree that assists in answering some housing questions, that would be of assistance.

Dr Harmer—It is unlikely to be as clear-cut as that, given the nature of some of the research we do.

Senator CHRIS EVANS—That is what I thought.

Dr Harmer—It is quite likely that in some of the input from the household income and labour market study that Melbourne Institute does, together with the longitudinal studies and possibly some of the other research which is, for example, focused on the age or something like that, there may be a component which feeds into our housing policy.

Senator CHRIS EVANS—But, strictly speaking, it is not their work, and their primary responsibility is in output 2.

Dr Harmer—That is correct.

Senator CHRIS EVANS—My next questions go to the question we were wrongly discussing under output 1. Could someone give me an overview of what research underpins the review of rental subsidy schemes, rental assistance and the national framework for action on affordable housing and where the Commonwealth-state agreement to review that stuff is up to? I am new to this question so perhaps you could, in a sense, start from the beginning—but not in great detail. I just want to know where it starts and what is happening.

Ms Wall—There is quite a bit of work going on collaboratively between the Commonwealth and the states with our department being the Commonwealth part of that in relation to most of the work. It is funded jointly. We have a bucket of money which we have all contributed to. Most of the work is being done internally. There are some consultancies that we are using as part of that work. We are also very much drawing on work that has been done by the Australian Housing Urban Research Institute, AHURI, which we all jointly fund. There is a three-year program of work, which we are part way through now, and there will be a report to the next housing ministers' conference, which is in June this year.

Senator CHRIS EVANS—Does that mean the three-year program finishes then?

Ms Wall—No. That will only be the first age of it.

Senator CHRIS EVANS—That is the end of one year, is it?

Ms Wall—That is right.

Senator CHRIS EVANS—So we will not get an analysis of the program until June 2008?

Ms Wall—I would not expect there to be any public announcements prior to that.

Senator CHRIS EVANS—Will the report to the housing ministers be just a progress report on how the research is going or is there something they can get their teeth into or policy considerations arising from it?

Ms Wall—It will be a report on the outcome of the research to date. It has been done in particular stages, so it will be a progress report, obviously to get feedback from the ministers on whether they want to continue with the program as it is currently outlined or whether they want to tweak it a bit at that point.

Senator CHRIS EVANS—By 'stages', you mean there are chunks of research that you are biting off and it is not just one big project that takes the three years?

Ms Wall—That is right. There are several projects that are happening concurrently.

Senator CHRIS EVANS—Can you give me a sense of what the main objective of the work is.

Ms Wall—It is really to look at the broader housing picture—where we might potentially go beyond the expiration of the 2008 Commonwealth-state housing agreement. But it is a bit broader than that. Certainly the housing officers are very aware that it is not just a public housing issue. There are broader issues involved in quite a bit of the work that is going on—for example, states are doing quite a bit of work on planning related issues, and that is all feeding into the process.

Senator CHRIS EVANS—What is the impact on the rent assistance program?

Ms Wall—The rent assistance program is obviously part of the picture of the whole housing assistance framework, and we are doing some work internally on that, because that is basically a Commonwealth program.

Senator CHRIS EVANS—Is that part of the research program, or is that something you are doing separately?

Ms Wall—It will be feeding into that program.

Senator CHRIS EVANS—It is something you are doing separately inside the department, is it?

Ms Wall—That is right.

Senator CHRIS EVANS—What objectives has the Commonwealth set? Is this supposed to be a review of rent assistance, or is it narrower than that?

Ms Wall—We are looking at the program and its target groups, the amount of money that is being spent, how it is linking in with other housing programs and how it is linking in with non-housing programs too.

Senator CHRIS EVANS—So it is an assessment of the efficacy of the program. Is that right?

Ms Wall—In a sense, yes.

Senator CHRIS EVANS—Are you considering ways of better targeting or achieving better outcomes from it?

Dr Harmer—I think it is probably too early for us to say what we are looking to achieve. We are doing the work. Housing affordability, as we approach the renegotiation of the Commonwealth-state housing agreement, has many dimensions, as you know. Housing ministers agreed some time ago that we would look at a lot of the dimensions this time, including dimensions that are in the purview of the Commonwealth government, such as rent assistance, but also dimensions that are entirely in the state area, such as planning regulations, building controls and those sorts of things—all of which contribute to affordability and availability of housing.

Proceedings suspended from 12.53 pm to 2.01 pm

CHAIR—I welcome back officers of the department. We have finished outcome 1 and have started on outcome 2. Senator Evans, I think you had some questions for which you were waiting on answers.

Senator CHRIS EVANS—Yes, on the ILC.

CHAIR—That is right. Are you able to provide those answers now, Dr Harmer.

Dr Harmer—Yes. Senator Evans, I think we can shed a bit more light on the Indigenous Land Corporation and the land fund that you asked about this morning. We can confirm that the revised estimate for 2005-06 for revenue from the land fund is \$23.8 million, which is the estimate included in the DIMA portfolio additional estimates statement. The figure that was in the FaCSIA statement was the budget figure from the budget estimates. It was revised, but we were not advised about that. The DIMA portfolio additional estimates statement has the right figure, which is \$23.8 million. We have also obtained the final figure of the revenue from the land fund for 2004-05. That figure is \$4 million, and was included in the letter that the secretary of the committee received from Mr Peter Saunders, in the Department of Finance and Administration, yesterday.

Senator CHRIS EVANS—Are you saying that that is the income paid to the ILC?

Dr Harmer—Yes, in 2004-05.

Senator CHRIS EVANS—That was the total paid to the ILC in 2004-05?

Dr Harmer—From the land fund, yes.

Senator CHRIS EVANS—I am sure that is not right.

Dr Harmer—That is our understanding.

Senator CHRIS EVANS—I think you will find that the figure was more like \$60 million.

Dr Harmer—We have been getting this information on the phone because, while responsibility has transferred to FaCSIA, the people who have been running this program are still in DIMA. They have not come across. The program was not run out of the OIPC. It was run out of the then DIMIA corporate area. We have not settled with DIMA the transfers, numbers et cetera. So Mr Youngberry, who is sitting on my right and is my chief finance officer, has been on the phone with people, trying to get this information. Before going much further, I would really want to double-check the figures myself and be very confident that they are right. But we are informed that it was \$4 million.

I think what you are referring to is the change in the funding approach for the corporation. It changed from a direct funding model to another basis relatively recently. I understand that the direct funding was substantially higher. But I do not know the exact figure. It may well have been of the order you are talking about. I think there may be some confusion in terms of the revenue from the land fund and the funding of the corporation, which I am not sure I fully understand yet. To the extent that I can provide you with a detailed answer I would want to be absolutely sure of it. I will want to take the detail of the question on notice and make sure that we get all the information from the people who have been running it in DIMA.

Senator CHRIS EVANS—The import of what you are saying is that last year, 2004-05, only \$4 million went to the ILC from the land fund?

Dr Harmer—What I have been told is that the final figure for revenue from the land fund for 2004-05 is \$4 million.

Senator CHRIS EVANS—That is a pretty poor return on \$1.3 billion.

Dr Harmer—I cannot comment, Senator.

Senator CHRIS EVANS—Even with my poor investing skills I reckon I would do better than that. You see why I have trouble? There is \$1.3 billion or \$1.4 billion in that account, and you are telling me it generated \$4 million in that financial year.

Dr Harmer—I am telling you what I have been told.

Senator CHRIS EVANS—I am just telling you it is counterintuitive. I know it says that in the Department of Finance and Administration letter, and that is why I am a little confused.

Dr Harmer—Yes, indeed.

Senator CHRIS EVANS—I also know that the budget for the ILC was in the order of \$60 million last year. You budgeted for \$75 million in the original estimates.

Dr Harmer—That was an estimate of the revenue, I understand, from the land fund.

Senator CHRIS EVANS—It is an estimate of what they were going to pay to the Indigenous land fund.

Dr Harmer—That estimate has been revised to \$23.8 million and, as I understand it, primarily because of some differences in assumptions on the deflator used—

Senator CHRIS EVANS—That is not right. Finance took me through that and they said it was a marginal change and had marginal impact. They took me through the detail of what ‘realised real return’ means, and I admit to being totally confused, but they did assure me that it was a marginal alteration in the import. But even on the figures contained in the additional estimates the land fund was due to get \$75,689,000. The revised estimate is \$23 million. Putting aside the question of deflators et cetera, I do not know how you would feel, Dr Harmer, if the department were suddenly told it was getting a third of the budget it had estimated for, but I suspect you would be a bit grumpy and you would want to know why. I guess I want to know why.

Dr Harmer—I cannot answer that. What I would want to know is why—

Senator CHRIS EVANS—Finance told me to ask you.

Dr Harmer—I am sure, yes. I am now the responsible secretary, but I do not have the people who are running this. You can see why going any further would be pointless—we simply do not have the people who are running this. To answer your detailed questions I will need to satisfy myself a great deal more about the estimates, how they were achieved, why they were revised and what parameter impacts there were and provide you with a detailed response on notice.

Senator CHRIS EVANS—If you would, please, because unfortunately DIMA have now completed their estimates, so I have no capacity to go to them. Finance have assured me that you were the delegate of their authority.

Dr Harmer—And I am, and I will provide you with a written answer.

Senator CHRIS EVANS—I must say—and this is no criticism of you—I find it very unsatisfactory. The original process for asking questions was with Finance, because they have the financial responsibility or oversight. They gave me answers that are clearly wrong. To be fair to them, they corrected those. But they also told me to ask you, and now you tell me that you do not have the responsibility yet because the section is still in—

Dr Harmer—No, I am not telling you I do not have responsibility. I do have responsibility, yet I—

Senator CHRIS EVANS—You do not have the capacity. You have the responsibility but no knowledge of it.

Dr Harmer—If you recall, I was first made aware of this issue this morning, when I handed the letter from Mr Saunders in Finance. So I have had some hours and, without the people at hand—because I have been here—I am not able to satisfy myself and I do not want to give you a written answer or an oral answer which is incorrect. So I want to take it on notice, as is the normal practice. I do not think that is at all unreasonable. I will provide it to you as soon as I can.

Senator Ellison—I do not think we can take it much further, Chair.

Senator CHRIS EVANS—I was just making the point, Minister, that I do not think it is very satisfactory, but I understand the difficulties involved.

Senator Ellison—It is a reasonable question that you ask. If it is any assistance, I can approach the Minister for Finance and Administration if need be. Finance is outside this portfolio. There is no reason why you should not have a full answer to your question, but with recent changes happening and just coming to Dr Harmer's attention I think it is only reasonable that Dr Harmer be allowed to take this on notice and give you a detailed answer—but you should get that detailed answer.

Senator CHRIS EVANS—I would appreciate it if we could get that information a bit quicker than we have got answers to questions on notice more generally in recent days.

Dr Harmer—If you are referring to this department, we have a very good record of getting answers to questions on notice in on time.

Senator CHRIS EVANS—I accept that.

Senator Ellison—Given my experience with other estimates committees, I would agree with the secretary on that one.

Senator CHRIS EVANS—I accept that, but I think that if you look at the general performance this round it is otherwise. In my office I have just got the AusAID answers, yet AusAID appear before us tomorrow. That has been the pattern all week—they have still been coming in. That is not a criticism of your department, Dr Harmer.

Dr Harmer—You had ours on time. That was the vast majority—140 out of 149.

Senator CHRIS EVANS—Thank you very much for those. You are obviously not in step with government policy! You will probably be spoken to after this!

Senator Ellison—You can give credit where credit is due.

Senator CHRIS EVANS—No, I pay tribute to Dr Harmer. I am just saying he is not in line with government policy and, no doubt, he will be reprimanded for the early response!

Senator Ellison—I do not think so.

Senator CHRIS EVANS—My point was that I would appreciate an early answer given that I have been given the runaround and given that there is a great deal of concern that the

ILC's income seems to have been cut by two-thirds in respect of the Indigenous community and they want to know what that means. I would appreciate an early response.

CHAIR—That comment is noted. Any further questions on that issue, Senator?

Senator CHRIS EVANS—No, Chair.

CHAIR—We will proceed to questions on outcome 2.

Senator CARR—I have questions regarding the National Homelessness Strategy. I would like to follow up some matters that I raised in the last round. I take you to the answer to question No. 31, which I asked in the last round. It concerns the National Homelessness Strategy themes. I asked whether the themes driving the National Homelessness Strategy had changed since the first stage of the strategy. The answer I received indicated to me that the themes of working together and prevention and early intervention remain but that the previous theme of crisis and transitional support has disappeared. Have I read that answer correctly?

Ms Wall—It is still certainly a theme of the Supported Accommodation Assistance Program, which is part of the National Homelessness Strategy, so it is still there as part of the whole picture.

Senator CARR—I cannot see it in this answer.

Ms Wall—It may not be there formally but it is certainly there informally.

Senator CARR—So is the answer incomplete?

Ms Wall—The answer perhaps could have been more comprehensive—put it that way—but in terms of what had been the formal themes of the National Homelessness Strategy they are as they appear in that answer: working together, prevention and early intervention.

Senator CARR—But there appears to have been a change. My reading of this answer suggests to me that there is a change. You are saying that the formal themes might be such, but there is an informal theme which is not listed here.

Dr Harmer—It might be a matter of emphasis.

Senator CARR—It might be. It has not been edited out?

Ms Wall—Not deliberately, no.

Senator CARR—Can I take you to question No. 33. Here we find it confirmed that the national housing strategy is not a written document. Have I read that correctly?

Ms Wall—It is not a written document as such, no. We assumed you were referring to the National Homelessness Strategy. We do not have a national housing strategy.

Senator CARR—That is clear; I do apologise. It is stated that the National Homelessness Strategy is not a written document but a unique way of responding to complex issues of homelessness. That is a bit existentialist for me and, I would have thought, a bit unusual for the Public Service. Can you explain to me, if it is not a written document, how you are able to respond to the policy challenges and how we are to understand it? Do we have to rely on intuition? How do we identify what it is?

Dr Harmer—It is not unusual to refer to a piece of work, which is relatively complex and perhaps goes across a range of different programs, as a strategy. Sometimes strategies are

spelled out in documents; sometimes they are not. The National Homelessness Strategy cuts across a number of different interventions and programs and is not a written document. That is not terribly unusual.

Ms Wall—There is information about the National Homelessness Strategy on our website. The information is there for people to see.

Senator CARR—I note in your answer you were talking about building the knowledge base and bringing together a number of targeted homeless programs operating through liaising with various government programs. I can see how all of those things might work within the branch; I am just wondering whether or not it would be more efficient, particularly for the purpose of developing a strategic framework, if we could have some form of documentation that explains how you are going to achieve these things.

Ms Wall—There is some documentation of that on our website.

Senator CARR—On the website?

Ms Wall—Yes.

Senator CARR—All right. We talked in the last session about the innovation and investment funding under the SAAP agreement, and I was trying to make some sense of the figures. Can you just remind me exactly how the activities that will be supported through the Innovation and Investment Fund relate to the activities funded under the National Homelessness Strategy.

Ms Wall—The activities funded under the Innovation and Investment Fund are part of the Supported Accommodation Assistance Program. They are activities that are nominated by the states. The National Homelessness Strategy is solely a Commonwealth funded program.

Senator CARR—Is it a strategy then which provides funding for innovative activities under the SAAP program? Is that what is intended?

Ms Wall—The Innovation and Investment Fund, yes.

Senator CARR—So it provides money?

Ms Wall—Yes.

Senator CARR—Let us look at some specific examples. The former minister was keen to tell me about the program in Victoria where four organisations have combined to deliver a service to homeless young men. I recall that was in the *Hansard* on page 27.

Ms Wall—The YP4 project?

Senator CARR—Yes. She said that there had been funding out of the Homelessness Strategy at a cost of \$250,000. Have I understood that correctly.

Ms Wall—I cannot vouch for the figure off the top of my head, but it is funded from the National Homelessness Strategy, yes.

Senator CARR—I cannot see that on the list of Homelessness Strategy demonstration programs as of September 2003. What was the actual source of that funding?

Ms Wall—We will have to check the funding. I have a list of projects here.

Mr Knapp—My understanding was that the program did not start as early as 2003. We will check the actual date of commencement of the YP4 project.

Ms Wall—We might have to get back to you on that one. It has been funded under the National Homelessness Strategy. We will confirm the actual details.

Senator CARR—You are certain that is the case?

Ms Wall—It might have been its predecessor program.

Senator CARR—Is there an ongoing funding source for this innovation program?

Ms Wall—A number of the individual components of the YP4 project are actually funded from individual program sources. The YP4 project itself though is a means for coordinating some of that work. Yes, the individual program funding will still be there. At this point we do not have long-term funding for the YP4 project. It is really a pilot project at the moment to see if we can get those particular programs working together a bit better for this target group.

Senator CARR—So it is a pilot project. How long does a pilot run?

Ms Wall—I think it was three years. I will have to confirm that though.

Senator CARR—Is there ongoing funding for program coordination within this program as well?

Ms Wall—The National Homelessness Strategy is a four-year program.

Senator CARR—How much is set aside for ongoing funding for the coordination across these various strategies?

Ms Wall—The National Homelessness Strategy is a four-year program. There will be demonstration projects funded as part of that program. We have just been through a process of seeking expressions of interest and submissions for funding. The successful applicants should be announced in the next month for the first two years of that program. There were subsequent applications for the last years.

Senator CARR—How much of that money will be specifically for program coordination?

Ms Wall—There has not been a specific amount set aside as part of those demonstration projects.

Senator CARR—Isn't that supposed to be the key theme?

Ms Wall—There are a number of key themes.

Senator CARR—Is there no money set aside for those key themes?

Dr Harmer—I think what Ms Wall is saying is that there is money for the program but it is not nationally allocated to particular themes within that.

Ms Wall—That is right.

Senator CARR—When we look at your website, the first round of demonstration projects are listed as at September 2003. How many additional projects were funded under the first round of the NHS after this date?

Ms Wall—I will have to take that on notice.

Senator CARR—In doing so could you also provide me with details of how much funding each of the projects actually received?

Mr Knapp—Yes, we can provide that.

Senator CARR—Thank you. Also you might provide details in relation to each of the projects as to whether or not those projects have continued in any way or have been taken up somewhere else and how many of those projects are no longer funded.

Mr Knapp—We will take all that on notice.

Senator CARR—Thank you. At previous estimates, I think it was last year in May, there was comment made in relation to the evaluation of the Homelessness Strategy. One of the things that emerged was:

... that the dissemination of information was not as effective as possible to share knowledge.

Do you recall those comments being made?

Ms Wall—One of the justifications for some of the spending under the National Homelessness Strategy was to address that situation.

Senator CARR—Is it true that the National Homelessness Strategy webpage on the department's website does not have a link to the description of the previous demonstration projects or any of the information on the lessons learnt from those projects?

Ms Wall—It certainly has some information on past projects; I could not comment on the latter.

Senator CARR—It just seems you get a list of the projects via a link to the Family Homelessness Prevention Pilot evaluation but it does not make much sense in terms of the overall operations of the strategy. Can you tell me why there is not a clear link directly from the Homelessness Strategy webpage?

Ms Wall—That is something we might need to look at.

Senator CARR—Back in May we were told that one of the big problems was the dissemination of information. It does not seem to have improved very much. Was each of the projects funded under the first round of the strategy actually evaluated?

Ms Wall—They will be evaluated as part of the overall package.

Senator CARR—So they will be evaluated or they have been evaluated?

Ms Wall—In the Homelessness Strategy, they will be evaluated as part of the package, yes. The previous package was evaluated as a package as well but not individual projects.

Senator CARR—Are there any evaluations that have taken place?

Ms Wall—As I said, the project as a whole was evaluated but not individual projects.

Senator CARR—Is the general project evaluation published on the website as well?

Ms Wall—My understanding is that it is, but I will need to confirm that.

Dr Harmer—Just going back to your question about YP4 and why it did not appear in information for 2003, the YP4 program did not start until 2004.

Mr Knapp—Two hundred and seventy thousand dollars were provided for the YP4 project. It started, as Dr Harmer said, in May 2004.

Senator CARR—Can I just confirm, Ms Wall: are you saying that none of the projects were evaluated?

Ms Wall—I am sorry: I cannot specifically comment and say categorically that none of them were evaluated. I would have to take that on notice. As I said, as a package, they were certainly evaluated.

Senator CARR—It has been put to me that what is known as the PIAC legal service was evaluated. Is that true?

Dr Harmer—I do not know the detail of this but I suspect, having been involved in similar sorts of programs that go over a number of years where there is a range of particular projects, when there is an evaluation of a program undertaken there is sometimes either sampling or some sort of more intensive evaluation of elements of it but not necessarily of all of it. That may be what has happened in this program. Therefore it is possible that, if there were 10 special projects, maybe four or five of them were given a detailed evaluation as far as the overall evaluation and the others were not. That is a possible explanation.

Senator CARR—Is it true that, in terms of the department's notice seeking expressions of interest, presumably for funding, letters were sent on 25 November?

Ms Wall—That was right, yes, in response to the expressions of interest.

Senator CARR—And organisations that submitted expressions of interest were invited to make full submissions. Is that right?

Ms Wall—Some projects were short-listed and invited to make full submissions; other expressions of interest were accepted but they were not invited to make a full submission.

Senator CARR—So clearly there was some vetting process that occurred.

Ms Wall—That is right.

Senator CARR—How many expressions of interest were received?

Ms Wall—Approximately 200.

Senator CARR—I think you previously described this as an overwhelming response. Is 200 what was meant by the 'overwhelming response'?

Ms Wall—I think it was quite a significant response, yes.

Senator CARR—How many of the 200 organisations were invited to submit further applications for project funding?

Ms Wall—It was approximately 20.

Mr Knapp—It was 22.

Senator CARR—Are you able to tell me what the range of funding levels is likely to be?

Ms Wall—We have an overall money amount to be allocated.

Senator CARR—That is the total aggregate budget?

Ms Wall—That is right.

Senator CARR—What is the range of funding per project? What is the maximum amount?

Ms Wall—We have not finalised the selection of the successful projects as yet.

Senator CARR—So you have no indication at this point what the maximum amount would be for any project?

Ms Wall—As I said, they have not been finalised as yet.

Senator CARR—When you were short-listing the 22 applications, how did you determine who should get priority?

Ms Wall—There were selection criteria that we used. It was in the documentation that all of the applicants were given.

Senator CARR—What was the nature of the selection criteria? Was there a particular focus, for instance, on client groups? Was there particular attention paid, for instance, to women and children escaping domestic violence?

Ms Wall—I can read you the selection criteria. The selection criteria were that the projects needed to be innovative; needed to add to the existing body of knowledge; needed to address the complex nature of homelessness through coordination and collaboration across governments, programs and sectors; needed to be sustainable beyond the life of the demonstration project funding; needed to be undertaken by an organisation, company or individual with experience in providing a service to or developing products for the chosen target group; needed to develop service delivery models that can be used in other regions and locations; and needed to demonstrate value for money.

Senator CARR—There are no specific client groups identified in those criteria.

Ms Wall—Other than homeless people in general.

Senator CARR—Homeless people, yes. It was put to me that, if you look at this SAAP service provision, two-thirds of the women and half the children who were seeking assistance when escaping from domestic violence were turned away. Is that right? Can you confirm that?

Ms Wall—On any one night when women and children presented to a SAAP service, yes, only 50 per cent of them could be housed, but most of them were assisted in other ways.

Senator CARR—Is that 50 per cent of children and two-thirds of women?

Mr Knapp—That is of all clients.

Ms Wall—Yes, women were marginally better than the average for assistance.

Mr Knapp—It might be useful to make the point that we are assisting over 100,000 people per year through the SAAP and that the numbers of people who are turned away on any one night are quite small in terms of the large number who receive either ongoing or one-off assistance on a day-by-day basis. While the numbers who may not get housing is that percentage you mentioned, the vast majority are provided with support over a significant period of time, in many cases under the SAAP.

Senator CARR—But if you are going to be knocked about you had better make sure you turn up on the right night. You do not want to be part of that 60 per cent turned away.

Mr Knapp—As Ms Wall said, we are able to provide services to a majority of those people, even if some do not necessarily get accommodation on that particular night. It is not as if there is no support provided to them at all. They do get some services.

Senator CARR—I am interested to know whether there was any consideration of the people who have to use these services when you were short-listing these programs.

Dr Harmer—I think what Ms Wall was saying is that the objective of these programs was to seek innovative new approaches to the provision of services to the homeless, not specifically targeting any one group but hopefully looking for new, more efficient ways of helping so that perhaps more can be housed. It seems that we were not looking for projects aimed at target groups. We were more interested in innovation, new approaches et cetera.

Senator CARR—I understand that is what was said, and you may have misunderstood me. Obviously, I am concerned to ensure that with any of these public programs the money actually goes to people who need it, rather than having the ephemeral question that strikes me about the way you are describing these programs. So I would like to know whether criteria were established, other than the published ones, that went to matters such as assisting women and children escaping domestic violence or people who are trying to cope with mental health problems and are actually homeless or Indigenous people who are homeless—those sorts of specific, high-need interest groups. What consideration was actually given to helping people as distinct from the more academic suggestions that have been made?

Mr Knapp—The evaluation of SAAP 4 made it clear that a lot more could be done in terms of trying to prevent people getting into the situation where they became homeless. One of the things that is very important for us, through the National Homelessness Strategy, is looking for innovative ways of trying to assist people before they reach the point where they are homeless, to actually come up with strategies where interventions can occur, whether the issues are around mental health or domestic violence, before they reach the point of homelessness. Some of those programs actually fall within our other areas of responsibility, like the domestic violence areas. We certainly recognise in the programs we will be looking for that we are wanting ones that will help us better identify individuals who are at risk of homelessness so they can avoid getting into that situation, whatever the cause may be. That is an important element of the program. It is not about a theoretical exercise; it really is about trying to come up with some solutions that will reduce the number of people who will be looking for SAAP services on a particular night.

Dr Harmer—While the vast majority of money does go to helping those who have today's problems, it is very unwise in an area like homelessness, which is growing, to spend all your money on helping with today's problems rather than investing some in perhaps looking for better ways to do it in the future, which is what this is about.

Senator CARR—Can you refresh my memory. You did say there would be a day on which these announcements would be made and the successful projects would be announced.

Ms Wall—Sorry, is there a specific day?

Senator CARR—Yes.

Ms Wall—No, but we are expecting to do so within the next month.

Senator CARR—In terms of specific needs, I understand that, under the first round of the National Homelessness Strategy, the department funded the Public Interest Advocacy Centre's Homeless Persons Legal Service in Sydney as a demonstration project. Is that right?

Ms Wall—I have a list here and I am flicking through it. Yes, it was funded.

Senator CARR—When was it funded?

Mr Knapp—In May 2004 the program commenced and \$120,000 in funding was provided to it.

Senator CARR—Was it funded as a pilot project or as a demonstration project?

Ms Wall—All the projects were demonstration projects.

Senator CARR—So they were all pilot projects?

Mr Knapp—Effectively so.

Ms Wall—There was no commitment to ongoing funding.

Senator CARR—That is the point that I am trying to get to. That means there is no commitment to ongoing funding for any of these projects. Can you confirm that WestWood Spice completed an independent evaluation—this concerns the point that I asked you about before—of this particular program, the Homeless Persons Legal Service, at a cost of \$15,000?

Ms Wall—I will have to take that on notice.

Senator CARR—That is my understanding. If you are not able to confirm the amount of money that was spent on the evaluation, can you tell me the results of the evaluation?

Ms Wall—I do not have that information in front of me so I will have to take that on notice.

Senator CARR—Okay. This is what has been put to me, and I will ask you if you can confirm it. The evaluation found that there was unanimous support for the HPLS model and that clearly it had gone some way to address the gap in legal service delivery. Some agencies went so far as to note that they would be unable to fill the gaps were the HPLS to be discontinued and that, given the rising need for legal assistance and diminishing resources to provide it, if the HPLS did not continue it is likely that the already disenfranchised client group assisted by the HPLS would be further marginalised. It also found that for the input of approximately \$120,000 of government funds to June 2005 HPLS has provided around 4,155 hours of pro bono legal assistance at an estimated value of \$1.3 million. The report recommended that any funding for the continuation of the HPLS should be for a minimum of three years, to facilitate participation by homeless people and effective strategic planning. It also noted the onerous funding reporting requirements of FaCSIA. I am wondering if you can confirm those observations of the evaluation report.

Ms Wall—As I said, I will have to take that on notice. I do not have the details with me.

Senator CARR—Can you confirm that in November 2005 this particular group—which were very strongly applauded in the evaluation report according to my information—submitted an expression of interest to the department under the National Homelessness

Strategy for an opportunity to apply for further core funding from the demonstration projects funding pool?

Ms Wall—I think there are privacy issues around identifying specific applicants for those funds.

Senator CARR—I put it to you that they did apply for funding. Am I right or wrong?

Mr Knapp—Can we please take this question on notice and get further information as quickly as possible because obviously it is a matter of particular interest to you.

Senator CARR—You bet it is a matter of particular interest to me because I have been advised that not only did they apply for money but also that you knocked them back.

Dr Harmer—In many of the programs that Families, Community Services and Indigenous Affairs run, which are helping some of the most needy people in the community, rarely does time go by when people who are doing good things and want more money do not complain because they do not get refunded. It is not a bottomless pit.

Senator CARR—I understand that but they have publicly stated that they did apply. You first tried to say to me that it is a privacy matter. They have had a highly applauded review of how good the service is and the provision of quite extraordinary sums of pro bono work. They are then told by the department that they cannot get any additional money on the basis that they have had an overwhelming response and proposals were highly competitive. This is the 200 that you spoke of earlier. Does not your rejection of their application mean they cannot apply for demonstration project funding under the National Homelessness Strategy?

Ms Wall—It means that their project was not short-listed for further consideration in this round.

Dr Harmer—Which means, I assume—and Ms Wall can correct me—that there were other very high priority projects that were funded.

Senator CARR—Was it not the case that there was extensive consultation with officers of your department before this application was actually put in?

Ms Wall—I cannot comment on that.

Senator CARR—Did they not ask officers of your department about the most appropriate means of securing additional funding and were advised that this is where they should apply?

Mr Knapp—It is quite common for departmental officers to provide every assistance to people seeking to apply for grant money. It would have no doubt been officers from our state office. They are very efficient, helpful officers. They would have helped possibly a number of applicants, but that help can never guarantee that the funding will be made available. Those decisions are made on the basis of priorities and limited funding. The fact that we provide help can never guarantee that the funding will be available.

Senator CARR—So you are saying to me that they can now apply for demonstration project funding for HPLS under the National Homelessness Strategy?

Ms Wall—They can apply under future funding rounds, yes.

Senator CARR—But not this time?

Ms Wall—They have already put in an expression of interest for this round.

Senator CARR—But there can be no further consideration of their application at this point. When is the next round?

Ms Wall—It will be in two years time.

Senator CARR—Can you confirm that the guidelines for funding for the next round of demonstration projects under the National Homelessness Strategy state:

A key challenge ...will be to engage stakeholders outside the homelessness sector.

And:

Particular interest will be paid to prevention and early intervention projects delivered via services that do not have a primary homelessness focus ...

Ms Wall—That was something particular under the communications strategy rather than the demonstration project and they did not apply under that category.

Senator CARR—Can you confirm that the guidelines specifically identify legal services as one of these types of services?

Ms Wall—It was used as an example as part of the other communications strategy project funding.

Senator CARR—I would be interested to know from Dr Harmer how the department can justify not supporting a demonstration project that has already cost the department \$120,000, assisted over 600 homeless people with their legal problems and provided well over 4,000 hours of pro bono legal assistance which was valued at \$1.3 million by the independent evaluation.

Dr Harmer—There is no doubt from the sound of the figures you have been quoting and the information you have that it is a good service. All I can conclude, without knowing the detail, is that there were other services that were at least as good or better in meeting the selection criteria. There is a lot of great service provision in this area around the country. A lot of people apply for money who have very good cases. Unfortunately, we are not able to fund them all. I would be surprised if there were not very good cases that also missed out, but I am assuming that the cases that were funded are exceptionally good and meet the criteria better.

Senator CARR—Can you confirm that the established Homeless Persons Legal Clinics in Victoria and Queensland as well as the proposed clinics for Newcastle and the Hunter region, and in South Australia and Western Australia, were also unsuccessful beyond the original expression of interest stage in their application for funding?

Ms Wall—As I said, I think there are privacy issues round that. If they wish to declare their position that is fine but I do not think it is appropriate for me to do so.

Senator CARR—I am declaring that position. Are you telling me that is not right?

Ms Wall—If they have given you that information then I am sure that is fine.

Senator CARR—Can you tell me why their applications were rejected?

Ms Wall—Because they did not meet the selection criteria as well as the ones that were accepted.

Dr Harmer—We funded 22 out of 200. There will be a lot in that category. I would be very surprised if Ms Wall has either the information here at her fingertips or in her memory to answer.

Ms Wall—We short-listed 22 out of 200.

Senator CARR—Can it be the case that one of the reasons is that they are in fact existing services rather than innovative projects? Is that stated?

Ms Wall—All I can say is that we followed the guidelines in relation to the selection of the short-listed projects and we had the criteria that were set out for all the applicants to see. We followed a selection process.

Senator CARR—The quotes I read before I understand are actually directly from the guidelines not from the communication guidelines. I am wondering how it is that you can explain the advantages of funding innovative new projects rather than projects that actually have been demonstrable successes. How does that fit with the value for money arguments that normally apply in the Commonwealth Public Service?

Dr Harmer—When we are looking for innovation sometimes funding new approaches rather than continuing to fund existing ones may show up services that potentially add greater value in the future.

Ms Wall—It may be that some existing services are also funded from state sources, and we would not wish to give them money if they are already being funded when we can fund new services.

Senator CARR—It is just that what I am discovering in my investigations is that it is quite often the case that the government announces with great fanfare its support for funding a pilot project which is then not funded at the end of that project. As you say, there is no commitment for ongoing funding. It disappears off the radar screen and yet another announcement is made suggesting that government is active when in fact what is happening is that services are being reduced.

Dr Harmer—I have been in this welfare and community services area for over 20 years, and the practice of funding innovative time limited projects has been used for all of that period.

Senator CARR—So is it your advice then to PIAC and other potential legal service providers for homeless people that they should go to the states for money? Where do they go for ongoing funding for these sorts of services?

Ms Wall—No, I said that some of the projects may have been funded by the states. It was not necessarily applying to PIAC.

Senator CARR—Where will these people go? What sensible advice could you tender to these organisations that have been defunded? Where should they go for money for ongoing services now? What program do they apply for?

Ms Wall—They were not defunded. They had previously applied for a limited period of funding.

Senator CARR—I understand your quibble with the word, but—

Dr Harmer—It is actually a very important point. All of the services that we fund with time limited funding know very well when they are initially funded—in these cases, some years ago, I take it—that the funding will not be guaranteed beyond that time.

Senator CARR—Sure. So where do they go now? This is an organisation that has managed to leverage \$1.3 million worth of services for \$120,000. Where do they go for additional support now?

Mr Knapp—The responsibility for the SAAP sector is with the various states and territories, and we assist the states and territories in delivering that function with funding. So they could approach their relevant state and territory organisations providing homelessness services under SAAP to seek funding under those programs.

Senator CARR—Let us go through another example. We turn to the HOME Advice Program, which I drew attention to at the last round of estimates. Senator Patterson, after that estimates hearing, issued a media release trumpeting what she said was the funding the government gave to the homelessness area. It included \$10.4 million over four years for the HOME Advice Program, which she said demonstrated the government's focus on prevention. Was that press release prepared by the department, Dr Harmer?

Dr Harmer—The press release would have been finalised in the minister's office.

Senator CARR—Was it prepared by the department?

Dr Harmer—We very often provide input—

Ms Wall—We would often provide input.

Dr Harmer—but do not take responsibility for preparing press releases.

Senator CARR—So the propaganda unit of the minister's office is responsible for that?

Dr Harmer—I think the minister's press secretary would have been responsible for the finalisation of the press release.

Senator CARR—Let us just go through some of the facts. Can you confirm that this program operates in only one local area in each state and territory?

Ms Wall—Yes, it does.

Senator CARR—The information on the FaCSIA budget website—and I cannot see any other information on their website apart from the evaluation of the pilot programs—says the program helped around 400 families a year. Is that correct?

Ms Wall—I do not have the figure in front of me, but if that is what is on the website then I am sure that is right.

Senator CARR—That is \$2½ million per year to help 400 families.

Ms Wall—Currently the program is given \$10.4 million over four years.

Senator CARR—So the mathematics would work.

Ms Wall—That is right.

Senator CARR—That is \$6,250 of assistance per family on average, right? How does that compare with the cost of assisting a family into housing through the SAAP system once they become homeless?

Dr Harmer—I would be surprised if Ms Wall can do that calculation in her head.

Senator CARR—Is it substantially more or substantially less?

Ms Wall—It has a different objective to the SAAP: basically to assist people at risk of becoming homeless and to stop them becoming homeless.

Senator CARR—Yes, but how does it compare in terms of the costs once they have become homeless?

Ms Wall—I will have to take on notice the cost per person or per family of the SAAP.

Senator CARR—You have no idea whether it is more or less than \$6,200.

Ms Wall—I certainly have a figure here for the number of people that are assisted annually under the SAAP: 100,000 clients with 56,000 accompanying children per year.

Senator CARR—How much money is spent on them?

Dr Harmer—Per year we have—

Mr Knapp—Over \$300 million.

Ms Wall—That is Commonwealth and state money.

Senator CARR—The figures speak for themselves, don't they? Does the HOME Advice Program leverage support for families from other programs or from the private sector?

Ms Wall—The HOME Advice Program basically assists people to stay in their home rather than have them become homeless.

Senator CARR—So is there additional support provided from other sources, leveraged as a result of this \$10 million?

Ms Wall—Once again, it assists people in a holistic sort of way but the program itself is limited to advice, basically.

Mr Knapp—It is working with the families in the home situation to try to avoid—

Senator CARR—I know what you are trying to say to me, but I am just interested to compare whether or not this is a cost-effective way of spending public money. Have you got any advice for me on that?

Dr Harmer—Given that it prevents people going into a SAAP service and has them remaining in their home, not needing ongoing assistance, I would be surprised if it is not cost effective.

Senator CARR—I am sure it is useful, but I am just wondering how it is that spending \$2.5 million per annum to help 400 families in a small number of locations without appearing to leverage any funds from any other sources can be compared, for instance, to the support of \$120,000 to the legal service, which helped 600 people and leveraged \$1.3 million worth of pro bono legal assistance. Can you explain to me where the logic is there?

Ms Wall—We are talking about a different program.

Senator CARR—I know. We are still talking about public dollars. We are talking about trying to help people who are facing homelessness or who are homeless. I wondering whether or not this particular program, which was trumpeted by the minister at our last meeting, actually meets the claims made in that press release. Let us have a look at a few more of these so-called demonstration projects. What is the rationale for providing a limited service such as the HOME Advice Program? What is the thinking of the department behind that?

Ms Wall—It assists people to stay in their home and not end up as a homeless family. I should say part of the program can also assist in reducing and wiping out debts, so that is part of the context of the program.

Senator CARR—Is it part of the selection criteria for these so-called demonstration projects that there is a demonstration of sustainability beyond the life of the demonstration project funding?

Ms Wall—Yes, that is part of the criteria.

Senator CARR—What does it mean?

Ms Wall—It means that, because there is no Australian government commitment to funding beyond the life of the project, we need to ensure that the project has given us useful results or useful information or can be replicated elsewhere.

Senator CARR—So you expect that support for homeless people and people at risk of being made homeless develops some sort of self-funding mechanism? Is that the proposition?

Ms Wall—In some cases it may be that they can demonstrate to the state government that they would be effectively funded under SAAP or some other program.

Senator CARR—So is that the key that I have got to understand if I am to get my head around this? So you would set up a project and if it works really well and has really good outcomes then a state or territory government would have no real alternative but to pick up the funding on an ongoing basis. Is that the policy objective that you are really trying to get across here?

Mr Knapp—It is not the policy objective but at the same time obviously we talk with our state and territory colleagues and, where projects are successful through programs such as the National Homeless Strategy, then certainly we will be talking to the states and territories about putting them forward as projects that they should be interested in looking at and taking up. Obviously, we are all looking for ways of better meeting needs. Getting back to the HOME strategy, one of the issues there is the very point that I made earlier about the importance of trying to come up with prevention strategies, to try to avoid people becoming homeless in the first place. One of the aims of HOME, because of its focus on people in the actual family home, is working with them so that they are helped to avoid becoming another homelessness statistic. It is a very important project as an example of how we can be putting in place prevention strategies to avoid people becoming homeless at some later point in time. So it is consistent with the evaluation of SAAP 4 and it is consistent with the goals that we are trying to achieve.

Senator CARR—If it is so good why is it confined to eight localities?

Mr Knapp—Because it is a program that is still in its development stage. At this stage only limited funding was made available for the program, so we are operating it within the constraints of the funding that was provided to it. At this stage we are trialling it in different circumstances. Sure, it is across Australia but it is also in different locations from suburbs to larger city locations, so it is an opportunity to see how the program works in different localities across Australia.

Senator CARR—In reality, what you are saying though is that the states are going to have to pick these things up; if they are any good the states will pick them up.

Mr Knapp—Because it is a four-year program it will be evaluated and then it will be a decision for government as to whether they wish to continue with the program into the future.

Senator CARR—But how many of these projects have actually received ongoing funding?

Mr Knapp—The HOME project started off as the family homelessness prevention pilot, which the government introduced back in 2001. It was seen to be highly successful.

Senator CARR—So, for instance, how many legal services that received funding under the original grant have received ongoing funding?

Ms Wall—None that I am aware of, but they may have been funded from other sources.

Senator CARR—Which other sources? Are those the states?

Mr Knapp—The states have overall responsibility for homelessness programs. We assist through the funding that we provide through SAAP and we also undertake innovative projects, as we have indicated, through National Homelessness Strategy programs. But overall it is a state and territory responsibility.

Senator CARR—But the reality is that the states too have limited budgets. My reading of the figures suggests to me that they require a 15 per cent increase in funding just to maintain existing services to take into account the reductions in the Commonwealth's effective contribution. Where is this money for the states to fund these new projects going to come from?

Dr Harmer—State revenue such as the growing GST revenue and a whole range of others.

Senator CARR—Where is the money coming from for the new projects that you are offering at a regional level? I refer to the ongoing funding for those. Is that also coming from the states?

Mr Knapp—The HOME program?

Senator CARR—Yes.

Mr Knapp—No. The HOME program was funded by the Commonwealth.

Senator CARR—At this time.

Mr Knapp—Yes.

Senator CARR—But it is a project-by-project pilot study. You say that at the end of the pilot there is no money for ongoing funding. Is it the case that you also expect the states to pick up ongoing funding for those services as well?

Mr Knapp—The states and territories will have their own consideration about which projects they wish to fund under SAAP, and the work we are doing can help show new directions that they may wish to follow in terms of their own decisions about funding. But as we indicated, the aim of the National Homeless Strategy is to find innovative projects. It is not in itself designed as an ongoing funding mechanism for programs which are state responsibilities.

Senator CARR—Mr Knapp, I think the answer is, yes, it is the states.

Dr Harmer—No, the answer is no. There is no expectation on the part of the Commonwealth for the states to pick these up; it is up to them.

Senator CARR—Thank you. That concludes my questions on that particular program. I will now turn to the Commonwealth rent assistance program. Do you handle that as well? Can you provide me with an update of the review of the rental subsidies scheme? Where are we up to with that?

Ms Wall—I think the last time that we had estimates we spoke about some focus group work that we had undertaken, some consultations through focus groups. That work has been completed and it is feeding into a more comprehensive review of national housing programs and frameworks that is being done in consultation with the states.

Senator CARR—What is the time frame? I understand that the review task was supposed to be concluded by May. Is that right?

Ms Wall—The next report will be to the housing ministers conference in June.

Senator CARR—However, I understood that the framework is supposed to provide, by May this year, ways of identifying options in rental subsidy arrangements which support the growth of affordable housing through a not-for-profit affordable housing sector, including but not limited to Commonwealth rent assistance. Is that time frame still going to be met?

Ms Wall—That is work that is being done with the states. As I said, that is to be fed into the housing ministers conference in June.

Senator CARR—So will we know by June what the response is on that question?

Ms Wall—It depends on whether the housing ministers wish to announce it.

Dr Harmer—If the ministers wish to announce it—

Senator CARR—Yes, of course. Will the Commonwealth be in a position to present any proposals in regard to the enhancements or finetuning of the rent assistance at that meeting?

Dr Harmer—At this stage, we are not going to—

Senator CARR—You cannot speculate on that?

Dr Harmer—No.

Senator CARR—Is the review considering the option of providing a payment directly to the private sector landlords who provide affordable rental housing? Is that under active consideration?

Mr Knapp—It is a similar answer to Dr Harmer's answer.

Dr Harmer—In these areas that are in preparation for the ministers meeting it is not very wise for us to signal to you or the Senate in advance of telling the housing ministers, who have commissioned the work, what our thinking is.

Senator CARR—Is the Commonwealth still committed to developing strategies or programs for the national sector development plan for the not-for-profit housing providers? Is that still part of the agenda?

Ms Wall—That is part of the work that has been done in conjunction with the states, yes.

Senator CARR—What is the role of the Commonwealth in regard to that?

Ms Wall—We will be working with the states to draw together information that will be presented to the housing ministers in June.

Senator CARR—Are there any consultations with the community housing sector in that?

Ms Wall—Yes, there have been some consultations with representatives of the community sector.

Senator CARR—Is there a draft proposal being distributed? What is the nature of the consultations?

Ms Wall—It is being done at the moment by working groups. The Commonwealth is in fact not represented on that working group, so I have not been involved in the details of those consultations but I am aware that they have taken place.

Senator CARR—Why is the Commonwealth not involved in the working group?

Ms Wall—Because we will be involved with the final package, and we are just splitting the work up between the Commonwealth and the states because we have resource constraints.

Senator CARR—So it is a voluntary division of labour.

Ms Wall—That is right.

Dr Harmer—It is a very cooperative exercise.

Senator CARR—I can understand that. Before I turn to rent assistance for Aboriginal housing tenants, in terms of the development work, are you gathering information or is it your intention to put specific proposals to that meeting in June?

Dr Harmer—I do not think it is wise for us to sit here—

Senator CARR—You cannot even speculate that far.

Dr Harmer—No, I do not think so, because we have not yet designed the most appropriate format for putting the information to—

Senator CARR—I understand that. We will get the documents in due course, but I just want to know what the thinking was. In regard to the rent assistance for Aboriginal housing tenants, the *National Indigenous Times* reported in September 2005 that there were 4,000 tenants of the New South Wales housing office that had previously been advised by the Aboriginal Housing Office that they were not eligible for rent assistance, but they are actually eligible if their rent is above the threshold. Is that right? Are you aware of this particular matter?

Ms Wall—Yes, we are certainly aware of it. We have been working with Centrelink to address the issues, and we have largely addressed them.

Senator CARR—You have addressed them.

Mr Knapp—Regarding the people who are tenants of the Aboriginal Housing Office in New South Wales who have applied for rent assistance, the situation is that Centrelink has been working with the Aboriginal Housing Office to process all those claims and make sure they are getting the right entitlements.

Senator CARR—Why were they told that they were ineligible?

Mr Knapp—I understand that there may have been some advice provided by the Aboriginal Housing Office that was unclear as to their entitlement and, as a result, some of them may not have been aware that they were entitled to rent assistance. But that was some time ago now, and that has all been clarified.

Dr Harmer—They were not told by us, as far as I am aware.

Senator CARR—So there is just a mistake.

Mr Knapp—The advice that was provided by the Aboriginal Housing Office was incorrect, it seems.

Ms Wall—The issue really is around the confusion over whether they were paying public housing rent according to the Social Security Act 1991 or whether in fact they were in community housing.

Dr Harmer—Having said they were provided with incorrect advice, I think it is a rather complicated issue—it was not straightforward.

Senator CARR—But Centrelink—I think just last night—advised that their policy questions are handled by you. Is that right?

Dr Harmer—Correct.

Senator CARR—And the decision whether an Aboriginal housing provider is actually a government body or a community or a private housing provider is a matter for you.

Dr Harmer—Correct.

Senator CARR—Can you provide me with details as to the other criteria on which you assess those projects?

Mr Knapp—Yes. Section 13 of the social security legislation lays out the definition, and we can provide you with the extract of that section.

Senator CARR—That would be appreciated. Can I just confirm this, because this is a matter that was dealt with at the Centrelink estimates last night: there appears to be a situation where there is different treatment for Aboriginal tenants between different states in the Commonwealth under a Commonwealth program.

Mr Knapp—The issue depends on the definition of the structure of the provision of housing between different states. In some states it is public housing, and in those circumstances the tenants in public housing are not eligible for rent assistance because of the support that the Commonwealth provides through the CSHA for public housing. In other

situations where it is a community housing organisation, such as the Aboriginal Housing Office, the tenants within that organisation may be eligible for rent assistance, depending on their circumstances.

Senator CARR—It sounds like you have people who have very similar social conditions being treated differently under a Commonwealth program.

Dr Harmer—It depends on the nature of their tenancy agreement and the structure—

Ms Wall—The structure of the organisation.

Dr Harmer—of the organisation.

Mr Knapp—If the organisation is a separate legal entity from the state government housing organisations then the tenants may be eligible for rent assistance.

Senator CARR—Are you considering this issue as part of the current review of the rental subsidy schemes?

Ms Wall—We have certainly identified some administrative issues where there was room for improvement. In a sense, as part of that project we would have done it anyway.

Senator CARR—Can you explain to me how the situation of tenants in an Aboriginal housing organisation is significantly different from that of tenants in community housing?

Dr Harmer—As we said, it will depend entirely on the relationship they have with the body that owns the houses. If the body that owns the houses is a public housing authority, they are not eligible for rent assistance. If the body that owns the houses is a community organisation—and I am sure there are more complexities than this, but in general terms—they are entitled to rent assistance. I think that is right.

Ms Wall—Yes.

Dr Harmer—There is more complexity than that, but that is in general terms.

Ms Wall—We basically have to follow the requirements of the legislation.

Senator CARR—I understand that there are going to be some further tripartite discussions between Centrelink, you and the Aboriginal Housing Office. Is this right?

Ms Wall—We quite regularly have conversations with Centrelink and, yes, over this issue we have certainly had conversations with the Aboriginal Housing Office too.

Senator CARR—Are we likely to see as a result of this kerfuffle that the Aboriginal Housing Office will change the way in which it sets rents or determines rent rebates?

Dr Harmer—It would be very unwise for us to speculate on what might happen.

Senator CARR—You have not been advised that that is the case?

Ms Wall—That is largely their responsibility.

Dr Harmer—It is their responsibility.

Senator CARR—You would expect it, though, wouldn't you?

Dr Harmer—It is up to them.

Senator CARR—Are there any other states where Aboriginal housing is community housing?

Ms Wall—There are different structures between states and sometimes within states.

Senator CARR—So you may find tenants in the one state being unable to access assistance if they live in community housing. Is that what you are saying?

Ms Wall—In community housing in general, people are eligible for rent assistance.

Senator CARR—So they will be all right. But if they live under other regimes in the one state—both tenants have the same circumstances but there are different structures in their housing organisation—they may be ineligible?

Ms Wall—It is according to the definition in the Social Security Act. Yes, if it is a different legal structure.

Senator CARR—I am wondering if you have received a copy of some correspondence sent by Mr Gary Hardgrave, the Minister Assisting the Prime Minister and the Minister for Vocational and Technical Education. Have you seen correspondence he sent to the Queensland minister for housing in November 2005 forwarding correspondence from a constituent who expressed concern about an increase in the rent without the full assistance of the rental subsidy?

Ms Wall—I am not aware of the specific issue.

Senator CARR—You are not aware of that. You have not seen that correspondence?

Ms Wall—I do not recall it.

Senator CARR—You are not aware of any discussions with the Minister Assisting the Prime Minister, who does not seem to be aware of rent assistance. It is actually a Commonwealth responsibility. Has he passed this on to any Commonwealth minister, that you are aware of?

Dr Harmer—It is possible, but Ms Wall has no recollection, so we will have to—

Senator CARR—Thank you very much. That concludes my questions.

Dr Harmer—Do you want to provide us with something on that?

Senator CARR—I will come back to you on that. Thank you very much.

CHAIR—I do not think there are any other questions in outcome 2, unless you have some Senator Siewert. It has been brought to my attention that Senator McLucas has some questions in this area but she is not here at the moment.

Senator SIEWERT—I do have a couple. I apologise for coming in late. I have been next door at another hearing. If I ask a question that has already been asked, I apologise. With respect to one of the questions that I asked on notice last time, you provided an answer—I am sorry I have not got the number of it—and you responded by saying that the current government response to welfare housing has been substantially delivered at a national level through three principal programs and you listed the programs. Can you define what you mean by ‘welfare housing’?

Dr Harmer—Traditionally the government has defined welfare housing as the housing support they provide through the Commonwealth-State Housing Agreement, which is between \$900 million and \$1 billion per year to the states, part of which is matched. It is public housing.

Senator SIEWERT—Welfare housing means public housing. Is that right?

Mr Knapp—It is public housing. It is also community housing. It would also include the housing the states provide. State owned and managed Indigenous housing and also crisis accommodation dwellings would all be funded through the Commonwealth-State Housing Agreement.

Senator SIEWERT—Does it also mean housing that you provide for people with disabilities? Is that covered under that as well?

Mr Knapp—The states provide disability accommodation and that is funded through the Commonwealth State Territory Disability Agreement.

Dr Harmer—It may be in different circumstances referred to as welfare housing but generally it is not because it is housing with support; it is usually supported housing or supported accommodation.

Senator SIEWERT—So supported accommodation is not included in that category?

Dr Harmer—People have different definitions of welfare housing. It is a very broad term.

Senator SIEWERT—That is why I was trying to check.

Dr Harmer—Generally when people talk about welfare housing they are talking about the housing provided by state housing authorities, which are the public housing authorities in each state.

Senator SIEWERT—What government policies specifically address affordable housing?

Mr Knapp—The Commonwealth-State Housing Agreement is a source of funding that we provide to the states and territories for the provision of housing. Through the rent assistance program we also provide support for people to be able to get into the private rental market. There is a range of those sorts of programs that are there to assist people find appropriate accommodation. It is not so much affordable housing; it is more the programs the Commonwealth has in place to assist people with housing.

Dr Harmer—And there are lots of other interventions that the Commonwealth would argue help to provide housing which is affordable. Sometimes with home ownership, there is the First Home Owners Scheme. There is probably no better contribution the federal government can make than keeping interest rates low because that keeps housing purchase affordable. So there are lots of elements to that.

Ms Wall—And some of the elements are delivered by the states as well.

Senator SIEWERT—In answer to a question, you say you have substantially delivered at a national level on housing policy. What do you feel is still to be delivered?

Ms Wall—I think in that context, as Dr Harmer just said, there is a broader economic and social policy context which also adds to the delivery of affordable housing. So we are working in that context.

Senator SIEWERT—Is the government considering any other ways that they can be addressing housing policy in Australia?

Dr Harmer—As Ms Wall said in answer to some questions from Senator Carr, there is a housing ministers conference in June this year. The housing ministers have asked Commonwealth and state officials to do some work for them so that they can consider the next stages in developing responses to make housing more affordable.

Senator SIEWERT—Because I was not here I did not hear Senator Carr's questions but, if he has asked a substantial number of questions around that—

Dr Harmer—Yes, he has.

Senator SIEWERT—I will look at the *Hansard* instead of asking you the same questions. Do you have guidelines for home ownership on Indigenous land?

Mr Knapp—That is an issue within the Indigenous housing area. There are a range of programs there. Through the Community Housing Infrastructure Program we provide assistance to individuals to be able to purchase their own homes. With the recent announcement by Minister Vanstone, we are now looking at supporting the purchase of homes on community land. Whilst funding has been made available for that, it is yet to get started.

Senator SIEWERT—How much funding has been made available for that?

Mr Knapp—There is \$5 million that has been set aside from within the CHIP for 2005-06 for us to assist in terms of discounts on the purchase price of homes for Indigenous people on community land.

Senator SIEWERT—Why has it not started yet?

Mr Knapp—It requires relevant legislation be put in place by both the Australia government and the Northern Territory government and then discussions with the individual communities about their willingness to have individuals on that land purchase their own homes.

Senator SIEWERT—So that is not going to start until that legislation is—

Mr Knapp—That is my understanding.

Senator SIEWERT—Beyond the legislation, what are the guidelines? I am taking it as read that there will be guidelines.

Mr Knapp—The guidelines are going to be similar to the guidelines that exist already with individuals who may be living in a home that has been funded through the CHIP—the Community Housing Infrastructure Program—to enable them to purchase that home. We would imagine similar guidelines on the size of the discount that would be available if they wish to purchase the home. Ms Dawn Casey is the branch manager of that area; she might like to add something to that.

Ms Casey—I look after the Indigenous Housing and Infrastructure branch. There will be guidelines. The responsibility of FaCSIA in the announcement of the package is around the discounts that will be provided to people living on community title land. Through a joint project with Indigenous Business Australia, who are part of the DEWR portfolio, they will provide the loans and the funding arrangements. So it is a joint project.

Senator SIEWERT—So it is a joint project. You will provide the guidelines and they will—

Ms Casey—No, we will provide up to the stage we have quarantined—\$5 million—which is available to assist with the discounts that are provided. The remainder of the funds are provided through IBA or through commercial loan arrangements.

Senator SIEWERT—Sorry, I misinterpreted what you said. It is being administered through that program.

Ms Casey—It is a joint project with IBA and FaCSIA whereby somebody who is living on community title land would apply to buy their house and go to IBA to obtain their financial arrangements for the loan and they would apply to FaCSIA to have a discount put onto the arrangement.

Senator SIEWERT—So it is not a one-stop shop?

Ms Casey—We work very closely with IBA, so they would be applying to IBA and applying to us jointly at the same time.

Senator SIEWERT—I was wondering whether they go through two separate processes, but I see they can do it at the same time. I am not sure if I misheard what you said to begin with when you were answering the question. I thought you said there was another way in which you were working on home ownership.

Mr Knapp—There are already discounts available through the broader Community Infrastructure Housing Program. So Indigenous people who do not live on community land but who have a house that was funded through the Community Housing Infrastructure Program already have the opportunity to purchase their home, if they so desire, and to be offered a discount if they meet the criteria. In a sense, what we are doing is extending an existing program to make it available where people live on community land, so it is an extension rather than a new program per se.

Ms Casey—There are guidelines under which people are eligible for that. They are primarily around their length of tenure and having a good rental history.

Senator SIEWERT—So that is for the existing program. Are there going to be different guidelines on community land?

Ms Casey—They will be similar. We are looking at those at the moment. We are looking at those guidelines as part of the CHIP review anyhow. We will be looking at making them consistent whether it is community title land or freehold land.

Senator SIEWERT—Are you anticipating that there might be, whether it is freehold or community held land, slightly different circumstances where you would need different guidelines?

Ms Casey—No. We are currently developing the guidelines in conjunction with IBA, who are well aware of our current guidelines. I guess what we would be looking at is ensuring consistency and making sure that there is no discrimination.

Senator SIEWERT—What is the consultation process with Indigenous people in the guidelines?

Ms Casey—It depends which guidelines they are. As for what we are currently doing with home ownership on community title land, because this is a new initiative that has just been announced, there is some money set aside to consult with the community. We have actually also just gone out to tender for some research into affordable housing, primarily on community title land. We are now finalising the tenders that went out for that. That would be a joint thing that we would be doing with IBA. So that whole project is being looked at as to how we move forward with it. The current guidelines around the home purchase incentive scheme have been in place as part of CHIP and the CHIP guidelines for several years. We are now reviewing those and are looking at what has worked and what needs to be changed.

Senator SIEWERT—So there is a pot of money to use to go out and actually consult with Indigenous people?

Ms Casey—That was part of the \$5 million that was quarantined. We are using some of that money and, should the legislation be changed, the remaining dollars could be used to assist.

[3.33 pm]

CHAIR—As we have no more questions on outcome 2, we thank the officers involved with outcome 2 and move now to outcome 3, Seniors, people with disabilities, carers, youth and women are supported, recognised and encouraged to participate in the community.

Senator CHRIS EVANS—Can I start by asking a question about your general funding arrangements with bodies. You are increasingly funding a whole range of organisations. I suppose this may be an overview, in a sense, but I am trying to understand how you regularise or handle all the community groups you are funding.

Dr Harmer—Are you speaking about the funding we provide to national secretariats?

Senator CHRIS EVANS—No, the Active Foundation, the Adelaide Central Community Health Service—the thousands of FaCSIA funded bodies.

Dr Harmer—I think you are talking about programs we fund under our various community program grants, which are in outcome 5.

Senator CHRIS EVANS—Is it the community grants, though? They are a separate program again, aren't they?

Dr Harmer—We have a number of programs in outcome 5 where we fund organisations.

Senator CHRIS EVANS—I will do it under outcome 5. I was going to ask you about the community grants there as well, but I thought these were funded differently—all your Red Cross funding et cetera.

Dr Harmer—If you give me a few more examples—Active Foundation and so on.

Senator CHRIS EVANS—I go to FaCS funding agreements listed relating to the period 1 July 2004 to 30 June 2005 and funding agreement value—you produced a list for the Senate of all those funding agreements. I was just looking at that. That is not your community grants scheme, as I understand it. It is separate.

Mr Barson—Is the table that you have there of grants that have been made to—

Senator CHRIS EVANS—It is the one you provide under the Senate order—agency contracts. I am going to ask you some questions about the community grants scheme, but more and more you have a whole range of grants. I am just trying to get a handle on them. I shall move on while we are waiting. I want to ask about the indexation of the age pension and about MTAW. I always struggle with MTAW. You have a statement in your additional estimates at page 55 which says:

Total resourcing in 2004–05 for Outcome 3 is estimated to be \$25,442.9 million which represents an increase of \$168.4 million on the estimates resourcing at the 2005-06 Budget. The increase largely reflects changes to Treasury forecasts of indexation parameters particularly for Male Total Average Weekly Earnings (MTAW).

Can you tell me how that works and why there is such a large variance?

Mr Hartland—The estimates were based on predicted MTAW parameters. Since those earlier estimates were supplied, those parameters have been changed and, thus, we have a higher estimate.

Senator CHRIS EVANS—I guess what I am trying to understand is whether that is based on, say, an higher number of age pensions than you predicted, or is it purely based on MTAW indexation changing?

Dr Harmer—It is probably the latter. There is a very big number of age pensions and a small change to the index delivers a very big number.

Senator CHRIS EVANS—Don't I know it! At every election people ask, 'Are you going to increase the pension?' When you work out the maths, you always lose the argument.

Mr Hartland—There is a whole series of pluses and minuses. There is a small minus around us having fewer customers coming on this year than we thought. But there is a major increase because MTAW was higher than was estimated at the time the estimates were produced.

Senator CHRIS EVANS—So the majority of the increases related to the change in the MTAW?

Mr Hartland—Yes.

Senator CHRIS EVANS—Can you take me through what the changes to the MTAW were, between the projected and—

Mr Hartland—Other than saying they were higher than we thought they would be, no.

Senator CHRIS EVANS—Even I could work that out! I was hoping you could explain to me why they are higher.

Dr Harmer—It is a Treasury index server. I suspect we are not even aware of all the detail, are we?

Mr Hartland—We could derive it, but I do not have that figure with me.

Senator CHRIS EVANS—You are telling me that the vast majority, to use your words, of the cost was driven by MTAWA—

Dr Harmer—The change in the MTAWA index, yes.

Mr Hartland—But Treasury is certainly responsible for predictions of what the MTAWA level will be. We do the indexation when we know what the actual level will be. Certainly, for the estimates, that is a Treasury parameter.

Senator CHRIS EVANS—What you are saying is that the increase in the MTAWA predicted by the Treasury was higher than originally predicted?

Mr Hartland—Yes.

Dr Harmer—It must have been, because that is what explains the \$168 million addition.

Senator CHRIS EVANS—So they estimated, say, three per cent. It was 3.5 per cent. Therefore, it costs you more in age pensions. Is that the logic?

Mr Hartland—Yes. That is exactly right.

Senator CHRIS EVANS—And your only involvement is they advise you of that and you adjust your pensions accordingly?

Dr Harmer—We adjust the estimates.

Mr Hartland—We adjust the estimates. There is a distinction between the estimates and what is actually paid. We do the indexation to the actual payments using ABS figures for MTAWA. But in terms of the government's forward estimates of what will be spent, those parameters are a Treasury responsibility. We do not model what MTAWA will do in the future.

Senator CHRIS EVANS—In terms of your involvement, how do you apply the MTAWA to the pension and change the pension rates? How often, how do you do it and when?

Mr Hartland—We do it twice a year, in March and September. We look at both MTAWA and the CPI and ensure that the pension is at least 25 per cent of average weekly earnings—the single rate of pension.

Senator CHRIS EVANS—But which figure do you use, at what stage and when do you apply that to the pension? I know you adjust the pension twice a year. In what period is MTAWA calculated and when is that applied?

Mr Hartland—On the indexation point in March, for the CPI we use the six months to the previous December and we use the MTAWA figure from the previous November. The dates are for the ABS publications covering those.

Senator CHRIS EVANS—So it might be a variable date in November for the MTAWA?

Mr Hartland—The ABS publication is released in November.

Senator CHRIS EVANS—When do they calculate that?

Mr Hartland—I do not know.

Senator CHRIS EVANS—I will get that from ABS.

Mr Hartland—I was going to say prior to November.

Senator CHRIS EVANS—That is very helpful, Mr Hartland!

Mr Hartland—We try to be helpful!

Senator CHRIS EVANS—I know that public servants have a very low estimate of the intelligence of senators, but even we figured that out! So you do the March calculations based on the MTAWWE and CPI from the end of the previous year. What do you base the September figure on?

Mr Hartland—The CPI figure is based on the six months to the previous June and the MTAWWE figure on the previous May.

Senator CHRIS EVANS—When do you apply the change—from the first pay in March and September?

Mr Hartland—Yes. The indexation points are 20 March and 20 September, so it will be the first pay following that.

Senator CHRIS EVANS—So they are set dates?

Mr Hartland—Yes.

Senator CHRIS EVANS—The first pay after that. The adjustment is made effective from the 20th, wherever that falls in the pay period?

Mr Hartland—Yes.

Senator CHRIS EVANS—So for the first pay period, it might be part of the old rate and part of the new rate?

Mr Hartland—Yes, that is right.

Senator CHRIS EVANS—What is the interaction or purpose of using the CPI and the MTAWWE?

Mr Hartland—It is to ensure two things. One is that the single rate of pension is at least 25 per cent of the male total average weekly earnings. In addition, we look to the CPI to make sure that if, for example, average weekly earnings had been flat and the CPI had increased, it had adjusted to at least the CPI so that pensions are maintained in real terms and do not fall below 25 per cent of MTAWWE.

Senator CHRIS EVANS—So there are two criteria that have to be met, aren't there?

Mr Barson—Yes.

Senator CHRIS EVANS—So if MTAWWE was flat or reduced, you would apply the CPI figure six-monthly to the rate, even if that took it to 28 per cent of the MTAWWE or whatever?

Mr Hartland—Yes.

Senator CHRIS EVANS—So in a period of falling wages, theoretically that prevents the pension falling?

Mr Hartland—The pension will not fall in real terms, yes.

Senator CHRIS EVANS—It will be adjusted by the CPI, which in a period of falling wages, may well be a higher figure—

Mr Barson—That is correct.

Senator CHRIS EVANS—but in recent times has been a much lower figure?

Mr Barson—That is correct.

Senator CHRIS EVANS—Thanks for that. I just wanted to make sure I understood the logic. Can I get an idea of how many people are now registered under the Pension Bonus Scheme.

Mr Hartland—More than 95,000 people have registered with the scheme since it began in 1998.

Senator CHRIS EVANS—How many are currently registered?

Mr Hartland—I am not sure that I have those figures with me, Senator.

Senator CHRIS EVANS—It would be a subset of that, I presume. Some people would have registered and then gone off?

Dr Harmer—It would be less than that number.

Mr Hartland—It would be less than that number. Because the scheme operates over time, there would not be great demand. There would be a lot of current registrations.

Senator CHRIS EVANS—Maybe you can take it on notice. If you find it as we are talking about it, you might let us know. What about the differences in terms of people registered as singles or as couples?

Mr Hartland—We could take that on notice.

Senator CHRIS EVANS—Have you got a guesstimate? I am just trying to get a sense of it. I am not holding you to the figure. You can take it on notice.

Mr Hartland—I cannot see a reason why it would be greatly different to the singles and couples in the pension population as a whole. Having said that—

Senator CHRIS EVANS—I think we will say you do not know and you will take it on notice.

Mr Hartland—Yes.

Senator CHRIS EVANS—We never encourage public servants to guess because it is probably like me trying to find the right outcome order; it is fraught with danger! Is there any sense, though, of the scheme growing, with the take-up being higher? Obviously, in the early days people thought it was slow to take off. I want to get a sense of whether the scheme is growing or what the trend is, basically.

Mr Hartland—The scheme is growing. You are right: it was from a slow base. In 2004-05, we paid nine per cent more bonuses than in 2003-04. The average at the moment that people are receiving is more than \$11,000. So the performance of the scheme is improving.

Senator CHRIS EVANS—That is the average payment you are making—\$11,000?

Mr Hartland—Yes. That is the average bonus.

Senator CHRIS EVANS—And when do you pay the bonus?

Mr Hartland—When the person applies for an age pension.

Senator CHRIS EVANS—That is when they make the delayed application for the age pension?

Mr Hartland—Yes.

Senator CHRIS EVANS—And you pay that as a lump sum?

Mr Hartland—That is right, yes.

Senator CHRIS EVANS—And how is that treated in terms of their income for the year?

Mr Hartland—It is tax free. We do not reduce their pension because of that.

Senator CHRIS EVANS—That is the attraction: it is tax free at the time. My only dealing with this in terms of constituents is complaints about missing the deadline. They walk in and someone says, ‘No, you should have applied for that a month ago and you’ve missed the deadline.’ I think we raised this at estimates in previous years, although I have not been coming to the ones dealing with FaCS so much in recent times. But that was certainly an issue earlier. Has there been a change in the eligibility requirements or time frame?

Mr Hartland—I believe there is some administrative flexibility that Centrelink is able to exercise in some circumstances about people who have missed the deadline. But I would want to check and come back to you on that just to make sure that my memory is not playing me false.

Senator CHRIS EVANS—That is certainly not the experience of my constituents. They walk in and say, ‘No, Centrelink said I’m a week late to register.’

Mr Hartland—This was a problem early in the scheme. It may be something that we have looked at and rectified. But I would like to check that to make sure I am not thinking about another issue.

Senator CHRIS EVANS—It certainly was raised earlier, but I also got one the other day. I do not know whether that was just Centrelink applying old procedure or whether it is still a problem. That is why I was interested in whether you have made any changes. But I think it was something like if you had not registered within three months of reaching the age, you were automatically excluded.

Mr Hartland—Let me check what the provisions for applying are.

Mr Barson—We will confirm that during the session.

Senator CHRIS EVANS—Thanks for that. Can I ask about the senior concession allowances. Looking at the estimates, it seems there will be quite a jump, from about \$58 million last year to \$63 million this year. It is about a 10 per cent jump. Is that due to increased take-up? Can you explain the increase for me.

Mr Hartland—Yes. The take-up has been slightly higher than we thought. That payment depends on your holding a Commonwealth seniors health care card. The take-up of that has been slightly higher than we estimated—we think because of the attraction of the seniors concession allowance.

Senator CHRIS EVANS—Because of the what?

Mr Hartland—The increased expenditure on the seniors concession allowance reflects an increase in projections for Commonwealth seniors health care cardholders. We think that, somewhat circularly, people are applying for that card more often because this new payment has become available and because of the publicity associated with the payment.

Senator CHRIS EVANS—Do you think they are applying for the health card at a greater rate so as to access—

Mr Hartland—The allowance, yes.

Senator CHRIS EVANS—the allowance. I would have thought the take-up on the health card was pretty strong. I know a lot of people who organise their finances to access it. There seems to be a growing business in financial management in ensuring that occurs. I am a bit surprised by the suggestion that anybody who does not have some way of getting the health card has not already organised it. That seems to be my experience.

Mr Hartland—Nonetheless, the estimates have changed.

Senator CHRIS EVANS—The estimates have changed. So it is not due to indexation of the payment or increases in the numbers eligible? It is just a take-up projection?

Mr Hartland—Yes, that is right. It is a revision to our estimates given the higher than expected take-up.

Senator CHRIS EVANS—Was that because fewer people applied in 2004-05 than expected?

Mr Hartland—No, I do not believe so.

Senator CHRIS EVANS—So it was not a delay factor as people learnt about it?

Mr Hartland—I have not talked to people on that level of detail. The advice I had was that it was a higher than expected take-up. But I have not asked them whether the higher than expected rate was because we were coming off a lower than expected base. It certainly has not been raised in our discussions.

Senator CHRIS EVANS—Can you take that on notice for me?

Mr Hartland—Yes. We will double-check it.

Senator CHRIS EVANS—The telephone allowance running off the seniors health card seems to be going the same way. There is a 13 per cent increase, from 13 million to 15 million. Is that—

Mr Hartland—The same logic applies, yes. The greater than expected take-up of the Commonwealth seniors health care card is, we think, because of the attraction of the seniors concession allowance.

Senator CHRIS EVANS—Have you any evidence for why you think the concession allowance is driving these things?

Mr Hartland—We have received a lot of positive feedback from the seniors concession allowance initiative, so it is clear that it is highly valued by self-funded retirees. I think it tells

you that that group of seniors values the contribution that the government is making to their finances.

Senator CHRIS EVANS—Again, that is driven by what you think will be an increase in take-up?

Mr Hartland—That is correct.

Senator CHRIS EVANS—The telephone allowance has been around since about 2001, hasn't it?

Mr Hartland—Yes, that is right.

Senator CHRIS EVANS—It is well known?

Mr Hartland—It is from around that time. But the seniors concession allowance is a much larger payment.

Senator CHRIS EVANS—So what has this done to your out-years estimates for those two measures?

Dr Harmer—We do not give estimates for subprograms for the forward estimates, only the program level.

Senator CHRIS EVANS—That explains why I could not find it, Dr Harmer.

Dr Harmer—It does.

Senator CHRIS EVANS—We have had this conversation before.

Dr Harmer—Yes.

Senator CHRIS EVANS—And I did not have any luck last time. If nothing else, I am persistent! In a general sense, what is the department's view about what is likely to happen? These are quite large percentage increases. Has anyone given you information about the health card take-up? I will not hold you to it. I am just trying to get a sense of it.

Dr Harmer—No. We will try to give you a sense of the direction. I said I would when I talked about not being prepared to provide a subprogram breakdown. I said that, where we can, we will provide some indication. The general answer, and it is an estimate, is that we think we have had the jump up and there will probably be normal growth from there.

Senator CHRIS EVANS—Normal growth associated with the ageing of the population?

Dr Harmer—That is right.

Senator McLUCAS—The last time we had estimates, Senator Patterson talked about one FaCS. It was when we got to this point in the discussion. I am not sure that one FaCS sits in 3. Is it a whole-of-portfolio matter?

Dr Harmer—It is a whole-of-portfolio matter in outcome 1—

Senator McLUCAS—We have already talked about that.

Dr Harmer—which has now passed, indeed.

Senator McLUCAS—There is something I need to clarify in the additional estimates statements on page 27. It is a measure I need some explanation of. At the bottom of the page it says:

Superannuation—modification of allocated pension drawdown factors.

There is one beneath it:

Superannuation—modification of market linked and other life expectancy income streams.

Mr Hartland—The first measure relates to the formula that is used to calculate how much should be paid per annum for someone who receives an income stream. When you buy an income stream with a lump of capital, if you like, there is a formula which determines how much you get each year. There was a risk that the old formula did not reflect increasing life span so it was looked at again and updated to reflect the fact that people are living longer and, therefore, need to change the rate and the distribution of how they draw down an income stream. It is mainly a superannuation issue, but it has impacts for our payments because in effect what has happened is that what customers drawn down in the first year decreases slightly but the money lasts longer. So in the early years, if they are at a level where they would be eligible for some age pension, they therefore get a bit more age pension. So it is a cost to us.

Mr Barson—It is a consequential effect.

Mr Hartland—There are benefits, of course, to our program in the future because if they do get to the end of the income stream, they are likely to be able to support themselves with their own savings. So that is the first one.

Senator McLUCAS—Absolutely clear. Thank you.

Mr Hartland—The second was the capacity for some new products to meet our criteria for getting a generous treatment under the means test. A discount applies to income stream products under the assets test. In order to get that discount, you have to meet some criteria. The range of products that were able to get that criteria was expanded to what is called market linked products, which basically means products where the amount you get can go up and down depending on how your shares or assets are performing. Previously that was not available. It is something the industry thought ought to be made available, and government agreed. The cost to FaCSIA is also around the fact that the people who would be moving on to these products are also moving on to the new formula for allocating the money. Therefore, you get the same effect. They would be drawing down more now and less later. That now reflects the longevity risk.

Senator McLUCAS—Thank you. I recognise they are not large numbers, but I just needed an explanation of what they were. I think I might be traversing the same issue that Senator Evans traversed and about which I think we have talked before. On page 125 of the agency's portfolio budget statements, the PBS, under departmental appropriations in output group 3.1, can you give me an explanation of what is included in each of the amounts for policy services and program management and service delivery?

Dr Harmer—We will just get the CFO.

Mr Barson—While he is coming, there are ways in which we try to measure within the department the sorts of things we are working on and to attribute the operating costs of the department and staff to various sorts of activities. Mr Youngberry will be here in a moment. Hopefully he will be able to explain how those items are defined. That is what they are. They are essentially part of the scheme for finding whether the thing you are working on and spending time on relates to either a policy services question or a service delivery question. So it is an apportionment mechanism.

Dr Harmer—I stand to be corrected, but it is salaries of staff working on policy development versus service delivery, I think.

Mr Barson—Yes, that is correct. So it is a way of trying to explain the sorts of things that we are spending our staff's time on. We are also able to look across our programs and at where the current level of effort is going to see whether the overall effort is more towards a policy adviser role or towards the management of service delivery. I am told I have answered it.

Senator McLUCAS—Right. Well done!

Mr Barson—If it made sense to you, it is good. Does that explain it?

Senator McLUCAS—Sufficiently, yes. Sorry to drag you all this way, Mr Youngberry. Other than that, I have no more questions on 3.1.

Senator CHRIS EVANS—I want to ask about the seniors health card. I have asked a couple of questions before on this, but it had probably more of a Centrelink focus. What occurs when people have received a health care card and are no longer eligible for it? You issue it. What process occurs when people lose their entitlement and it is returned? What auditing or contact do you have with people to ensure that if they are no longer eligible, they do not continue to hold it?

Dr Harmer—It is primarily a question for Centrelink.

Senator CHRIS EVANS—But you are the policy guys.

Dr Harmer—We are. But we are not the practice guys that have the negotiation with individuals about cards.

Senator CHRIS EVANS—What is the policy?

Mr Hartland—The policy is that if they are no longer eligible for the card, they are no longer eligible to use it. Centrelink advises them that they should destroy the card.

Senator CHRIS EVANS—So Centrelink advises them to destroy the card. That is your policy decision—that effectively when they are not entitled to it, they cease access to it?

Mr Hartland—Yes. You can be entitled to a card—

Senator CHRIS EVANS—It is entirely based on an assessment of their income and other conditions. If that income and those other conditions change, they lose eligibility and they should not use it?

Mr Hartland—There are a number of ways you can get access to a pension concession card, a health care card or a Commonwealth seniors health care card. But, yes, you can get it

because you are getting an allowance. You can get it because you are getting one of our pensions. If any of those relevant conditions change, you are not entitled to use the card.

Senator CHRIS EVANS—But in terms of the enforcement of that, as it were, or the regulation or monitoring of that, that is purely within Centrelink's remit?

Dr Harmer—We provide the policy and the guidance to Centrelink and they action it, yes.

Senator CHRIS EVANS—Do you know whether there have been any efforts to cross-match?

Mr Hartland—For the vast majority of customers, the cross-matching would occur as part of their normal entitlement. So if you get the card because you are eligible for the age pension or another pension or allowance, the compliance regime that applies to that payment will pick up your eligibility for the card.

Senator CHRIS EVANS—So that should trigger the issue of whether or not someone is eligible for the health care card?

Mr Hartland—Yes.

Senator CHRIS EVANS—That is a process that would occur all within Centrelink?

Mr Hartland—Yes.

Senator CHRIS EVANS—As you know, I have a great interest in Great Southern Rail, hoping one day to use my pensioner card to take a ride on it. I know the previous contract expired on June 2005. Is there a new contract in place?

Mr Hartland—Yes. I have recently signed a contract with Great Southern Rail.

Senator CHRIS EVANS—I think when we asked Senator Patterson about that, she was saying that it has gone to an electronic confirmation system based on the actual travel, given the difficulties with the previous system. Can you tell me whether that is true, Mr Hartland, and how that works.

Mr Hartland—Yes.

Senator Patterson interjecting—

Senator CHRIS EVANS—Senator Patterson has a sixth sense. I should have made an outrageous attack on her while I was there. I missed my opportunity!

Mr Hartland—We check twice now. We check when the person books the travel. Great Southern Rail regularly sends us lists of the customers that have booked to travel under this concession. We check to make sure that they are a valid customer.

Senator CHRIS EVANS—You check or Centrelink checks?

Mr Hartland—I think we both do a bit, actually, in terms of the work flow. But it is reliant on Centrelink's customer confirmation service, yes. We also check six weeks prior to travel because sometimes you can book your travel some time in advance of actually travelling. We make sure that within reasonable parameters the person's status has not changed.

Senator CHRIS EVANS—So you do an initial check when they book and another one six weeks before they travel?

Mr Hartland—Yes.

Senator CHRIS EVANS—Is that what is meant by electronic confirmation system?

Mr Hartland—Yes. The electronic confirmation system allows Great Southern Rail to exchange data on the people who have booked with them. They provide their names to Centrelink to check whether they are entitled to a discount. So the system is really saying we can do this electronically now.

Senator CHRIS EVANS—So you actually check the pension concession card number?

Mr Hartland—I believe the matching is done on name.

Senator CHRIS EVANS—Just on name?

Mr Hartland—Yes.

Senator CHRIS EVANS—Do the concession cards or health care cards have numbers?

Mr Hartland—I am not certain. In any event, the system is done on their names. Centrelink is—

Senator CHRIS EVANS—It would be name and address.

Mr Hartland—now able to check quite readily on name.

Dr Harmer—And address.

Mr Hartland—If there is a number, I will come back to you.

Senator CHRIS EVANS—Name and address, effectively, you think. People argue about identity cards. Between pharmaceutical, Medicare and Centrelink cards, there is nothing really left, is there, not to mention the Commonwealth Bank; it seems to know more about me than I do. That is all from me.

CHAIR—Are there any further questions on 3.1? In that case, we will proceed to 3.2, Support for people with disabilities.

[4.12 pm]

Senator SIEWERT—I do not know if this is the appropriate area in which to be asking this question.

Dr Harmer—Try, and we will let you know.

Senator SIEWERT—I am interested in announcements made last week at COAG about increased funding being allocated for, in particular, young people with disabilities moving out of nursing homes into supported accommodation.

Dr Harmer—This is the right place.

Senator SIEWERT—I tried to look in the media releases that came out and I could not find an accurate figure of how much was committed. There was speculation in the media in the run-up to COAG, but I have not been able to tie down exactly what figure was allocated specifically for that.

Mr Wallace—The total funding committed across the Australian government and state and territory governments, I understand, was \$244 million in administered expenditure, half of which was the Australian government's contribution.

Senator SIEWERT—And has it been calculated how many places that money will deal with?

Mr Wallace—There has not been a calculation on a number of places that that will deal with. Three elements of the program were agreed between the Australian government and the state and territory governments. There would be a focus on existing young people in residential aged care. Where appropriate, we will look to have them moved into alternative accommodation if after consulting with them they are comfortable with moving.

Senator SIEWERT—Who are you counting as 'young'?

Mr Wallace—There are two thresholds. The agreement, again, at COAG between the Australian government and state and territory governments was that the initial focus of the program would be on people aged under 50. Beyond that, people between the ages of 50 and 65 are also considered young to be in residential aged care, and they could be a focus of the program as well.

Senator SIEWERT—Sorry, I interrupted you. You said there are three elements. There are the existing ones in aged care.

Mr Wallace—The first and most obvious is those young people in residential aged care who we would be looking to move into alternative accommodation, if that is something they are comfortable with doing. There may be a group of people in residential aged care who either choose not to move or for whom a move is not reasonable. We would look to provide additional services and supports to them in the residential aged care setting to make it a more appropriate set of services. The third element is to look at those young people at risk of moving into residential aged care to identify them early and to put them into more appropriate accommodation and support.

Senator SIEWERT—Has there been a decision on the percentage of money that you allocate among those three priority areas?

Mr Wallace—There has not yet been a decision on that. The process from here is that we would enter into negotiations with state and territory governments about the more day-to-day operations of the program. That will be governed through bilateral agreements with the Australian government and each state and territory government.

Senator SIEWERT—Do you have an idea how many people are in each of those three categories? I am looking at how much of the unmet need you will actually now be meeting.

Mr Wallace—We have a reasonable handle on the number of younger people in residential aged care through the statistics that the Department of Health and Ageing collect. There are around 6½ thousand people under the age of 65 and between 1,000 and 1,500 aged under 50. Quite what the split is in terms of people who might move, people who might stay and people who might be prevented from moving is difficult to determine as yet because we want to make sure there is a thorough assessment process provided to individuals before allowing them to decide what is in their best interests in relation to the program. We do not yet have

numbers or targets in terms of numbers of individuals in each of those three categories. That is something that will be worked out subsequent to assessments.

Senator SIEWERT—So 6½ thousand is the total number—

Mr Wallace—That is right.

Senator SIEWERT—of people in aged care facilities. Is that right?

Mr Wallace—Aged under 65 in residential aged care.

Senator SIEWERT—So there is under 65, and then 1,000 to 1,500 under 50?

Mr Wallace—That is right.

Senator SIEWERT—How do you know those figures? Is that from the aged care facilities?

Mr Wallace—I am not sure of the ins and outs of Health and Ageing's data collection, but I imagine that would be provided by residential aged care providers as part of their funding requirements with the Department of Health and Ageing.

Senator SIEWERT—Of them, you do not yet have a breakdown of how many will be going to category 2, which is wanting to stay in the facilities but have additional support?

Mr Wallace—No. We are not certain about that because at this stage we have not had an opportunity to have the assessment process with the individuals. So we cannot be certain how many people may choose to remain in residential aged care and how many may wish to move.

Senator SIEWERT—How is it envisaged that decisions will be made on expenditure of the money when you have people apply and on what criteria?

Mr Wallace—Well, the day-to-day operations of the program will be run through the state and territory governments. We envisage that, as I mentioned, the initial priority will be on young people aged under 50. In the first instance, they will be offered an assessment of their needs run through the state and territory governments. Once that process of assessment has occurred, we will be in a position to be clearer about exactly where the money goes and to which of the three elements of the program. At this stage, having only had the COAG announcement and not having had a chance either to have bilateral discussions with the state and territory governments or have the assessment process, we do not have a clear process around that. That is something we will be working out in the coming months.

Senator SIEWERT—If I understand the process correctly, there will be an assessment of approximately how many people fit into those categories, a refinement of that?

Mr Wallace—There will be an assessment of individuals and their needs, yes.

Senator SIEWERT—Then you will make a decision with the states?

Mr Wallace—With each of the states, bilaterally, that is right.

Senator SIEWERT—With each of the states about how you allocate that money. It may not be one-size-fits-all across the country?

Mr Wallace—That is entirely possible.

Senator SIEWERT—In WA, we may have, for example, more people in residential care. Is there the possibility that more money will then be allocated to that area?

Mr Wallace—My understanding is that cabinet decided that funding across the states would be distributed on a population basis, which is what is used under the Commonwealth State Territory Disability Agreement. But within each state, the way in which the funds are used across the three categories may differ.

Senator SIEWERT—That is what I mean, yes.

Mr Wallace—That is right.

Senator SIEWERT—So that is a possibility?

Mr Wallace—That is correct.

Senator SIEWERT—That will be contained in the bilaterals?

Mr Wallace—Exactly what will be contained in the bilaterals is difficult to say at this stage because we have to negotiate with the state and territory governments. But we would obviously, as the Australian government, be looking to have some level of reporting and assurance about what is happening with the Commonwealth's money.

Mr Knapp—In particular, that we are getting a net reduction in the number of people in nursing homes. That is a very important criterion.

Mr Wallace—That is right.

Senator SIEWERT—What is the timeline for the finalisation of the assessment and the bilateral?

Mr Wallace—The intention is that the program will be up and running by 1 July this year, meaning we are hoping to have bilateral agreements in place by July. Again, we will need to negotiate with state and territory governments how quickly the assessments can be done. I guess we imagine that there will be a rolling program of assessments. We would not expect all the assessments to be completed and then a decision taken about what to do but that there would be some assessments undertaken and decisions taken about how best to serve the needs of those people. So we expect it will be a rolling program, but the detail needs to be worked out in conjunction with the state and territory governments.

Senator SIEWERT—Obviously there are a lot of people involved from the NGO sector who have a very strong interest in this area. Will they be involved in some of the negotiation? I appreciate there are levels of bureaucracy involved as well.

Mr Wallace—That is right. Certainly not in the direct negotiations. But I expect that we would be looking to have some level of further consultation with the sector. There has been some consultation and discussion with the sector in the past. I imagine we would be looking for more input into the finer design of the program.

Senator SIEWERT—Thank you.

CHAIR—Is there any intention, as part of these changes, to attempt to restrict the number of people who are entering nursing homes after we move out the ones who are there? It would

be undesirable, presumably, to spend all this money on clearing them out of nursing homes only to have the places backfilled by other young people.

Mr Knapp—That is why I mentioned the point about it being a net reduction. The last thing we want to do is have a situation of churn, where this money is expended to get people who should not be in nursing homes out of them and then have them replaced with other people in a similar situation. An important part of the negotiations at the bilaterals will be making sure we get an outcome where not only young people who can move out of nursing homes actually do so but also that we are not seeing people coming into nursing homes who really should not be moving into nursing homes.

CHAIR—Indeed.

Mr Wallace—Certainly two elements have been agreed through the COAG discussions. One is that there will be a focus on prevention. We are very acutely aware of the fact that having a situation of churn is not in anyone's best interests. Both the Australian government and the state and territory governments are keen to see that net reduction. One of the three elements of the program allows some of the funding to be focused on preventing new young people from moving into residential aged care. We expect that one of the criteria on which the success of the program is assessed is whether or not there is a net reduction in the number of young people in residential aged care.

CHAIR—You might think about putting a ban on the acceptance of young people in nursing homes as part of Commonwealth funding conditions. It is just a thought.

Mr Wallace—We will talk to our colleagues in the Department of Health and Ageing.

Senator SIEWERT—If no-one else has a question, could I ask a supplementary?

CHAIR—Yes, Senator Siewert. Go right ahead.

Senator SIEWERT—Can you let us know what things the money can be spent on. Are carers and things like that included in this?

Mr Wallace—Again, the exact detail has not been worked out. But the expectation is that funding could be used on the range of things required to support a young person with disability outside a residential aged care setting. That may include capital costs in terms of the construction of appropriate accommodation or the modification of an accommodation setting to make it more appropriate as well as the recurrent costs, if you like, of care in that accommodation. That may include aids and equipment and the costs of a carer. We will also need to look at how those elements of the program interact with existing programs through the Commonwealth State Territory Disability Agreement so we are not doubling up. But in broad terms, the answer is yes, it can be used for both capital and recurrent costs.

Senator SIEWERT—Thanks.

CHAIR—Thanks, Senator Siewert. Further questions on output group 3.2?

Senator McLUCAS—I want to follow up on the issue of young people in nursing homes. When we did the inquiry into aged care through the references committee, we had a lot of difficulty ascertaining what the nature of the disability of those 6½ thousand people is. Does

this department have an understanding of the nature of the disabilities? As a result, does it know the potential cost of alternative but more appropriate accommodation?

Mr Wallace—I think it is fair to say we have some understanding and would like to have a clearer understanding. One of the things we understand through, again, Health and Ageing's data is that quite a number of younger people in nursing homes are there as a result of an acquired brain injury. That is quite a large element of the population. Beyond that, there is a mix of disability types in some of the more regional and remote areas that might be in residential aged care as a result of the fact that there is not any other alternative appropriate disability accommodation. So I expect there are some regional variances in the type of disability that results in a person ending up in residential aged care. That is information we are now working with the Department of Health and Ageing on refining. I understand that some survey work is being undertaken—a sample survey—of some younger people in nursing homes to get a better understanding of their circumstances and the nature of their disabilities and their care requirements. Hopefully it will feed into the design of the program.

Senator McLUCAS—Who is doing that survey work, Mr Wallace?

Mr Wallace—I will need to clarify exactly who is doing that. I do not have it in my head. I may have it in my briefings. I will check it and get back during the course of the hearings. It is something we have collaborated with the Department of Health and Ageing on in terms of getting some data. I understand it is being conducted through an external consultancy, I think, to the National Disability Administrators Group, but I will check that.

Senator McLUCAS—Thank you. I do not have with me the figure of the total allocation through the COAG agreement. It was—

Mr Wallace—It was \$244 million.

Senator McLUCAS—Over five years?

Mr Wallace—Over five years; that is right.

Senator McLUCAS—I suppose I am traversing an area that Senator Siewert already has. Given that a proportion is capital, has the department looked at how many people will be placed in more appropriate accommodation from that \$244 million over five years?

Mr Wallace—We have not come to a firm figure on that because of the variables we mentioned earlier. There are likely to be the three elements to the program: the movement; the better servicing within residential aged care; and the prevention component. Within the first component, we are not certain yet as to what the capital versus recurrent costs might be. That is why it is particularly important that very early in the program we have an opportunity to do an assessment of care needs of the people in the target group. That means we cannot be confident today of the exact number of people who may be moved because we are not sure how many will want to and what their needs will be. They are things we will be working out in conjunction with state and territory governments through the bilateral agreements and then as the process of assessment occurs.

Senator McLUCAS—Has the department any understanding of what it costs to keep an acquired brain injury person in shared accommodation?

Mr Wallace—We have a range of data through the Commonwealth State Territory Disability Agreement that gives us some suggestions about the annual costs. I have some of that in my briefing. In broad terms, I think the annual costs of having a person in a high-care situation outside residential aged care in recurrent terms is about \$83,000. I can confirm some of those numbers if I have an opportunity to flick through my folder.

Senator McLUCAS—If you flick through your folder, that would be useful, Mr Wallace.

CHAIR—This might be a suitable juncture at which to have some afternoon tea.

Senator McLUCAS—I think Mr Wallace is just about to tell me the high-care, medium-care and low-care costs of the different personnel. Mr Wallace, would you prefer to break now and come back?

Mr Wallace—I am happy to provide the answer after the break.

Proceedings suspended from 4.31 pm to 4.48 pm

CHAIR—We are in the midst of outcome 3.2. I think we have further questions from Senator McLucas.

Senator McLUCAS—Mr Wallace, I think you were about to tell us the costs you have been able to ascertain for caring for people with various levels of disability.

Mr Wallace—That is right. The costs I was referring to earlier were costs for high care and low care in residential aged care, which I do not have in front of me because they are Department of Health and Ageing numbers. What I do have is information on the average cost per service user of different types of disability accommodation. I have three categories here. The average cost of institutions and hostels is \$74,461. Group homes is \$83,098. Other accommodation services—

Senator McLUCAS—Can I just interrupt you. What was the first category called?

Mr Wallace—Institutions and hostels.

Senator McLUCAS—How did they define an institution in that category?

Mr Wallace—I do not have the definition in front of me. There are agreed definitions for the purposes of the Commonwealth, state and territory disability annual report. Data is provided as part of the national minimum dataset to the Institute of Health and Welfare, but the exact definitions I do not have in front of me.

Senator McLUCAS—I can get them from there.

Dr Harmer—It would mean multiple units in a big block, such as a hostel, compared to the second category, which was—

Mr Wallace—Group homes.

Dr Harmer—group homes, which are smaller.

Senator McLUCAS—Which are usually six or eight, maybe 10.

Dr Harmer—So it is about economies of scale and how many units are together. That would explain the difference, primarily.

Mr Wallace—That is right. The third category are other accommodation services. I understand this includes some portion of in-home support. The average cost there is \$18,883.

Senator McLUCAS—That comes back, though, to the question about the level of disability of the people currently or potentially in residential aged care.

Mr Wallace—That is right. As I mentioned earlier, we have some sense of that. We are hoping to get a clearer sense. During the break I was provided some further information on the National Disability Administrators project entitled Support Needs and Service Models for Younger People with High Clinical Care Needs. That has been conducted on behalf of the National Disability Administrators by Australian Health Care Associates. We are certainly keen to get a clearer understanding of the nature of disabilities and circumstances of people in residential aged care.

Senator McLUCAS—I will ask the department of health officers what they know about the numbers. That is all I have on young people in nursing homes. I want to follow up the National Audit Office report into the operation of the CSTDA. Mr Wallace, do you want to make a statement?

Mr Wallace—I am happy to wait for the questions.

Senator McLUCAS—At the last estimates, we looked at the issue of coordination across other portfolio areas. You gave us an indication that you had written to the Department of Veterans' Affairs. Can you tell us how that negotiation and discussion is proceeding?

Mr Wallace—Certainly. I might start, as I did at the last hearings, with a broad statement and then move to the specific details. In a broader sense, since the last hearings, the department has drawn together an interdepartmental committee to look at the performance under the current Commonwealth State Territory Disability Agreement and what the options are for any further agreement there may be around disability services. One of the terms of reference for that group is to consider the recommendations of the ANAO in relation to both performance monitoring and outcome reporting, particularly under the state and territory government services. So in a general sense we are looking to follow through on the recommendations of the audit through that process.

There is quite broad representation on that committee. It is chaired by one of the department's deputy secretaries, Stephen Hunter, and representatives from Health and Ageing, Employment and Workplace Relations, Prime Minister and Cabinet, Finance, Treasury, DOTARS, DEST, DVA, Attorney-General's and the Office of Indigenous Policy Coordination are all represented there. I have also had separate discussions with most of those portfolios, including the Department of Veterans' Affairs. We have determined that the best forum to look at collaborating and connecting across departments really at this stage is through the interdepartmental committee. There were discussions about the connections between our departments in each of those meetings. I am not sure whether going into the detail of each of those discussions is something we would like to do today.

Senator McLUCAS—Love to, Mr Wallace. I suppose the question that comes to my mind, though is: if, as I think you are saying, you have an interdepartmental group essentially looking at the next CSTDA—that is its express purpose—are you saying that the

recommendation from the ANAO to ensure that collaboration is occurring will just happen as a result of that?

Mr Wallace—No. One of the explicit terms of reference of that committee is to implement the recommendations of the audit. So the forum itself provides an opportunity for us to share information about developments in different portfolios as it relates to the management of the Commonwealth State Territory Disability Agreement. But at the same time obviously we are looking at reviewing what we think has gone well and not so well under the current agreement and what we would like to achieve in the future agreement, particularly around the audit report's recommendations about performance monitoring. So it is certainly not the only forum that will be used to implement the recommendation of the report around collaboration. We will continue, as we have in the past, to have bilateral discussions with other portfolios on specific issues.

Senator McLUCAS—Is it possible for the committee to get a copy of the terms of reference of that interdepartmental committee?

Mr Wallace—It is a departmental group. I would have to check whether or not releasing them would be appropriate.

Dr Harmer—Generally we would not provide them. I do not even know that they are called terms of reference. They are given a task. Sometimes it is set up by a cabinet decision. Quite often it is set up by a cabinet decision. It is about preparing; they are often as broad as that. It involves departments having discussions preparing for the Commonwealth negotiating position et cetera.

Senator McLUCAS—It is a working committee?

Dr Harmer—Yes, it is. It is not a sort of external group.

Senator McLUCAS—I suppose it is not an external reference. That elevated it a little bit in my mind.

Dr Harmer—I do not think we actually call them terms of reference, frankly.

Senator McLUCAS—Thank you. You said the Office of Indigenous Policy will be represented on the interdepartmental committee.

Mr Wallace—Obviously when the audit report was released there was a reference to the office when it was in another portfolio. Obviously that it is now within the FaCSIA portfolio is positive. We have had a number of discussions with the office both prior to them moving to the portfolio and since. We will be keen to get their views on the needs of Indigenous people with disabilities as well as the way in which the mechanisms they are responsible for around coordination can be applied to the CSTDA considerations.

Senator McLUCAS—Slightly related to that is the issue of the number of indigenous people with disabilities. Do you have a system of ascertaining that number? Do you use the ABS data?

Mr Wallace—The ABS data until recently has not had good information on the incidence of disability. I understand in the coming census there will be an indicator around disability. Obviously in the census there is an indigenous indicator. So we will be able to look at those

two items together and get a bit further than we have thus far. I would need to check whether or not in the requirements under the national minimum data set there is an indigenous indicator collected and, if there is, what our understanding of the level of accuracy of that indicator is.

Senator McLUCAS—I appreciate that, be it later today or on notice, whatever suits. Thanks. The other question goes to ascertaining unmet need. What work is the department doing on that issue at the moment?

Mr Wallace—The most recent public work done around unmet need was by the AIHW, the Institute of Health and Welfare, in 2002, I understand, which came up with some estimates of unmet need across disability services. I think it had some specific estimates around accommodation and respite unmet need. There has not been to date any follow-up of that work. It is quite difficult to ascertain accurately what levels of unmet need are because in large part we rely on state and territory government understandings of unmet need. One of the difficulties is that we can collect quite well those people who are being serviced and know a lot less about those people who are not. So it is difficult to come to an accurate number on that. It is something certainly the Australian government is interested in and we have been giving some thought to. We will be wanting to work with National Disability Administrators to get some agreement on trying to update our understanding about unmet need.

Senator McLUCAS—That was a recommendation of the ANAO as well—that there was not a system of identifying unmet need. There also was not a system of ascertaining whether or not individuals were using the services in a range of service points.

Mr Wallace—Yes.

Senator McLUCAS—We did not have a way of measuring whether or not one person was getting one service or four or five.

Mr Wallace—That is right.

Senator McLUCAS—Are you doing some work with the National Disability Administrators group?

Mr Wallace—We are. I think in late November, it may have been early December, last year, the national disability administrators met in Canberra and discussed the recommendations of the audit and the content of the audit. Both in that discussion and our broader discussions about issues for a potential further Commonwealth-state agreement, we talked about the need to have a better handle on the extent of unmet need. There are some difficulties in coming up with accurate estimates, but I do not think we should see that as an impediment to moving forward to getting an understanding there.

Senator McLUCAS—Are you also aware of the Productivity Commission's report on government services and the comment they made? They said there is scope for further improvements in reporting against the current framework, including improving the data and service quality. They went on to some commentary. Is that report also being considered as part of this response to the ANAO report?

Mr Wallace—We have not yet had an opportunity to discuss that with the national disability administrators, but it will be an item of discussion there. It certainly echoes the

views expressed in the ANAO report, so I expect my colleagues in the states and territories will have a similar reaction. We would all like to have better data and a better understanding of what outcomes our funding is purchasing and have a better understanding of the level of quality of service that is being provided.

Senator McLUCAS—We will just monitor that over time rather than progress that discussion further at the moment. I want to go to the announcement from the former minister about people being able to establish a trust of up to \$500,000 for a severely disabled child. Is that you, Mr Wallace?

Mr Wallace—It is. I think we have previously had that recorded under output 3.3.

Dr Harmer—It would best fit under 3.3, even though it is the same officers. It is an issue of carers, in our definition, and it would be covered under 3.3.

Senator McLUCAS—I also get tricked between the two. The thing that indicated to me that it was 3.2 was page 27 of the additional estimates statement. I might have this wrong, but I thought that under outcome 3, the third point—disability support trusts and gifting exemption from assets test—is identified as being 3.2.

Dr Harmer—It probably ought not be.

Senator McLUCAS—Is that an error that I have found?

Dr Harmer—I think it probably is, actually.

Senator McLUCAS—Can we talk about it now anyway?

Mr Wallace—I am happy to deal with it now.

Senator McLUCAS—I understand there will be an advisory committee established. Mr Ian Spicer will chair that committee. Can you also tell the committee who else is on that committee.

Mr Knapp—The other members of the committee are Tony Blunn, Susan Boyce, Judy Brewer-Fischer, Ian Cresswell and Allan Swann. They are the members of the group which has met.

Mr Wallace—The group has met on two occasions thus far and is scheduled to meet again next week. The first meeting was around October or November last year—I cannot remember exactly—and then just again before Christmas.

Senator McLUCAS—I hope it was not October because it was announced in November.

Mr Wallace—It was clearly November. The expectation is that that group will finalise a report either late this month or early next month for consideration by the minister.

Senator McLUCAS—And what has the group been asked to advise about?

Mr Wallace—It was asked to provide views to the minister on how best to give effect to the broad policy intent, to give some consideration to some of the micro policy issues around implementing the measure, an example being to consider what type of care costs should be considered appropriate for use of funding through the trust. That has been one of their primary considerations.

Senator McLUCAS—Did the committee make an assessment of who would be eligible and what level of disability a person would have to have before they become eligible for this scheme?

Mr Wallace—That is another one of the issues they have considered in some detail. The intention of the measure is to provide some level of assurance to ageing parents of people with severe disabilities to provide for their ongoing care and support needs. One of the things they have been looking at is how you define eligibility in terms of for whom a trust can be established.

Senator McLUCAS—And they have come to a view and they are going to advise the minister?

Mr Wallace—They have not come to a final view yet. They are meeting again this week. They have considered that issue at their previous two meetings. They have asked for some further information in a range of areas. I understand they have done some further consultation with other people in the sector. They want to come to a conclusion on that at their next meeting.

Senator McLUCAS—So the issues that they have been canvassing are the types of care costs that could be included—

Mr Wallace—Yes.

Senator McLUCAS—Their definition of ‘severe disability’.

Mr Wallace—Yes.

Senator McLUCAS—You made the point that micro issues need to be considered. What other issues have they had to manage?

Mr Wallace—They are the two primary issues. Another issue they have considered is the definition of ‘immediate family’, so determining who it is that should be able to contribute to a trust and benefit from the preferential treatment in terms of the gifting and deprivation rules.

Senator McLUCAS—And the issue of when people can gift and how that might affect a pension?

Mr Wallace—That is right. The intention is that it is targeted towards older parents and immediate family members. It is looking at those who are within five years of the age for receiving the age pension.

Senator McLUCAS—There is a line in the budget on page 27 that gives us a cost for 2005-06 and for the three out years. How did you come to those figures? On what basis were those figures arrived at?

Mr Wallace—The 2005-06 figures are departmental costs looking at establishing the program. The figures in the out years have been based on a set of assumptions. I think as we discussed at the last hearing, there are some assumptions here about what behavioural effects the measures will have which are quite difficult to calculate so they are estimates. The things taken into account were the numbers of people with severe disabilities, our understanding of the number of older carers of people with disabilities and some calculation of income distributions among that potential population. It is quite a difficult thing to estimate. Not

having had a scheme like this before, it is quite difficult to be very certain about what level of uptake there might be as a result of that new incentive. But they are the variables that were involved in the calculation.

The costs occur both in terms of age pension costs and disability support pension costs mainly. On the age pension side, it is because people may receive an increased rate of age pension, having gifted into the trust, than they would have otherwise. On the disability support pension side, it is because that asset and the income from the trust is not counted against the person with the disability for whom the trust was established.

Senator McLUCAS—Just explain that second part to me, Mr Wallace. If the person in their current situation is getting DSP and they have the trust, they are exempted from that asset affecting their DSP. I do not see how that would change the DSP expenditure.

Mr Wallace—Under the current arrangements, as I understand it, assets and income in trusts are attributed to someone determined to control the trust. Under the current situation, if a trust were established for a person with a disability and they received income from that trust, that income would be treated as income for social security purposes. Under the new arrangements, they can receive income from that trust where it is used for approved care and accommodation purposes. That income will not be treated as income for their DSP calculation.

Senator McLUCAS—I still make the point, though, that if the person did not have the trust, they would be getting the DSP, so there is no change to the cost to government.

Mr Wallace—We understood in the development of this measure that there were a number of parents who had established trusts and found that their child was either no longer eligible for DSP or received a reduced rate.

Senator McLUCAS—I actually have a constituent with that problem.

Senator ALLISON—Same here.

Senator McLUCAS—What will we do for that group of people, some of whom have actually had a lot of legal expense trying to manage that? Are we going to backdate any eligibility for that group of people?

Mr Wallace—It is not my understanding that the decision involved any backdating arrangements. It is possible that the person could seek to establish a complying trust now. That obviously does not assist with costs already incurred. But there is no provision in this measure to assist with costs incurred to date.

Senator McLUCAS—Finally, there is the question around who is immediate family. What is the difficulty in coming to a definition of that?

Mr Wallace—I guess it is not a difficulty so much as a decision that needs to be taken about whether parents only should be allowed to benefit from the gifting provisions or parents and children who are carers, uncles and aunties, cousins, second cousins, brothers and sisters, half brothers and sisters et cetera. So there is a question about where you draw the line in terms of who can contribute and what relationship they need to have with the person with a disability. That is something we have asked the advisory group to provide some views on.

Senator McLUCAS—I can imagine a circumstance where there was a strong relationship but not a blood relationship, such as a friendship. It would seem wrong if they were not allowed to be included in the process if you could ascertain that that was being done for the right reasons.

Mr Wallace—These are some of the considerations that the former minister asked the advisory group to take on.

Senator McLUCAS—Good luck.

Mr Wallace—Thank you, Senator.

Senator McLUCAS—Thanks for that. We will come back to that next time. The committee has another meeting next week. Do you imagine that it continues after that?

Mr Wallace—It is envisaged at this stage that that would be the final face-to-face meeting of the group. They would then present some advice to the minister, and the minister may or may not then ask them to do some further work.

Senator McLUCAS—It is going to begin in June this year or next year?

Mr Wallace—I think it is 20 September this year.

Senator McLUCAS—I have some questions now about business services. Ms Winzar, we have talked before about business planning for supported employment services. In the past, we have talked a lot about KPMG being the provider of that service. Is an organisation called WalterTurnbull also a contractor to do that work?

Ms Winzar—Yes. We have actually engaged a number of companies. WalterTurnbull is one. KPMG is another. The third is PricewaterhouseCoopers.

Senator McLUCAS—Are they working in different geographical areas?

Ms Winzar—On the whole they are, yes.

Senator McLUCAS—WalterTurnbull is mainly in Victoria. Is that right?

Ms Winzar—That is correct.

Senator McLUCAS—Which areas do the other two companies work in?

Ms Winzar—PricewaterhouseCoopers is certainly doing some work in Queensland. KPMG is doing some work in New South Wales. As to the other states, I would have to check for you.

Senator McLUCAS—You do not need to. I do not need to know that. This has been put to me by operators in Victoria, so it is around the question of WalterTurnbull. It is suggested to me that the company has omitted consideration of significant business costs when doing their business advice to these services, including, for example, the increased cost of wages due to the no-disadvantage rule, the cost associated with leave entitlements and superannuation for supported employees and the cost to agencies in complying with the department's new computerised financial management system. What is your view on that?

Ms Winzar—The process behind the full capability reviews which those three groups of consultants are doing for us has involved some improvement on the earlier work they did around the business viability reviews, which were of a somewhat shorter timescale. In the

financial capability reviews which they are now going through, we have asked them explicitly to model the organisation's costs, including the impact of wages and any on-costs, such as those you have mentioned, particularly superannuation and leave entitlements and so on, as part of the normal establishment of the business position of the organisation now and into the future. So I would be very surprised if, as has been suggested, WalterTurnbull has not done that in the particular case. But certainly if an organisation is concerned that their full financials have not been captured appropriately, there is a process of dialogue both with the consultant themselves and with the state office of the department to make any adjustments or corrections if needed.

Senator McLUCAS—Have you heard that concern from other sources?

Ms Winzar—No. I have not.

Senator McLUCAS—Do you have a contract with WalterTurnbull that explains to the company what you are expecting them to do?

Ms Winzar—Yes, we do.

Senator McLUCAS—Does it get to that level of detail?

Ms Winzar—Does it get to that level of detail? We explicitly asked them to address two key objectives through the financial review process. Firstly, based on the predicted financial performance of the business service, they are to model the impact of providing varying forms of assistance to the business service so as to, wherever possible, put the organisation's operations in a position of viability and sustainability while paying award based wages and receiving case based funding. The second objective they were asked to address was to develop a business strategy or strategies for FaCS's consideration that identifies practical recommendations and offers tailored assistance measured aimed at ensuring the organisation is able to pay full pro rata award wages without further FaCS assistance by the end of May 2008. The business strategy we asked them to develop must incorporate measurable performance milestones to enable FaCS to track the organisations' progress in line with implementation of the strategy.

Senator McLUCAS—In terms of WalterTurnbull being able to understand the nature of this business, which is quite different from any other business, what support or advices did you give them to help them understand the different nature of the business?

Ms Winzar—Of business services? We are very impressed with the consultants from each of those three companies in terms of their level of understanding of the particular challenges facing business services with supported employment. They do field sites. They can spend an awful lot of time on site observing the operations of the business as well as in the back room with the financial management or the business development manager of the organisation. I do not have any doubt at all that the consultants well understand the challenges facing business services.

Senator McLUCAS—Did WalterTurnbull also do the previous viability work?

Ms Winzar—Yes, they did.

Senator McLUCAS—So if a business service provider has those concerns, you recommend they go back to WalterTurnbull in the first instance and then to the state office of—

Ms Winzar—That would be my recommendation. It could be that in this case it may have been a junior staff member, for example, who is not as familiar who was assigned the task of dealing with this particular service. If the organisation itself is unhappy with WalterTurnbull's performance, we can certainly negotiate with them to provide a more experienced consultant or to address any issues they might have.

Senator McLUCAS—I wonder, Ms Winzar, if you would undertake to have a little investigation of your own and report back to the committee if there is anything that we need to understand in terms of the management of those business planning contracts.

Ms Winzar—I do not have any hesitation in saying we have had no other reports of complaints about WalterTurnbull or the other organisations in terms of the performance of consultants. In this case, it may assist if perhaps I have a word with you afterwards. If we can isolate the organisation, I can resolve it locally.

Dr Harmer—I was going to suggest the same thing. I think that would be a better route, given it does not seem to be widespread. It may be some misunderstanding between the company and the consultant. If you provide some of the information to Ms Winzar, I think we can do it that way.

Senator McLUCAS—I have not been given the name of the business service operation. It has come to me via a peak body. Ms Winzar, how much business services assistance package money remains unexpended? It has been suggested to me that that money might be used—this is a quote from a constituent—to 'remedy the deficiencies in the business planning processes'?

Ms Winzar—The business services assistance package spend up to the end of January 2006 is \$36.6 million. Our expected spend to the end of June 2006 is \$45.1 million. In relation to the suggestion that the money available could be used to remedy any deficiencies in the business planning process, I guess my response is that when we have the financial review information from the consultants and their recommendations about strategies for the business, we can release some money to the organisation in relation to the milestones that might be in the funding agreement that goes forward. It is a bit hard to do it without some indication of what the organisation's financial position is or is likely to be.

Senator McLUCAS—Let us go to the question of government contracts. Senator Patterson and I have often talked about whether it would be appropriate for there to be a policy that government purchasing include products that are produced by business services. I have had a look at the website on Senator Patterson's advice, and it is very good. I am also informed that a lot of business service operators are using it. Has there been any further consideration, though, of the notion that the department of finance government procurement guidelines be changed to include products that are produced by business services?

Ms Winzar—It is something we have raised with the department of finance in the past. Certainly I am not aware of any discussions between FaCSIA and the department of finance in the last six months or so. But essentially it comes down to a matter of that broad

procurement policy which applies to government agencies and a requirement that we seek best value for money. In addition to the website, we have certainly been encouraging business services to check the AusTender website and to register their interests and their availability to provide services or goods as part of AusTender so that they can access tender processes perhaps a little more effectively than they do at the moment. In terms of preferential purchasing from business services, I think that would be very fraught.

Senator McLUCAS—Fraught?

Ms Winzar—Yes.

Senator McLUCAS—For what reasons, Ms Winzar? I know that is an opinion and you can say that you do not want to answer the question.

Ms Winzar—It is a personal view, but I can think of a number of other organisations which would have similar claims to preferential treatment, including perhaps CDEP projects, that deliver services or produce goods. There may well be others. I am not sure how you would rank or make a distinction between them or how you would make sure that the government funding that goes to support those organisations was not giving them an unfair advantage in a way over normal private businesses.

Senator McLUCAS—It is fairly universal in the United States, I understand.

Ms Winzar—It is in operation in the United States, yes.

Senator McLUCAS—Has there been any assessment of the effectiveness of the measure in the United States?

Ms Winzar—Not that I am aware.

Senator McLUCAS—Given that we are at the beginning of the renegotiation of the CSTDA, are there any discussions to change the current situation where supported employment services sit in the CSTDA?

Ms Winzar—Not that I am aware.

Senator McLUCAS—I imagine that through the interdepartmental committee—maybe Mr Wallace can answer this for me—the issue of supported employment services will be part of those discussions.

Mr Wallace—There have not been any specific discussions about that at this stage. The interdepartmental committee really will be reviewing how the current agreement has gone and what areas for improvement there might be. But there has been no consideration of that at this stage.

Ms Winzar—Perhaps the only other thing to note there is that the Australian government will, I expect, remain responsible for, broadly, employment in a number of facets. So whether it is supported employment or open employment, it will remain a Commonwealth responsibility.

Senator McLUCAS—Thank you. Could you explain to the committee how the disability maintenance instrument operates?

Ms Winzar—It is a relative assessment of a client's support needs. It focuses on six key areas. It looks at the social and behavioural skills of the person and their cognitive abilities and their vocational skills—such things as being able to contact their boss if they are not able to come in for the day because they are sick as well as particular vocational skills. It looks at their physical abilities, including such things as whether or not they can move freely around the workplace or they need assistance to go to the toilet et cetera. It looks at their communication skills and the nature of the work being performed and how well the person can function in the workplace.

Senator McLUCAS—It is different, though, from the work productivity tool.

Ms Winzar—Yes, it is.

Senator McLUCAS—But how do they mesh together?

Ms Winzar—Against each of those six areas, I suppose, of focus, the provider completes quite a number of questions—I am not sure how many, but I would think in the order of about 60 or so questions—about the individual. They also observe them over a three-month period so they confirm whether or not the person can behave in a manner appropriate to the workplace, whether their emotions are consistent with the situation that they are in, whether or not perhaps they have difficulty in dealing with direction and whether they maintain personal hygiene et cetera. Against each of them we ask the provider to indicate whether the person requires no assistance in meeting that requirement, maybe some assistance or a high level of assistance. That just gives you a bit of a flavour of it. Each of them is scored. The person's relative scoring depends on whether they end up in the highest funding level for case based funding or the lowest. There are four funding levels altogether.

Senator McLUCAS—What was the previous funding tool to look at the support needs as opposed to the wage subsidy?

Ms Winzar—The problem was that there was no way of looking at the person's support needs and then matching funding to it. Some of our business services had received very low levels of funding, irrespective of the fact that they had high support needs consumers. Others had received much higher levels of funding even though most of their consumers may have had quite low support needs in the workplace. So that was the driver, really, to introduce what is called the disability maintenance instrument assessment, which was to try to capture some of those dimensions of the person's need for support and to try and match the funding more closely to those support needs.

Senator McLUCAS—Funding used to come just through the block grant?

Ms Winzar—Yes, that is right.

Senator McLUCAS—You are saying that that did not reflect the needs of the workers in the business services?

Ms Winzar—It was not matched to support needs of the workers in any way at all.

Senator McLUCAS—So once these DMIs have been established—and that takes three months and a lot of observation, it would seem—

Ms Winzar—Yes.

Senator McLUCAS—is there a formula, then, that comes up with what the grant will be for the support needs of that particular workplace?

Ms Winzar—That is correct. Please do not ask me to explain what the formula is. I was told this morning it is a dynamic process of calculation.

Senator McLUCAS—That is a bit scary.

Ms Winzar—But it is fair to say that this is a capped appropriation. The task here is to apportion funding more fairly and more closely matched with support needs, not necessarily to match entirely the person's support needs.

Senator McLUCAS—So funding that was previously allocated through the block grant will be reallocated. But if we find that the support needs are enormous and much more than what that quantum was, we will still have to cut the cake and share it.

Ms Winzar—It is something we will keep under review. It is fair to say that there was a two-year case based funding trial before this system was introduced. We had a fair bit of information from that about what people's support needs were and the extent to which the funding did line up. But clearly populations change and people's support needs change over time too, so we will keep it under review.

Senator McLUCAS—Will the funding delivered through the DMI be CPI adjusted?

Ms Winzar—The funding levels are fixed for a three-year contract period. The funding is pitched at what we expect the indexation impact to have been at the midpoint of that three-year period. So the start of the next contract period is 2007. At that point we will apply the indexation factor since the last contract started in 2004 and make an estimate about what we expect indexation to be in the middle of the following year.

Senator McLUCAS—Has that been communicated to the sector?

Ms Winzar—Yes. It certainly has.

Senator McLUCAS—I also understand that there is a funding mechanism in place that recognises the different costs in more remote places. Why was the decision taken to use ARIA as a measure of remoteness?

Ms Winzar—There are a few indices of remoteness around. ARIA was one which essentially I think was designed or sponsored at least by the department of health. At that point, both open and supported employment services were the responsibility of the department of health, so in a sense that is a legacy system. I would not say it is perfect by any means, but it does give a good indication of which services and geographic locations are highly accessible, which are accessible, which are to some degree remote and which are very remote. There will always be issues at the borders no matter how you draw the map.

Senator McLUCAS—Have you followed the debate in the department of health on this issue?

Ms Winzar—Yes, I have. I think it is a couple of years since they did the last review of the ARIA system. I am not sure when they are planning to look at it again. Again, I expect they will have it under review.

Senator McLUCAS—Another argument.

Senator Ellison—Sorry to interrupt at this point, but looking at the line of questioning on outcome 3 and those various output groups, maybe the questioning will go through to dinnertime. I wonder whether we can say to those officials who are here for outcomes 4 and 5 that they need not hang around; they can come back at 7.30 pm. They can go back to the department. Is that fine?

Senator McLUCAS—What time is dinner?

CHAIR—It is 6.30 pm until 7.30 pm. You would have another hour's worth of questions. I know Senator Fielding has some questions on outcome 3 as well.

Senator McLUCAS—I think that is a sensible suggestion.

Senator Ellison—I thank the committee for that. I appreciate that. They can go away and come back at 7.30 pm. Thank you.

Senator McLUCAS—A long dinner. The next question concerns the DEWR funding issue. In June last year the department announced that you could not access both business services support and open employment support. What is the policy response now to that situation? Essentially a person who is in a business service has to resign their position and move across into open employment in the hope that they get employed. The problem is that if there is a failure for the person in the open employment scheme and wish to return to the business service, they go back in line to get their job back. None of us has to resign our job to look for another job except people who work in business services.

Ms Winzar—Yes. That is correct. That is the situation at the moment. I should point out that from a FaCSIA perspective there is no impediment from our end to the person remaining in employment in a business service and either looking for work or being employed in open employment for part of the week. We have had some discussions with the Department of Employment and Workplace Relations about that issue with the particular objective of trying to remove any obstacles for people who want to move from business services to open employment. There are a couple of dimensions to that. One, of course, is allowing people to even look for work and register with the Job Network or an open employment provider. At the moment, that causes some technical procedural problems which I think we can remove. The other issue which is perhaps not well understood, certainly by the clients and often by the providers, is that if a person leaves their service, they can effectively be suspended for up to 12 months and return to the business service without having to get back in line. Each provider has, I think, a 10 per cent stretch capacity. There might be lots of reasons why someone leaves a service temporarily. It could be holidays, it could be medical interventions or it could be wanting to trial open employment. So that is certainly something that we know we have to do a bit more to publicise.

Senator McLUCAS—Could you explain the 10 per cent stretch capacity. My understanding was that by and large every place in a business service was full.

Ms Winzar—Business service capacity is capped. At the moment I think it is about 19,300 places. But noting that most business services are full, nonetheless we will allow them to exceed their current capacity and we will continue to fund the person if they are returning from an absence provided they have been technically suspended from the person's books.

Senator McLUCAS—How can you be suspended? ‘Suspended’ is a strange word; that is all.

Ms Winzar—Yes, that is right. If you like, it suspends their case based funding payment for up to 12 months. But it can resume once they return. So it is like a placeholder.

Senator McLUCAS—Essentially, every service can get 110 per cent of their capped funding using the stretch capacity?

Ms Winzar—They could, yes.

Senator McLUCAS—Do they have to report to you on the basis that those places have been taken up?

Ms Winzar—Yes, they do. But with the online funding management system we have in place, we know when people are leaving services and returning, so that is not a problem for them.

Senator McLUCAS—What is the average occupancy, then, of every service?

Ms Winzar—At the moment it is about 92 per cent across all outlets. One difficulty we have is that a number of outlets are absolutely full or overfull and some outlets have vacancies, sometimes significant levels of vacancies.

Senator McLUCAS—Just depending on what is happening at the time—

Ms Winzar—Where they are, yes.

Senator McLUCAS—with that organisation or with the economy of that community. You say, Ms Winzar, from FaCSIA’s point of view there is no obstacle to a person being able to be with an open employment service and a business service. My understanding is that DEWR is making it very clear that you cannot.

Ms Winzar—Yes. That is true. DEWR have taken that position. It is not an impediment from the point of view of conditions around our funding.

Senator McLUCAS—But essentially it means that people cannot do it. If DEWR is telling open employment services and Job Network services that they cannot take on someone who is currently registered with a business service, they will not be able to get on the books of those former two groups?

Ms Winzar—That is correct.

Senator McLUCAS—Is FaCSIA attempting to resolve this issue with DEWR?

Ms Winzar—As I said, we have been having some discussions with them about how we can remove those impediments and at the very least allow joint registration with an open employment service and a business service. There are some other ways in which we need to work together to improve the number of people who transfer from business services into open employment. At the moment there is very little incentive in our funding arrangements for providers to assist people to move into open employment, for example.

Senator McLUCAS—I think you may have answered this for me, Ms Winzar. How are national wage increases that occur from time to time reflected in the funding arrangements to business services?

Ms Winzar—They have no direct impact on the funding arrangement except that we apply a wage cost index to the appropriation each year on advice from the department of finance. For each three-year contract, the employment service's funding levels are increased by reference to that indexation figure.

Senator McLUCAS—And is that wage cost index COPO?

Ms Winzar—I beg your pardon.

Senator McLUCAS—Is it a COPO payment—the COPO index, Commonwealth own-purpose outlays?

Ms Winzar—I do not know the answer to that question. The indexation measure is the wage index 2, which has a proportion for wages and a proportion for the CPI component.

Senator McLUCAS—You are aware that those indexes come from the national wage case that the Industrial Relations Commission hears on an annual basis?

Ms Winzar—They are driven by movement in wages overall, not necessarily linked directly to the wage case.

Senator McLUCAS—Have you had an indication from Treasury how, with the so-called Fair Pay Commission being installed, you will receive your indexation measure?

Ms Winzar—I suspect that your question might really be angled at what impact the Fair Pay Commission will have on wages in business services rather than employment.

Senator McLUCAS—No. Not necessarily. The Fair Pay Commission is not going to hear a wage case this current year.

Ms Winzar—Right.

Senator McLUCAS—It means that there will not be a determination on movement in wages. I just do not know what will happen. I was wondering if you know what is going to happen.

Ms Winzar—I would expect that we will still have an indexation factor.

Senator McLUCAS—Have you been advised by Treasury about how that will happen?

Mr Knapp—From my understanding, the calculations from Treasury are based on movements in wages. So the individual setting of wage levels is independent of that index because that is based on what is actually happening to wages rather than the movement in the minimum wage or whatever—

Senator McLUCAS—I understand, Mr Knapp, it was linked to the national wage determination. That was the measure that Treasury uses to then flow on all those indexes.

Mr Wallace—That was not my understanding. It was that it is an actual measure of movement in wages rather than anything in relation to the minimum wage. The index is a composite—a 90 per cent measure of movement in wages and a 10 per cent measure of CPI movement.

Mr Knapp—That is my understanding as well.

Senator McLUCAS—That is the WCIs. The other is the COPOs. COPO is the one that operates in aged care. You are on a 10 per cent wage movement and a 90 per cent CPI—

Mr Wallace—It is 90 per cent wage.

Mr Knapp—It is 90 per cent wage and 10 per cent CPI.

Mr Wallace—Wage cost index 2.

Senator McLUCAS—We will follow that up maybe in budget estimates.

Ms Winzar—The department of finance is probably the best source of advice on the construction of various wage cost indexes.

Senator McLUCAS—That is an interesting comment, Ms Winzar, because I asked the department of finance that question and they directed me to the Department of Health and Ageing. I do not have my answer back from the health and ageing department because I think they are going to tell me to go to the department of finance. But I would hate there to be a blue between those two departments. I am very aware of the time. I have two quick questions on what I think is 3.2. It goes, Mr Wallace, to that question about the census, including a question on disability. Did the ABS contact FaCS, in designing that question, to ask for your advice about how it should be framed and what should be sought through that question?

Mr Wallace—I understand that, yes, they did consult with FaCSIA—I imagine they consulted with a range of other portfolios as well—in the redesign of the census more broadly and what agencies would find useful in terms of collection throughout the census.

Senator McLUCAS—Have you been advised what the question will be?

Mr Wallace—I do not have that in front of me, the formulation of the questions.

Senator McLUCAS—I am just asking whether you have been told what the question will be?

Ms Winzar—Yes.

Senator McLUCAS—I am talking about the consultation process that has been run by the ABS. They have been open to your suggestions and information? You are the peak agency in the Commonwealth dealing with people with disabilities.

Ms Winzar—Yes. Our discussions on this matter in FaCSIA with the Bureau of Statistics have gone back, I suppose, the best part of two years. They have tested a number of different formulations of the question. The challenge with the census, of course, is that there are so many questions, it has to be something quite short and snappy and easily understood. There will inevitably be some compromises. I guess our view is this is the first time we have had a question that tries to capture disability in the census. It will be a fantastic aid to our planning and forward thinking.

Senator McLUCAS—That is the difficulty, though; it is a self-reporting mechanism. So the census, because it has to be short and snappy, cannot define what disability is. Is that the nature of the discussion you have had with ABS?

Ms Winzar—Yes. It will not capture, for example, details of support needs or detailed discussion of disability because that would take too long.

Senator McLUCAS—Does it try to ascertain the level of disability?

Ms Winzar—From memory, no. The other thing worth bearing in mind is that there is an intercensal survey of disability and carers conducted by the bureau. The last one, I think, was in 2003. It does provide some supplementary information for us on both carer issues and disability issues.

Senator McLUCAS—But will this be a simple question, such as, ‘Do you have a disability?’

Ms Winzar—It is a little beyond that, but not much. But we can certainly provide it—

Senator McLUCAS—Thank you. That is great.

Ms Winzar—on advice from the Bureau of Statistics.

Senator McLUCAS—Thanks. The final issue is the difficulties—this comes back to the CSTDA—people experience moving from state to state if they have received a disability support package that is part funded through the CSTDA. I do not know if you saw it, Mr Wallace, but there was an article in the *Public sector informant* in February this year—

Mr Wallace—I did see that.

Senator McLUCAS—that raises, I think, quite considerable constitutional issues regarding the problem of a lack of portability in a support package. Do you have any comment to make about that article?

Mr Wallace—I do not have a specific comment in terms of the constitutional element. You could ask for views from the Attorney-General’s Department on that. We are certainly aware of the issue of portability for people with disabilities and the difficulties some people experience moving from one state to another where they have a package of support in one state that may not be followed through in the longer term in another state. It is an issue that has been on the agenda for some time for national disability administrators. It is an issue that we are looking to take forward with the Community Services Ministerial Advisory Committee, which I understand is meeting in March at some point. It is an issue where the Commonwealth has certainly been urging state and territory governments to do more and to become more flexible. As I say, it is a standing agenda item for, as I understand it, the national disability administrators, but it is primarily an issue between state and territory governments.

Senator McLUCAS—And the difficulty is that the packages are different in each state and eligibility is different in every state?

Mr Wallace—That is right.

Senator McLUCAS—The fact that it has been on the agenda is mentioned in this article. The article advocates that they move to find a solution.

Mr Wallace—That is certainly something the Australian government, in the forums we are involved in, has continued to press state and territory governments on in terms of making some progress there.

Senator McLUCAS—Thank you. I have finished on 3.2 and I have two issues in 3.3. Perhaps others have questions.

[5.52 pm]

CHAIR—Let's see if there is anyone with questions on 3.2. There being no further questions on 3.2, we will move to 3.3. You have a couple of questions.

Senator McLUCAS—Thank you. Can you tell me why Welfare for Work extended eligibility for parenting payment single on page 28 of the additional estimates is in 3.3?

Mr Wallace—We will need to take that question on notice. We will get back to you on that.

Senator McLUCAS—Or is the intention just to trip me up?

Dr Harmer—No.

Mr Wallace—It seems the intention is to trip us up.

Senator McLUCAS—The new measure is to be implemented on 1 July this year. The eligibility will now include children with severe intellectual, psychiatric and behavioural difficulties.

Mr Wallace—That is right.

Senator McLUCAS—How does that differ from the current eligibility for carer payment child that exists now?

Mr Wallace—The current eligibility for carer payment child is targeted very much toward people with carers of children with profound physical disabilities. The eligibility test requires you to meet three of seven criteria, all of which are quite targeted toward physical disability rather than a broader disability group. So the intention of the measure really is to try and create more of an equivalence in who can access the payment between carers of children with physical disabilities and carers of children with other types of disability.

Senator McLUCAS—The measure will require a change to the Social Security Act. Is that correct?

Mr Wallace—It will require a change to legislation, yes.

Senator McLUCAS—I have had a look at the act where it describes 'profoundly disabled child'. Are you going to add different criteria to that list? Is that the way you would include people with intellectual, psychiatric or behavioural disabilities?

Mr Wallace—That has not yet been determined. You may recall at the last hearings we referred to a reference group being established to look at, again, how best to give effect to the policy intent here in terms of the design of the specific criteria. A reference group containing a range of medical experts and peak groups was convened. They were asked to consider how best to formulate a change to legislation to give effect to the intent of the policy. That advice is due to go to the minister shortly but has not been finalised. I should clarify it. The advice has been finalised but it has not quite got to the minister yet.

Senator McLUCAS—You have had a change. That is okay. You have provided on notice to me the number of applicants who are unsuccessful for carer payment child.

Mr Wallace—Yes.

Senator McLUCAS—Is it the intent that of the 3,000-odd—I cannot find the figure at the moment—

Mr Wallace—We are expecting 3,700 in the first year.

Senator McLUCAS—Yes. Pardon me. I am going to the number of applicants that you provided to me on notice. For example, the total number of applicants in 2004-05 for carer payment child was 4,293.

Mr Wallace—Yes.

Senator McLUCAS—The total number of rejections was 3,791. So the number of successful applications was about 500. So we already have about 3,500 people who have children they believe have severe physical disabilities who are ineligible for carer payment child. But now we are extending it to include people with severe psychological and behavioural and intellectual disabilities. How can you compare the needs of a person with a child who, let us say, is highly behaviourally dysfunctional but does not fit the carer payment criteria now with a person who missed out by half a point because their child is extraordinarily physically disabled? How do you rank the level of disability for someone with a physical disability versus someone with a psychological, behavioural or intellectual disability?

Mr Wallace—In the first instance, I might point out that it is not necessarily the case that those who had claimed and were rejected for carer payment child necessarily claimed in respect of a child with a physical disability. It is quite often the case that people make applications for payments who are a bit uncertain as to exactly what the criteria are. So there may well be a portion of that group we are intending to capture in the expanded measure who have claimed and been rejected in the past.

Senator McLUCAS—Have you done any work on looking at the rejections?

Mr Wallace—There has not been any explicit work, as I understand it, looking at the pattern of rejections and the reasons around that. I would need to check. The intention is to try—and it is a difficult task, as you are pointing out—to create a greater level of equivalence between people caring for a child with a physical disability and people caring for a child with other types of disability. That is a difficult task. Coming up with an exact comparison of what the caring requirement needs and supports required around a child with a particular physical disability and set of circumstances and a child with, for example, a profound psychiatric disability is difficult. In terms of the legislation, the intent is to try and create a greater equivalence between physical disabilities and psychiatric, behavioural and intellectual disorders because of a recognition that in the past there was an inequality in the way in which the eligibility for the payment was structured.

Senator McLUCAS—Could you take on notice whether there has been any analysis of the rejected applications for carer payment child. I dare say that analysis might inform the future.

Mr Wallace—We will be able to get you an answer on that before the end of the hearings.

Senator McLUCAS—If you have done some analysis, could it be provided to the committee in terms of a breakdown of why people have been unsuccessful. It might be

because the child has a severe behavioural disability. For example, a very severely autistic child, on my reckoning of carer payment child, would not get carer payment.

Mr Wallace—Unless they had a range of the other conditions listed.

Senator McLUCAS—That is right. You have to be very physically disabled.

Mr Wallace—That is right.

Senator McLUCAS—Not being able to toilet, not being able to walk.

Mr Wallace—The difficulty in analysing reasons for non-payment is that Centrelink collect the information required to determine eligibility for payment. I imagine—I will ask my colleagues in Centrelink—that we have information on whether or not a person qualifies. There are not reasons for not qualifying—that is, the person had Asberger's disorder. The reason listed would be that they do not meet three of the seven requirements under the current criteria.

Dr Harmer—We will check that. I think it is quite unlikely we would be able to access the sort of data that would allow us to do the analysis you are talking about. I do not think so.

Senator McLUCAS—I return to the legislative change that will be required. Mr Wallace, I think there are probably two options: you either extend the criteria that are there; or establish a second set of criteria. Has the department come to a view which way it should proceed?

Mr Wallace—We are in the process of providing some advice to the minister about that. In fact, we have provided some advice to our minister on that.

Senator McLUCAS—You said earlier, Mr Wallace, that the criteria was an assessment of the caring needs of a child. That is not my understanding.

Mr Wallace—No. That is not right, Senator.

Senator McLUCAS—It is actually an assessment of the physical disability of a child, isn't it?

Mr Wallace—At present, the criteria are an assessment of, as you can see in the legislative criteria, the disability of the child.

Senator McLUCAS—That measure is to be implemented on 1 July 2006. That was in the announcement of the minister.

Mr Wallace—That is right.

Senator McLUCAS—I do not know how many sitting weeks we have between now and then, but it is not many. You are expecting advice to go to the minister about changes to legislation shortly?

Mr Wallace—We have provided some advice to the minister on changes to the legislation.

Senator McLUCAS—Is that start-up date of 1 July 2006 still in place?

Mr Wallace—It is.

Senator McLUCAS—I have one final quick question. The report of the National Family Carers Voice is not yet released; we discussed that at the last estimates. Senator Patterson indicated that she was not going to release it until she had read all the responses to the survey.

I do not think the minister can answer this question; it is probably not fair to ask. Did Senator Ellison see that there was a report of a committee that was not being released because Minister Patterson was going to read all of the responses to the survey and then contemplate releasing the report. Did the Minister read all the responses to the survey? I do not know that there is anyone at this table who can actually answer that question.

Senator Ellison—I dare say there isn't, including me. But I can take that on notice. You are also interested in the response and what stage it has got to. I dare say—

Senator McLUCAS—I am interested in whether that report is going to be released.

Senator Ellison—So whether the minister has considered the survey and whether the report is going to be released.

Senator McLUCAS—Yes.

Senator Ellison—We will take that on notice.

Mr Wallace—I do not think we have anything further to add from the last hearing.

Senator McLUCAS—What was the total cost of National Family Carers Voice over the period that it was established?

Mr Wallace—I do have some information on the costs. I am not sure whether it was the cost over the full period. It might take me a moment to find that.

Senator McLUCAS—Thank you.

Mr Wallace—I will just get someone to find the answer to that question.

Senator McLUCAS—Thank you. I thank the section.

CHAIR—Thank you. Any further questions on 3.3?

Senator SIEWERT—I have some rather detailed questions, I suspect some of which you will want me to put on notice. You might be able to answer the broader ones. What modelling have you been doing on the increasing demand for different types of respite care and support services, given changing demographics? Are you doing it? If you are, what is it saying?

Mr Wallace—No. There is no specific work on that.

Senator SIEWERT—There is none being done?

Mr Wallace—No, there is not.

Senator SIEWERT—I am particularly interested in this instance in regional centres and the changing demographics that are already talking place—sea change et cetera. You have not considered doing anything around it?

Mr Wallace—There is nothing currently being done in that area.

Senator SIEWERT—Why not, given that it is a highly significant issue and there is a significant demographic change in regional centres?

Mr Wallace—In the policy work and advice we provide, we are certainly very aware of demographic trends, certainly at the broader level, and aware that they are different in regional centres. We are very aware of the work that Treasury have done—the *Intergenerational report*—and the impact over time it will have on demand for services in

different areas. But there has not been any specific modelling work done within the department on that issue.

Dr Harmer—It does not mean that we are not well aware of the ageing of the population and the likely impact on demand for respite care et cetera. In fact, we have been having discussions about those things as we approach the Commonwealth, state and territory disability renegotiations. But it will be particularly difficult to do modelling on that, I think. It would be quite expensive. You would have to ask whether it would be worth the expense and effort given that the demographics give an insight into the likely direction of demand for respite in any case. So it will come down to a matter of resources, priorities and funding.

Senator SIEWERT—In that case, what are you doing about it? I take on board your answer about the expensive nature of modelling. What are you doing in this area?

Mr Wallace—We are certainly taking into account all the information we have from other sources that give us a sense of the likely impact of demographic change. It is quite a complicated equation. As Dr Harmer said, we are very aware of the ageing of the population. We are aware of the fact that that is likely to result in an increase in the number of people requiring care either as a result of age or as a result of disability. We are increasingly seeing people who are both aged and who have disabilities. People with disabilities are living longer than in the past. We are also aware of the impact that that demographic trend will have over time on pressure for labour supply, the trends in increased labour force participation of women who traditionally have provided quite a lot of the informal care and the fact that that will have impacts on the demand for respite and other services. They are all things that we have taken into account both from the Treasury work and other research that informs the policy advice we consider.

Dr Harmer—We are providing advice to the minister and the government around those things. From there it is a matter of policy and strategy.

Senator SIEWERT—Do you have a handle on what the current and future needs are in regional centres around Australia? Do you go into specific detail for major centres?

Mr Wallace—I am not aware that we have any regional research at this stage on demand specifically for respite services, no. Some of the respite services provided are run through the Department of Health and Ageing, which may have done some further work on that. A range of the other respite services, in particular for people with disabilities, are run through the Commonwealth State Territory Disability Agreement but by state and territory governments. They may have a clearer understanding.

Senator SIEWERT—Each of the states may have a clearer understanding of their regional centres; is that what you are saying?

Mr Wallace—That is right. I cannot guarantee that.

Senator SIEWERT—I suspect, then, you cannot answer some of my specific questions about specific regional areas.

Dr Harmer—I think it is quite unlikely. I suspect it might be quite a big job to get it. The diversion of resources might be problematic. For example, we may need to contact the states et cetera. I am not sure I would necessarily be rushing in to take it on notice given it might be

a lot of work for some of my people, who working very hard on trying to advise government on other things.

Senator SIEWERT—People are obviously moving to regional centres. I have had feedback from people in Western Australia that they are already having difficulty accessing respite care in regional centres. I am concerned that that is only going to get worse with people moving to regional centres. The latest contracts for respite services et cetera were given out last year. I would also like to know if these issues are taken on board when those contracts are given.

Mr Wallace—Most of the respite responsibilities lie with the Department of Health and Ageing. We are involved in a small program around respite for young carers. I understand it is delivered through the Commonwealth carer respite centres that the Department of Health and Ageing contract. Beyond that, it is a state and territory government issue through the Commonwealth State Territory Disability Agreement.

Senator SIEWERT—I have some more questions on a different topic. It is still on 3.3.

Mr Knapp—I would like to respond to an earlier question from Senator McLucas. On the National Family Carers Voice, the cost of the advisory group over a period of two years was \$57,880.

Senator McLUCAS—The total cost?

Mr Knapp—Total cost, that is correct.

Senator McLUCAS—Does that include travel?

Dr Harmer—Yes.

Mr Wallace—I imagine that would account for travel and sitting fees et cetera.

Senator McLUCAS—It is \$57,000 but we do not have a report yet. We'll see.

ACTING CHAIR (Senator Moore)—We will move on to another part of 3.3, if that is okay with the department.

Senator SIEWERT—This may not fit in this section. If you could kindly direct me to where I should go—

Dr Harmer—We will.

Senator SIEWERT—if it is not appropriate. I am interested in chasing up the issue of family care and kinship care as it relates to the exemptions made for foster carers in the recent Welfare to Work legislation. At the time I raised the issue of family care, I was told there were very few children involved. The implication was it was not really an issue. In fact, a report came out in late December that showed there are nearly as many children in family care and kinship care as in foster care. Therefore, as many children will be affected by this legislation. Provisions have been made for children in foster care but not in family care.

Dr Harmer—Are you talking about the Welfare to Work legislation?

Senator SIEWERT—Yes.

Dr Harmer—I think it will probably relate to the people on parenting payment, which is the responsibility of the Department of Employment and Workplace Relations, not FaCS.

Senator SIEWERT—I suspected that might be the case. But surely FaCS provides information to them on the children that will be involved and the parents and the care provision that will be involved in this.

Mr Wallace—Data and information about the care of children as it relates to the care and protection system are things that are managed by state and territory governments. In New South Wales, it is the Department of Community Services and there are equivalent departments in other states. FaCSIA does not have a direct responsibility for things like foster care et cetera at the Commonwealth level. As it relates to how involvement in those different categories would apply to the Welfare to Work legislation, that would be a DEWR responsibility.

Senator SIEWERT—Are you saying you provided no information to DEWR?

Dr Harmer—We would now not have the information in relation to the parenting payment people. That program and the people who used to run it in Family and Community Services are now in DEWR.

Senator SIEWERT—They are all in DEWR?

Dr Harmer—Yes.

Senator SIEWERT—So you have nothing to do with that side of things any more?

Dr Harmer—With the parenting payment income support payment, no.

Senator SIEWERT—Okay. I will take it up with DEWR tomorrow.

[6.17 pm]

CHAIR—Any further questions for 3.3? Do we want to start 3.4? Who has questions in 3.4?

Senator MOORE—I have child care, but I thought that was in another one.

CHAIR—That is in outcome 4. Any questions on 3.4? I know you have questions on 3.5, Senator Fielding. How long will they take?

Senator FIELDING—We should be right, I think.

CHAIR—We are due to break at 6.30 pm for dinner.

Senator FIELDING—I think we should be okay.

CHAIR—Okay. Fire away.

Senator FIELDING—My questions are under 3.5, support for women. You may have recently seen the Senate Community Affairs Legislation Committee report on RU486? Have you had a chance to read it at all?

Ms Flanagan—Yes. We have seen the report.

Senator FIELDING—There were statements made by both sides of parliament acknowledging that people would like fewer abortions. Has the department done any work on how women facing a difficult pregnancy and who may feel they have no other choice but abortion might be assisted to continue to birth and beyond?

Ms Flanagan—We have not done any work specifically. You would appreciate that the government has a range of programs funded mainly through other portfolios that offer women a range of assistance not only with contraception and things like that but also advice on what they can do if they become pregnant. But those programs are funded in other portfolios.

Senator FIELDING—So when you say nothing specifically, can you go through that again a bit further for me?

Ms Flanagan—I think you are asking whether we have done any work specifically on, as I understand it, what options might be out there. What I am saying to you is that I think there are a whole range of options that the government currently funds. We have never evaluated whether they are getting to the right people and how they are being delivered et cetera. We would leave that to the portfolios that are responsible for the particular programs.

Senator FIELDING—There are issues that have come up about support for women who are facing a pretty difficult decision.

Ms Flanagan—It is extremely difficult.

Senator FIELDING—I think as a society it would be a shame if some women—I am not saying all—felt there was no choice but to have an abortion because there was no support provided. Is that something the department may be looking at going forward on at all?

Dr Harmer—As Ms Flanagan said, it would be more likely something that the department of health would look at. It is primarily about women's health and wellbeing. We generally do not get involved in issues which are primarily in one of the spending portfolio areas.

Senator FIELDING—Has any research been done on that issue—whether women feel as if they have a choice?

Ms Flanagan—Not that I am personally aware. Whether the department of health has ever commissioned work in designing its programs, it would be a question you could ask them. But I am not aware of any research that has been conducted.

Senator FIELDING—Thank you.

Senator ADAMS—Does your department fund any programs relating to pregnancy counselling?

Ms Flanagan—No. We do not.

Senator ADAMS—Thanks.

CHAIR—Any further questions, Senator Fielding, of these witnesses?

Senator FIELDING—No.

Senator MOORE—I have a follow-up question from previous estimates about the Lifeline process with the call centres and the various domestic violence hotlines. I was wondering whether you could give us an update on whether there is any further feedback mechanisms or any further reports in that area.

Ms Flanagan—We have conducted an evaluation of the help line. We have extended the Lifeline contract for a further six months until 30 June 2006. In the next few months we will be going out to open tender for the delivery of the help line. How we frame the tender we are

still working on. But it will be informed by the results of the evaluation that we have already done on the help line.

Senator MOORE—Is the evaluation public?

Ms Flanagan—No, the evaluation is not public. It is part of the media campaign.

Senator MOORE—I had to ask. In terms of the tender, I know the detail will be informed, as I think you told us, when you are preparing the evaluation document. What is the length of the tender? For what period of time will the next tender be let?

Ms Flanagan—We have not taken a decision on that. We have funding secured for the next three years, I think, after this financial year. The question will be whether we do it for the full three years or whether we do it for two years and perhaps review at that time. So we have not got to that level of detail yet.

Senator MOORE—When are you expecting to? The current one has been extended, as you said, until the end of June. When will you have to have that done by? What is the timeframe for the let of the next one?

Ms Flanagan—I think we would probably need to go out in early March.

Senator MOORE—How long does it normally take? Is there a standard time for calling tenders?

Ms Flanagan—We usually allow a period of, say, up to four to six weeks for people to submit tenders. We then need to do an evaluation, of course, depending on who puts tenders in, and make recommendations and do probity checks et cetera. That is why we extended the Lifeline contract to 30 June. Of course, we expect to be able to announce a new provider at that time.

Senator MOORE—I have one question on the evaluation process. We have discussed people's concerns. Were the industry and the community groups involved in the evaluation in seeking feedback on the process?

Ms Flanagan—Yes. They were.

Senator MOORE—Thank you.

Senator FIELDING—Is there any reason why the department has not done any research or does nothing specifically with regard to women facing the issue?

Ms Flanagan—I think the government has a clear policy on this issue. As I say, it funds a range of programs so that women have choices about what they do in this regard. I think we are all very well aware that there is a conscience vote going on at the moment on a particular part of the issue that you are alluding to. But there are processes and programs in place and government policy. Therefore, it has not been seen necessary to do any work on it.

Senator FIELDING—Regardless of the current debate, this is a separate issue that was covered in the report—about actually recommending more support in those areas. Given that that is part of the report—it is really a separate item to the current debate; it was a separate recommendation—is there a reason why the department would not look at it?

Dr Harmer—I think it is quite likely that the relevant departments—we would be one—will be looking at reports such as that to see whether there is some initial work we need to do. Ms Flanagan is constantly looking for emerging issues when she is prioritising the allocation of her staff to issues and doing some research or whatever. She is constantly looking at the environment. The environment has changed a bit. If there is a Senate report available, that needs to be looked at with Health, probably.

Senator FIELDING—Thank you.

CHAIR—Are there further questions on 3.5? If not, we thank the officers involved in outcome 3 for their attendance. They can now go home or go back to work.

Ms Flanagan—Sorry about this. It has just been pointed out to me that as part of the wider department of FaCSIA rather than the Office for Women there is actually a small component as part of the Early Childhood—Invest To Grow program under the Stronger Families and Communities Strategy. The Australian government has provided funding of \$615,000 over three years to expand Core of Life's innovative and successful program called Pregnancy, Birth, Breastfeeding and Early Parenting. I think that is the only program we are aware of in the portfolio that might relate to your questions.

CHAIR—Thank you very much. We will now suspend proceedings for the dinner break. The committee will resume at 7.30 pm, when we will move to outcome 4.

Proceedings suspended from 6.27 pm to 7.37 pm

CHAIR—We move to outcome 4, Families and children have choices and opportunities. I invite Senator Evans to lead off.

Senator CHRIS EVANS—Thank you.

Dr Harmer—Senator, very quickly, I have an answer to one of the questions you asked before dinner in relation to outcome 1. I am advised that, of the \$42 million in departmental costs, only \$16.118 million was spent on commissioned research. The remainder was on staffing costs.

Senator CHRIS EVANS—That was for output 1?

Dr Harmer—Outcome 1.

Senator CHRIS EVANS—That is the total for 1.1 and 1.2?

Dr Harmer—Correct.

Senator CHRIS EVANS—So it is a very sizeable proportion then.

Dr Harmer—Yes.

Senator CHRIS EVANS—I got the impression earlier that it was a bit smaller.

Dr Harmer—I was not expecting it to be quite as big as that.

Senator CHRIS EVANS—And here we were just thinking you were highly overstaffed.

Dr Harmer—I wish!

Senator CHRIS EVANS—Thank you for that. I want to ask about the family tax benefit. There has been a bit of toing and froing about FTB part B and the possibility of it being

means tested. Both the Prime Minister and the previous minister, Senator Patterson, have had various things to say about it, not necessarily singing off the same song sheet, but they were at the end. Has FaCSIA been involved in looking at options in this regard?

Dr Harmer—Given where we are in the budget cycle, I think that would qualify as advice to ministers and advice to government. Other than to say that we are constantly looking at the programs we run and advising the government on potential reforms, I do not think I would want to go past that.

Senator CHRIS EVANS—I obviously do not want to seek information about the budget process. I guess I am responding to information provided by Senator Patterson in the Senate on 12 September, when she said, ‘I’ve asked my department to give me detailed profiles of the sorts of people in that category.’ So Senator Patterson has indicated you were providing her with advice. Are you going to contradict her?

Dr Harmer—Absolutely not.

Senator CHRIS EVANS—So you have been providing advice to her about these issues.

Dr Harmer—Yes.

Senator CHRIS EVANS—They have been in the public arena.

Dr Harmer—Yes, of course.

Senator CHRIS EVANS—I would be very surprised if you had not. Is the policy responsibility for that sort of issue primarily that of FaCSIA?

Dr Harmer—Primarily, yes, but on a matter like FTB it would be unlikely that the Minister for Families, Community Services and Indigenous Affairs would not consult with other senior ministers.

Senator CHRIS EVANS—Treasury and Finance always have a lot to say about these things.

Dr Harmer—Of course.

Senator CHRIS EVANS—I understand that and I am sure they would take a keen interest, but primary policy responsibility clearly lies with you. Is that right?

Dr Harmer—Yes, that is correct.

Senator CHRIS EVANS—Do the other departments accept that?

Dr Harmer—I think they would accept that the Minister for Families, Community Services and Indigenous Affairs has primary responsibility. For example, if there was any proposal for change, it is most likely to come through our minister.

Senator CHRIS EVANS—Thank you for that. There is a report—I think it is in today’s paper—about the potential for costs savings of about \$100 million if there were a \$125,000 income cap, or income means testing, on the FTB part B payment. Are you the authors of that report?

Mr Barson—We are aware of it. Referring to the media clips from this morning, some of the information that has been reported appears to come from information provided by the Department of the Prime Minister and Cabinet.

Senator CHRIS EVANS—Are you suggesting that they were the authors of the modelling or the assessment, or did you do that?

Mr Barson—As has been said before, when any of these issues are around we are always looking at where government might want to go and what the possibilities might be. The particular piece of information that was provided came out of PM&C. I cannot say where they got some of the comments that have been made. Some of that would have been from material that we have prepared and some of it would have been their own material.

Dr Harmer—Bear in mind that I have not seen the documents that this press report is referring to.

Senator CHRIS EVANS—That is why I was asking you whether you were the authors.

Dr Harmer—No.

Mr Barson—No.

Senator CHRIS EVANS—Would you be able to do that sort of modelling or would you need Tax?

Dr Harmer—We would be able to make some assessments about the financial implications of caps or different eligibility, yes.

Senator CHRIS EVANS—Internally, you would be able to do that sort of modelling?

Dr Harmer—Yes.

Senator CHRIS EVANS—You would not need Tax?

Dr Harmer—No.

Senator CHRIS EVANS—Did PM&C approach you about doing this?

Dr Harmer—About doing what?

Senator CHRIS EVANS—This sort of assessment. Were you in the loop?

Dr Harmer—I do not recall being approached for such material.

Senator CHRIS EVANS—So they did not seek advice from you and you were not part of the preparation of the material?

Mr Barson—If I understand it correctly—and again we have not seen the material that has been released—what the media is referring to is information that came out of a FOI request. Some of that material would have been around for quite a while and some of it may be new material, so it is a bit hard at the moment to say, of that material, what we were involved in and what we were not.

Dr Harmer—We do not know what the source material is.

Senator CHRIS EVANS—Potentially, some of your material might have been used as a source—

Dr Harmer—Quite likely.

Senator CHRIS EVANS—but you do not know that.

Dr Harmer—Possibly.

Senator CHRIS EVANS—You would obviously have provided briefing notes and other material to cabinet at various times that might have been used.

Dr Harmer—Indeed.

Senator CHRIS EVANS—Thank you for that.

CHAIR—Have you finished with 4.1, Senator?

Senator CHRIS EVANS—And 4.2.

CHAIR—Do you have questions on 4.1?

Senator FIELDING—Yes. My questions may cross over into 4.2. When will the national agenda for early childhood be publicly released?

Mr Barson—I think you have just crossed over.

Dr Harmer—You have crossed over.

Senator FIELDING—Let me go back to 4.1 then. The annual report, on page 45, has key strategies for strengthening family capabilities. The fourth point says:

- Manage the family impact statement process so that the government is aware of the family impacts of Cabinet and Budget proposals.

How do you make the government aware?

Mr Barson—You have crossed over again, Senator.

Dr Harmer—These questions will be answered by the people from 4.2.

Senator FIELDING—I thought 4.2 was titled Child support. Have I got that wrong?

Ms McKay—These questions do relate to 4.1. It is just a different part of 4.1.

Dr Harmer—Okay. You have not crossed over. I am sorry, Senator.

Mr Barson—Senator, do you have anything on family tax payment in 1.1?

Senator FIELDING—No.

Ms McKay—Senator, which question would you like answered first?

Senator FIELDING—In the annual report, the fourth bullet point under key strategies for strengthening family capabilities says:

- Manage the family impact statement process so that the government is aware of the family impacts of Cabinet and Budget proposals.

How do you do that?

Mr Popple—We do that through ensuring the family impact statement process unfolds smoothly, that those cabinet submissions which require an impact statement have one and that the impact statement addresses the thing that the government requires it to do.

Senator FIELDING—On page 48 it says ‘Performance highlights and policy outlook’. Under ‘Key achievements included’ it says:

- Implementing and managing family impact statements as part of Cabinet and Budget process, and providing advice on the family impacts of a variety of proposals.

Have you evaluated whether this process is working?

Dr Harmer—The submissions that deal with or are likely to impact on families now have a specific part of the documentation which requires departments to address their likely impact on families. That is a component of the submissions that has not been there before and therefore in any submission that now comes to cabinet which is likely to impact on families those impacts are drawn to cabinet ministers' attention in a way that they were not before. You have to say that that is a positive in terms of cabinet's consideration.

Senator FIELDING—Absolutely. I have no problem with the desire. It is just that the public does not know what they look like, whether they are being utilised or whether they are being useful. In fact, the public does not know what is happening with them.

Dr Harmer—That is because it is part of cabinet documents, and cabinet documents are confidential. But, in my view, that is probably the most effective way of ensuring that family issues are taken into account as government makes decisions. If it happens to be part of a confidential document, that is the way the process is. It would be less effective in any other form.

Senator FIELDING—You think it would be less effective if it were public?

Dr Harmer—You could not make cabinet documents public. What I am saying is that if it were a public document it would not be able to be part of a cabinet submission.

Senator FIELDING—Is there any reason why the department would think they could not be made public? Has it been requested not to make them public?

Mr Popple—The family impact statements form part of the cabinet documentation and by their very nature they are confidential and not public, in the same way that other impact statements attached to cabinet documents are confidential.

Senator FIELDING—There are a lot of other impact statements that are not confidential.

Mr Popple—They are usually attached to legislation. There are impact statements attached to legislation. The impact statements which are attached to cabinet documents are confidential.

CHAIR—Any further questions on 4.1?

Senator MOORE—I am not sure if this is the right 4, but I have a question about something on page 28 of the additional estimates. There is a line there that has the heading, 'Institutional care response to the senate committee report'. It says it is 4.1, so I took that as a confidence-giving thing for me. There is nothing beside it. Could you explain that line for me?

Ms Beauchamp—Yes, it is the right area. It was the government's response to the *Forgotten Australians* report. The government allocated \$300,000 to that response and funding was to be found within departmental appropriations.

Dr Harmer—So the money was provided. There was no additional appropriation to the department.

Senator MOORE—The money came out of the existing process and that is why nothing appears there. For us to trace through how that is spent in future estimates, because that only came in in the last six months, can you tell me where I would find that?

Ms Beauchamp—Yes, it is probably in the mid-year estimates paper. It is actually public in the budget papers. I can just read an excerpt.

Senator MOORE—That would be lovely, then I will go back and check it.

Ms Beauchamp—It reads, ‘The measure will provide funding for a national conference of out of home care service providers and support organisations’, ‘organisations supporting children formerly in institutional care is another element of the package’, ‘suitable memorials commemorating people who were in institutional care’ and ‘a national conference on child protection’.

Senator MOORE—Is that over a period of time, or is it just that the money goes in and then it can be spent over any period?

Ms Beauchamp—It will be spent over two years, 2005-06.

Senator MOORE—Thank you, we will follow that up. I wanted to have it clear in my mind.

[7.54 pm]

CHAIR—There being no further questions on 4.1, we will proceed to outcome 4.2, Child support.

Senator FIELDING—On communities for children, when will the national agenda for early childhood be publicly released?

Ms McKay—There has been a long period of consultation on the national agenda, so the broad parameters of it are fairly well known in the public already. The minister has just signed letters to his state counterparts, seeking their endorsement of it. Following their responses, it would be publicly released.

Senator FIELDING—Is there any reason for the delay? I understood it was supposed to be released last year.

Ms McKay—These things take time. As I said, the minister has just signed the letters.

Senator FIELDING—Have you done an assessment or audit of the extent of the difficulties facing children in Australia and what needs to be done and spent to address the problem?

Ms McKay—We are undertaking a longitudinal study of Australian children, which was part of the budget papers about four years ago. That has been to the field once or twice, I think.

Ms Beauchamp—Twice.

Ms McKay—Data will start coming in on that reasonably soon but, because it is a longitudinal study, there is a series of waves of data that have to be collected over time. So the base data will be useful up to a point but it is really subsequent collections of data that show development over time that will give us the best results. It is an investment.

Dr Harmer—We also have access to research and information that comes from the Australian Research Alliance for Children and Youth, ARACY, which is a body that we fund which does research into children and youth. Professor Fiona Stanley was the chief executive of that body. She is still on it, as am I, as a board member. They do some very good research which we use in addition to the information we get from various surveys to help us develop a picture of the issues and problems and challenges facing young people.

Senator FIELDING—Is that research part of the Australian Early Development Index? Is that part of what FaCSIA has put together?

Mr Popple—No, it is not part of that research. The Australian Early Development Index is a program which has been undertaken in conjunction with the children's hospital down in Melbourne and it is being run in various communities throughout Australia. It assesses children in the first year of entry into school and provides a measurement of how they are going, not on an individual basis but on a community or area basis.

Senator FIELDING—Are you aware that the Australian Early Development Index shows that nearly a quarter of Australian children could be developmentally at risk?

Mr Popple—The index has only just started—I believe it has covered about 30 communities so far. It is far from being a comprehensive index at this stage. You also have to remember that it is going through a trial period at the moment. We are testing the validity of the index to the Australian environment. It is based on a Canadian index which has been slightly modified for use in Australia. The early trials are to try and validate the index for use within Australia. I do not think that there has been sufficient testing or sufficient communities involved yet to make a comprehensive statement about development in Australia. It has mainly been used in Western Australia to date and has had limited use in other states and territories.

Senator FIELDING—The department has not formed a view about the number of children that could be developmentally at risk?

Mr Popple—Not based on that index.

Dr Harmer—I think we would be wise to be quite cautious about making conclusions, particularly about proportions at the moment, until there is further development of that index and application in broader communities.

Mr Popple—It is an extremely good tool, but it has not been used widely enough to make any definitive statement.

Senator FIELDING—How much funding has been given for that index? I think the index is a good idea, by the way. I am not against the index. You are telling me that it is too early. I would like to know how much is being spent and when will you know the number.

Mr Popple—We will try to provide it. The previous minister approved \$800,000 over four years. As I said, it has been delayed slightly because of the need to work it through different communities in different states and territories. We are about to run another round of it this year, hopefully in the second term of schooling. That will mean, I believe, about 55 communities have used the index and that will give us a more valid measure of how it is

going. We will be better placed by the middle of the year, late this year, to make some judgments about what it is showing us and also about the validity of the tool itself.

Senator FIELDING—How many communities have used it so far?

Mr Popple—I think I said 30 before; I meant 25. Over the past year, 25 communities have participated in the AEDI across five states and territories—Western Australia, South Australia, Victoria, Queensland and the ACT. Round 3 of the project is now under development and, to date, we have received expressions of interest from 30 communities to implement the AEDI in 2006.

Senator FIELDING—You do not have any preliminary thoughts on it? You are going to wait to the end. You do not think indicative figures are enough to show that there is an issue that needs to have a response?

Mr Popple—Not in the way that you are implying. The majority of the communities have been in Western Australia to date and it has only been in five states and territories; it has not been comprehensively used across Australia. I think it is too early to be using it to indicate gaps in Australian early development. The main purpose for using the index is to reveal deficiencies in individual communities so that the communities can make decisions about where they want to put in investment. For example, a particular community could decide to put their money into parenting planning in the future. It is really to aid the communities in the first instance about how they might use most effectively the money they have.

Senator FIELDING—I think it is admirable. I want to lead onto another area in the same program. Correct me if I am wrong, but I think the communities for children program relies on non-government organisations putting forward a proposal to meet the needs of the community. That sounds great. I am particularly concerned about the needy communities where there are no non-government organisations able to put in a grant. What happens then? Those communities may be in a downward spiral and the grant only works if there are people putting in decent applications. I am worried about communities where there may not be people around to do those sorts of things.

Mr Lewis—The Australian Early Development Index is in use in many of those communities—communities for children. The researchers, putting together the instrument, wrote to those communities. The researchers are developing the instrument for Australian use, based on the Canadian model, as Mr Popple has said. It came from a Canadian health model; Clyde Hertzmann, the designer, used it in a very health focused environment. We are using it in Australia for a broader set of areas, including language and cognitive skills, emotional maturity, physical health and wellbeing, communication skills and general knowledge. There are a number of continuums in there, and we are still testing it. But we have invited communities for children sites to be party to it.

In relation to other communities that might benefit from it, the intention with the communities for children model is that every community in Australia is able to access the learnings from the communities for children model. There is a website called CAFCA—Communities and Families Clearinghouse Australia—which the Australian Institute of Family Studies supports, to which people can subscribe, and you can go through the AIFS website to access that. The website will give you a breakdown of learnings around early childhood over

the period of the first strategy. It will also give you some additional information about how the AEDI is working and a range of other things.

We recognise that there are more than 45 communities, which are the bounds that we currently have. Other communities have expressed interest and are learning already from some of the models in place.

Ms Beauchamp—This is only one program and there are other interventions going into other communities. The states and territories have similar types of programs which they are rolling out to different communities. We need to make sure that we do not overlap and duplicate programs between us and the states and territories.

Senator FIELDING—Thank you for that. That is useful. It does rely on the non-government organisations applying. I am worried about the areas where you do not get people applying for grants and there could be a genuine need within the community. What does the department think about that?

Dr Harmer—The communities for children program that Mr Lewis has described is just one intervention, which is working and where the outcomes and learnings are able to be shared with others. There are lots of other programs—Commonwealth and state—which are targeted at supporting communities and children in communities. The communities for children program is not the only intervention.

Senator FIELDING—In Victoria they have Best Start. How does the department coordinate with Victoria? Can you walk me through that?

Mr Lewis—Some of the Best Start sites are co-located with communities for children sites; some are adjacent. Best Start is a two-year program. It is slightly different to communities for children. It has very similar features. We try to make sure that the community committing process includes, as part of its framework, local government, state government and federal government officials. The idea is to collaborate at a local level; we are not duplicating, we are not replicating, and we trying to get some long-term consistency about interventions. To date, the feedback from the sites has been very positive, particularly in Victoria. Kilmany in East Gippsland is one Best Start site. That is really going quite well; it was one of the first seven of the 45 sites.

Senator FIELDING—What evaluation has been done on the communities for children projects?

Mr Lewis—This is a rather longer answer. We have a consortium which is led by the Australian Institute of Family Studies and the Social Policy Research Centre. They are in partnership to undertake a range of studies and I will list the titles for you. These are over the next few years. We have some early data about involvement, but in terms of quantitative data for children that takes times, as you can understand. Some of the elements of the study that we commissioned include a family study, which will be a longitudinal study of 1,500 children, and up to 17 sites. We have an outcomes indicator framework which we are using to look for secondary data sources. I can give you a list of these on notice probably, but there is a whole swag of them: use of questionnaires, using the AEDI, as I mentioned; a comprehensive community profile; service coordination study and operational level snapshots; facilitating a partner model study to see how the model is working; progress report analysis every six

months; theme quantitative studies and a promising practice profile. You can see it is quite an exhaustive model.

Senator FIELDING—Yes, that is good.

Mr Lewis—And I can give you more details on that.

Senator FIELDING—That is fine. I appreciate that. I am keen to see it progress. I think that is the key. I am still concerned about those communities, but I would appreciate it if you would look at it a bit further. I am also interested in seeing some of the results of those evaluations, if I could have those at some stage.

Mr Lewis—Sure. There is plenty on the website, too, if you want to look at some early data.

Senator FIELDING—Thank you.

[8.09 pm]

CHAIR—We will now proceed to output group 4.3, child care support.

Senator FORSHAW—My question is regarding the Inclusion and Professional Support Program. Forgive me, but it is not an area that I have been involved with in these estimates in previous years, so could you give me a quick run through of how that program operates. I understand there were some changes made last year, or the year before, and there has been a new round of grants allocated. If you could start with that I will then have some specific questions afterwards.

Ms Carroll—The Inclusion and Professional Support Program has undergone changes during this financial year. We are in the midst of those changes at the moment. The changes came about from the Child Care Broadband Review which happened in 2004; these are now rolling out. Essentially what the Inclusion and Professional Support Program does is provide professional support to child-care services, all approved child-care services. Previously on the professional support side there were resource and advisory agencies and training agencies around Australia which provided that support, and there are about 60 of those agencies.

What the new model has done, in professional support, is have one professional support coordination agency, in each state and territory. That agency then subcontracts professional support providers in different regions. The reason the government moved to having eight of those key agencies, was to bring about some consistency in what was delivered and to make sure that the training needs across states and territories were being met. In the inclusion support area—

Senator FORSHAW—Sorry, in the inclusion support area?

Ms Carroll—Yes. That was the professional support. Professional support obviously provides training direct to staff in child-care services. In the inclusion support area there were two main elements of the inclusion support previously: there was what was called the supplementary services, or supp services, and they were agencies that provided assessment for child-care services and children that might have had a disability or some sort of additional needs, for those children to be assessed and a service to be assessed about what might be needed to include those children in a particular child-care service.

Again, there were a large number of those agencies—there were 136—and there was not a lot of consistency in how that operated across Australia. We now have 67 inclusion support agencies defined by geographical regions, and those agencies provide that inclusion support to the child-care services in their area. They would perform a similar function to the previous supps agencies but at a more consistent regional level.

Senator FORSHAW—What is the total funding for the program? It runs at 05 to 08, does it not?

Ms Carroll—The funding per financial year is about \$75 million.

Senator FORSHAW—Right. I want to ask about New South Wales, the state that I come from. I understand that previously local councils, local government bodies could access the funding. Is that the case?

Ms Carroll—In some cases that was correct. They were the supps agents. They ran the supplementary service agencies, but there were also community based providers. There was a range of providers. That is right.

Senator FORSHAW—You might need to take this on notice, but can you tell me how many New South Wales local government bodies, local councils would have been receiving funding under the scheme?

Ms Carroll—I would have to take that on notice.

Senator FORSHAW—I have been advised that the new scheme is structured in a way that it made a difference to local councils in applying for funding because it meant that they may have to go beyond their particular regional area, or the boundaries of their local government area. Is that an issue you are aware of?

Ms Carroll—The big issue was that we went to a competitive tender model, whereas previously it had been an annual grant model. For both the professional support coordinators and the inclusion support agencies it was done as a competitive tender with funding amounts for three years. Yes, the regions were set and they may not have exactly matched with local government regions. However, a number of local governments got together and put in tenders together, so there were ways they could still tender for the funding.

Senator FORSHAW—Yes. I was going to come to that. It did not prevent them from doing it.

Ms Carroll—No.

Senator FORSHAW—But obviously for some local government areas it may have been easier and they have the resources to band together or to reach agreements with neighbouring councils to do that, and I know a number did that. I would like you to tell me—again, maybe on notice—how many applications were received from councils, or local government bodies in New South Wales. You might want to tell me the figures for the rest of the country. Yes, give me the figures Australia-wide, state by state. But the point I then wanted to come to is: do you know the answer in, say, New South Wales at the moment? How many would have applied?

Ms Carroll—I would have to take that on notice.

Senator FORSHAW—Can I put it to you that only one council was successful. Are you aware of that?

Ms Carroll—Yes.

Senator FORSHAW—Which council was that?

Ms Carroll—I do not know the council off the top of my head.

Senator FORSHAW—Can I help you—Penrith.

Ms Carroll—Yes. That was in New South Wales.

Senator FORSHAW—That is right. Are you able to tell me the reasons why other councils were unsuccessful?

Ms Carroll—As with any unsuccessful bidder in a competitive tender process, they were not able to meet the criteria to the same standard as the most successful tenderer. The process was, as I said, through competitive selection. There was a tender panel set up that assessed all the tenders across Australia, there were people who oversighted the whole process and did the quality checking, and we obviously had things like probity advisers working with the tender selection panels. It was all done as it should be with a competitive tender process and all the applications were assessed in a similar way.

Senator FORSHAW—I would also like you to provide details of all the organisations, both councils and private sector bodies or others, that were receiving funds under the program previously. Has the process of assessing and awarding the successful group been completed?

Ms Carroll—The tender selection process has finished. However, we are still finalising the contract negotiations around the inclusion of support agencies. The previous minister announced the preferred providers at the end of November, early December last year. We will have the actual tenders all finalised and people signed up by the end of February.

Senator FORSHAW—Could you provide me a list of the new ones. I take your point that there was an announcement. I think I actually saw that in a media release somewhere, but could you provide that to us. Was the Kindergarten Union of New South Wales one of the successful tenderers?

Ms Carroll—Yes.

Senator FORSHAW—How many grants did they get?

Ms Carroll—I would have to take the exact number on notice.

Senator FORSHAW—I will leave it at that. I am sure we can come back to it next time. Thank you.

CHAIR—Are there any questions on 4.3?

[8.21 pm]

Senator MOORE—I have some questions about some unanswered questions on notice that Tanya Plibersek has put through to the minister. There were a few of those that we wanted to follow up on but, because of previous experience here, I wanted to actually identify the questions on notice and when they went to see why they had not been responded to so that we do not go all over them again unnecessarily. The first few are data collection. These range

between 10 November and 8 December last year. There is question No. 2796, which was about numbers of children in state and territory for whom child-care benefit was paid for different forms of child care. Maybe I will read them all out and then we will go back through them: 2797 is another data collection one and there are three parts to that; 2798 is the same kind of thing; 2799 is mainly about long day care and eligible places and child-care benefit; and 2622 is about consultancies with Ernst and Young. That is all about that same consultancy but it has several parts. We were particularly wanting to pursue some of those questions, but I wanted to find out first whether there is any particular issue with each of them as to why we have not got the answers.

Ms Beauchamp—I am not aware of any particular issue. There were a number of parts to these, and they were quite complex in terms of the data collection. I am also thinking probably over the Christmas-New Year period there may have been some delays in staff applying themselves to answering these. I do not know if the officers here could update you on exactly where they are at, but I do not think there are any particular issues. I am happy to take that back and provide further advice.

Senator MOORE—Are there any that we can pursue this evening in terms of some of the data there? I am going to particularly ask questions about the Ernst and Young one because that is to do with process, but can we pursue any of the others here?

Ms Beauchamp—I think some of them are complex and involve a lot of figures and information, but I am happy to look at the ones we can answer in a more simple way.

Senator MOORE—Do you know, Ms Beauchamp, whether they have gone from the department to the minister yet?

Ms Beauchamp—No, I do not have that information in front of me, I am sorry.

Senator MOORE—We will have a bash. We will start and see what we can get. No. 2797 was the one about children in each state and territory who were getting child-care benefit, long day care, family day care, before school care, after school care and occasional care. What kind of data can we get easily on those? Do we have the current figures, Mr Popple?

Mr Popple—I think when the answers to the questions are provided, which I think will be reasonably soon, they will have all the data that Ms Plibersek was seeking. As you outline, it is quite comprehensive and detailed data and a bit difficult to go through here in this forum, but I think that, as Ms Beauchamp indicated, there is no intrinsic difficulty in getting most of that data and an answer should be provided shortly.

Senator MOORE—Is that the same answer for all the data ones that go from 2796 to 2799? Would that be the same answer you would put forward for each of those?

Mr Popple—That is my understanding.

Senator MOORE—I will ask some questions around the consultancy, which should be a different form of data collection, and see what we can get out of that, and then maybe between us we will be able to pursue that a little bit. You used an adverb there about the timeliness of when we could expect it—I have just lost it—but it was something like ‘imminently’ or ‘soon’.

Mr Popple—‘Shortly’.

Senator MOORE—Can we tighten that a bit?

Ms Beauchamp—These were questions on notice tabled in parliament to the minister, and of course the minister will need to clear any responses.

Senator MOORE—We would expect that. That is why I asked whether it had gone from the department to the minister yet.

Dr Harmer—I am not sure if they have gone to the minister yet. We will be pushing them through, but you can imagine a new minister with the sort of portfolio that we have, having added to it all the Indigenous functions. He will no doubt get to these as soon as he can, but he has a lot of work on his plate at the moment.

Senator MOORE—I will put ‘shortly’ beside that. I now go to the particular question about Ernst and Young. I think that we have raised this in the past—the consultancies and this process—and I will beg your indulgence and go through it as we have it here and see what we can get. Because you have already given that information, we know that Ernst and Young were engaged to look at an analysis of the finances of and make recommendations to child-care services affected by operational funding changes.

Ms Beauchamp—Yes.

Senator MOORE—Have we got the actual document that spells out exactly they were contracted to do?

Ms Carroll—We would have a copy of the contract that was provided to Ernst and Young. I would have to see if we are able to pull out effectively the terms of reference of their work.

Senator CROSSIN—Could you do that?

Ms Carroll—Yes.

Senator CROSSIN—Please take that on notice to look at that.

Ms Carroll—Yes.

Senator MOORE—Was that a contract that was out to tender for this particular process?

Ms Carroll—Yes, that contract was out to tender.

Senator MOORE—Can we see the tender documents?

Ms Carroll—The actual request for tender?

Senator MOORE—Yes.

Ms Carroll—Yes.

Senator MOORE—When did that happen? I am sure we have discussed this. When did that tender go out?

Ms Carroll—I cannot give you a specific date, but Ernst and Young started their work in about July last year, so it would probably have gone out in around May. I could get you the exact date.

Senator MOORE—Can you tell us how many child-care providers the Ernst and Young contract was engaged to review?

Ms Carroll—The contract was to look at about 800 services. However, that was a maximum number, so the tender was let with an actual fixed price with services being continually referred to Ernst and Young up to the maximum number. I would need to get you that maximum number.

Senator CROSSIN—For my purposes, can you tell me the difference between multifunctional and multicare centres?

Ms Carroll—A multifunctional child-care centre is normally a child-care centre that receives specific funding as a multifunctional child-care centre. It was a type of funding that went out to a very small number of child-care services in the mid-nineties when they were encouraging services to have multiple care types within the one physical facility, specifically under a multifunctional funding model.

Senator CROSSIN—So they would have long day care, occasional care and after school care?

Ms Carroll—Yes, they could have a mix. However, I think what you are referring to are services that operated similar care types. They might have had family day care, long day care and outside school hours care, but they were not classified as multifunctional because they did not receive that exact form of funding. They are often called multiple care services.

Senator CROSSIN—Were the centres that got a disadvantaged area subsidy multifunctional or multicare or both?

Ms Carroll—The disadvantaged area subsidy was available to both of those types of child-care services because it was based on their physical location.

Senator CROSSIN—Do we have multifunctional centres any more?

Ms Carroll—The reason for moving to the new model was to try to equalise the funding that was provided so you did not have a very small number of services that were receiving this funding because they provided multiple types of care.

Senator CROSSIN—When Ernst and Young were hired, was there a certain fee for each child-care service they went to or was it the time taken overall or was it just a global contract and they had to manage the money themselves?

Ms Carroll—It was a global contract. As I said, there was a set value to the contract which allowed us to refer a certain number of services to them. They have not reached their maximum number of services.

Senator CROSSIN—Would you be able to find out from Ernst and Young how much it would have cost them to, say, review a particular service?

Ms Carroll—I do not know that Ernst and Young would provide us with that exact figure. We could ask them, but that would be up to them.

Dr Harmer—It is unlikely that they would have kept records per service. We could ask, but I would be pretty confident that they would not be able to do that.

Senator CROSSIN—What was the total cost of this contract?

Ms Carroll—The total contract was \$1.32 million.

Senator MOORE—How was that determined? That is a big chunk of money. When you were doing the budget proposal, what were the factors that led to the amount of \$1.32 million?

Ms Carroll—What would have been taken into account is the number of services we thought may have been referred to Ernst and Young, or the successful tenderer, an assessment of the amount of work that might have been involved and an estimation of the kind of value that that might have been worth.

Senator CROSSIN—What exactly were they asked to do when they went into each centre?

Ms Carroll—They were asked to look at the viability of each service and some of the things they could do from a financial perspective to assist in making them more viable. The services that got referred to them were those that were, under the new model, going to have a reduction in funding, and so it was to see if there were some things about the way they operated that would assist in making them more viable and being able to meet their funding.

Senator CROSSIN—Did their assessment of the viability of a centre also include provision for them to look at the socioeconomic graphics or data in which that centre was based? Were they required to look at, for example, the combined total income of families or home ownership or single parents?

Ms Carroll—No. They were particularly looking at it from a financial management perspective.

Senator CROSSIN—And not within the capacity of the socioeconomic region in which that centre was based?

Ms Carroll—No. They were asked to look at the books of the service, what they charged for and what they did not charge for. They were specifically asked to look at those elements.

Senator CROSSIN—In relation to those centres that were going to lose funding, has the disadvantaged area subsidy been abolished?

Ms Carroll—It has been replaced with a subsidy called sustainability assistance. Sustainability assistance is worked out with some of the same characteristics as the disadvantaged area subsidy but also some different characteristics. It is trying to specifically target services that are small, because they have much more difficulty in being viable, and also services that are in more regional and remote locations.

Senator CROSSIN—If a child-care centre is in a remote location, it may well have lost its disadvantaged area subsidy. Is that correct?

Ms Carroll—It will not have lost it altogether. Are you saying because it was a larger service? I am not quite sure what you are asking.

Senator CROSSIN—If they lost their disadvantaged area subsidy, did they necessarily then get the sustainability allowance in place of it?

Ms Carroll—A large number of services would have got sustainability assistance to replace their disadvantaged area subsidy, but the criteria are not exactly the same. The focus was to look at the issues for sustainability for child-care services across Australia and where

the areas of most significant need were. What was identified was that small services had a lot of trouble remaining viable, and in regional and remote locations you had many more small services that did not have the opportunity to grow. The geographic location of those services also had an impact. Sustainability assistance has been targeted towards small services. It uses ARIA. It takes into account a range of factors, but it is primarily targeted to assist smaller services and services in rural and remote locations.

Senator CROSSIN—What do you define as a small service—fewer than 45 places or fewer than 75 places?

Ms Carroll—The funding varies. For example, a service that has 10 places or less would receive more funding under sustainability assistance than a service that has 30 places, with the idea obviously that the more children and families you have the more capable the service is of remaining viable. Under the disadvantaged area subsidy—

Senator CROSSIN—Sorry, say that again.

Ms Carroll—The more children and families you have using your service the better chance of it remaining viable because of economies of scale.

Senator CROSSIN—Despite the socioeconomic status of those parents?

Ms Carroll—Even if the socioeconomic status was the same, a 10-place child-care service has much less capacity to draw on—a few of those families drop out—and runs the risk of becoming nonviable very quickly compared to a service that has 30 places. If a 30-place child-care service loses a couple of children, they have a better chance of remaining viable. Under the disadvantaged area subsidy, a small service received less funding than a larger service. Under the sustainability assistance model, the small service would receive a loading, because it is small.

Senator CROSSIN—Providers eligible for the Ernst and Young review were the ones predominantly going to lose money under the disability area subsidy, were they?

Ms Carroll—The disadvantaged area subsidy, yes. They were services identified which would lose funding in moving to the new model.

Senator CROSSIN—Have you done any quality assessment of the Ernst and Young contract?

Ms Carroll—We are continuing to review the Ernst and Young contract and give them feedback, as we get feedback about issues that services may raise with us. We go back to Ernst and Young with that feedback and look at ways to improve the service delivery.

Senator CROSSIN—What would be the highest loss suffered by a child-care provider under the new system and the lowest loss suffered by a child-care provider?

Ms Carroll—I do not have those figures at hand. Obviously the lowest loss could be as low as a couple of dollars. I do not have with me the highest loss.

Senator CROSSIN—Can you take that on notice for me, please.

Ms Carroll—Yes.

Senator CROSSIN—Have there been any complaints about the quality of the Ernst and Young work?

Ms Carroll—We have had feedback from some services which were not happy with the Ernst and Young work. As I said, we have fed that back to Ernst and Young and worked with them to go back to the services to try to rectify the situation or, if the services do not want them to come back, to work with Ernst and Young around the issues that were raised.

Senator CROSSIN—So a service has an option of not having Ernst and Young back if they are not satisfied with the outcome?

Ms Carroll—Ernst and Young is always optional. They do not have to take it up.

Senator CROSSIN—How much have you paid Ernst and Young so far?

Ms Carroll—The contracted amount is the amount paid over this financial year. They are contracted for a set amount.

Senator CROSSIN—That would have been paid.

Ms Carroll—Yes. By the end of the financial year that would have been completely paid. I am not exactly sure of the payment schedule.

Senator CROSSIN—Could you have a look at that and provide it to us, if it is not too onerous. Can you also perhaps approach Ernst and Young and ask them if they will be able to give us an average cost of what it might be to review each centre if, in fact, they have kept that.

Ms Carroll—As Dr Harmer said, they may not do that, but we can ask.

Senator CROSSIN—No, but can you just ask and see if that is the case.

Ms Carroll—Yes.

Senator CROSSIN—I want to raise with you a specific situation in the Northern Territory. The Katherine East Child Care Centre—which I thought perhaps in relation to Canberra might have been considered remote rather than rural—will lose \$104,000 from its budget because of the change. Ernst and Young simply came into the place—and now you are telling me they are simply looking at cost and money rather than socioeconomic outcomes—with a response that they should just simply raise their fees by \$20 a week. This is a community which has no hope of attracting that amount of money from families, if they did raise their fees. What is your response to that sort of change in that town, in that area?

Ms Carroll—We would look at working with the child-care centre itself, if the options put forward by Ernst and Young were not appropriate, to either work with—

Senator CROSSIN—The one option was that it needed to increase its fees by \$20 a week?

Ms Carroll—We would work with Ernst and Young and the service to see if there were any other possibilities they could think of. If Ernst and Young were not able to do that we would work with the service ourselves to see if there were any other options, and look at what the circumstance might be of the particular service.

Senator CROSSIN—What if they said they did not want Ernst and Young to come back?

Ms Carroll—We would work with them as the department.

Senator CROSSIN—How is a centre like that supposed to cope from 1 July without that \$104,000? That is a huge amount from a child-care centre's budget in a place like Katherine. It has 92 places, so you probably think it is extremely viable. There are 260 people on the waiting list because there are not a lot of options for child care in Katherine, but their catchment area is a particularly low-socioeconomic area. How is a centre expected to cope with the loss of over \$100,000 from 1 July?

Ms Carroll—As I said, we would work with that service to see if there are any other options and to see if there are some other possibilities for that service in that particular circumstance.

Senator CROSSIN—I know transitional funding is being given, but after 1 July are there any other means by which they can access that \$100,000 again for the future, or does the new funding model not allow them to do that?

Ms Carroll—The new funding model obviously provides an amount that service would be funded for. If there is a particular case for that service, that would need to be considered in terms of any additional transitional funding. If services have lost a significant amount of funding, there is transitional funding over two years. But, as I said, we would work with that service to see if there were any other options available.

Senator CROSSIN—I understand they have some transitional funding to take them through to 30 June, but are you saying there is a possibility it could be there for two years?

Ms Carroll—I would have to check on the amount of funding that particular service had lost. It depends on the proportion of funding that service lost, whether transitional funding is for one year or two years.

Senator CROSSIN—Why is Ernst and Young's brief so very monetary focused and so narrowly focused, though?

Ms Carroll—Primarily they were brought in to try to address an area that, in particular, child-care services may not have a lot of skill in themselves, may not have a lot of expertise in, and that was around their own financial management. Their focus was on looking at issues of financial management. The professional support coordinators and the professional support providers are also able to come in and assist the child-care services, looking at whether there are other things that could occur within the child-care service, to assist them to meet the requirements under the new funding.

Senator CROSSIN—But this a child-care centre that was coping extremely well, was very profitable and viable, and suddenly it has had \$104,000 pulled out from under it. You contracted Ernst and Young to come in and help centres cope—those who were going to have a hole in their budget—and Ernst and Young's answer was simply to increase the fees. With all due respect, everybody in Katherine and everyone on the management committee knew that was going to be an option, but it is not an option given the socioeconomic status of the parents in that community.

Dr Harmer—It is entirely possible that is all Ernst and Young's accountants and professionals said, but it is possible—in my experience—that sometimes you might get only part of the story about what Ernst and Young's suggestions were to the child-care centre. This

is why it is difficult territory for Ms Carroll to answer because what she does not know is exactly what Ernst and Young advised the child-care centre and whether there were other components of advice that they provided. It was intended to be helpful for the services who were going to lose under the new arrangements. It was intended to provide some expertise, I assume free of charge to the service, that it was assessed that some of them may not have.

In your particular case, the one in Katherine, possibly their advice was as bald as that. I would be surprised if it were quite that bald, if they went in and did a proper analysis, that it was not making a few other suggestions that they may want to use to make themselves more efficient and more viable under the new arrangements. It is possible, but I would be surprised, given the professionalism of the firm. It is very difficult for us to answer much more along the lines of that individual service without seeing either the Ernst and Young report or without being able to ask Ernst and Young from our end—being fair to them—if that was all they said. I would be surprised if it were, but we would need to know that to take it any further.

Senator CROSSIN—Given the numerous conversations I have had with the child-care centre, I am not surprised that is all they said, but you have to understand here that there are very few child-care centres in Katherine. I think this is probably one of only two. There are 260 people on the waiting list, 92 places and suddenly they have to cope without \$100,000 in their budget. They knew one way to cope was to increase the fees, but they know that by increasing the fees parents will not be able to afford to go there.

Dr Harmer—It seems to me, if they have 260 people on the waiting list for the current fee schedule, Ernst and Young may have figured that perhaps they would be able to get some additional revenue.

Senator CROSSIN—With all due respect, they are not in the business of increasing their fees to see a number of parents walk away from the centre in order to pick up some of the 260. That is just not the way they work.

Dr Harmer—Looking at the raw figures, with a child-care centre with that many on the waiting list, it is probably worth teasing out whether there are other options to attract some more in or to get more revenue. Without seeing the report from Ernst and Young and without having their side of the story, we are on very dangerous ground commenting on the merits of that particular case.

Senator CROSSIN—I think their fees are significantly high, about \$195 a week. I know ABC in Darwin charges \$200 a week, so we are talking about a significantly high amount of fees. I am highlighting to you that I would really like the Katherine East Child Care Centre investigated and assisted in some way, because this was a viable, profitable centre that is now, because of the funding and new arrangements, looking at having \$100,000—a significant amount—taken out of its budget come 1 July. The answer in that community is not just to increase the fees.

Dr Harmer—Ms Carroll has already said that there are some transitional funds available up until 30 June.

Senator CROSSIN—They are getting some of those.

Dr Harmer—There may even be a possibility of some further assistance. We would work, and be prepared to work, with individual child-care centres, including the one in Katherine, to see whether there are alternative ways of ensuring their continued viability. I do not think there is much more we can say on that case.

Senator CROSSIN—How many multifunctional centres across Australia will lose funding under the new arrangements?

Ms Carroll—I would have to take that on notice.

Senator CROSSIN—You said that Ernst and Young were contracted to look at 800 services. Is that where the 800 services has come from?

Ms Carroll—I said I thought it was around 800 and I would get you that exact figure. Essentially what was determined was the kind of maximum amount of services that may need to be referred to Ernst and Young or services that might like to go to Ernst and Young. That was worked on the numbers of services that may have had a significant decrease in funding, but it was going up to a maximum amount. The contract was let before the new model came in.

Senator CROSSIN—Why was that? Did you anticipate that there would be some losers out of this new contract model?

Ms Carroll—It was identified—because we were shifting the model, as I said, from the disadvantaged area subsidy that had slightly different criteria—that there clearly would be some people that were not going to receive the same amount of funding, would receive less. Some people were going to receive more. In identifying that and to help services cope with that, it was identified that there was a need to provide some financial assistance to those services.

Senator CROSSIN—Can I get you to clarify for me: your definition of ‘viable’ is purely based on what? What does it include? Does it examine the number of child-care places the service offers?

Ms Carroll—Yes.

Senator CROSSIN—The parents’ income is not included in looking at what is viable?

Ms Carroll—The sustainability assistance focuses specifically on a range of factors. Those factors are across the geographic location, the ARIA status and the size of the service.

Senator CROSSIN—Perhaps you could provide us with those statistics. They do not include, I take it, parents’ income or the parents’ capacity to pay. Is that correct?

Dr Harmer—Probably not specifically. If Ernst and Young were going into a child-care service to investigate their financial viability, I would be surprised if they did not look at some of the characteristics of the people paying for the child care. I would also be surprised if we referred to that specifically in the terms of reference but they would, I would think, have taken some of those things into account.

Senator CROSSIN—But they may not?

Dr Harmer—It is possible they may not have, yes.

Senator MOORE—You do not know? When they tendered for the—

Dr Harmer—What Ms Carroll is saying is that it was not written specifically in the terms of reference.

Senator MOORE—No, but I wondered when they won it whether that was part of the process.

Dr Harmer—We could find out.

Ms McKay—I think it is important to remember that the major subsidy for child care is in fact child-care benefit. The socioeconomic status, the income of parents paying for child care, is taken into account in the child-care benefit subsidy rate that each family receives through the Family Assistance Office. So the sustainability assistance program replacing the disadvantaged area subsidy was really looking at the viability of services rather than the capacity of parents to pay particular fees, because the way in which families are subsidised for their child-care fees is through child-care benefit, which is of course the larger program.

Senator CROSSIN—But, if the outcome is just a suggestion you increase your fees, one impacts upon the other, doesn't it?

Ms McKay—If that were the case, yes, that is true. But we have not established yet whether that is the only option that has been provided to that Katherine service.

Senator CROSSIN—That is all I have there.

CHAIR—Any further questions in output group 4.3?

Senator MOORE—I have a couple of questions which may have been answered by having the tender documents, but do you know how many services have been already provided in this contract? You told me that it was a global contract, but surely there is some record of how many have been completed to give you some kind of feedback?

Ms Carroll—I will be able to provide you with that: 208 up to about the present.

Senator MOORE—The funding, the global amount, was over how long? What was that for?

Ms Carroll—A 12-month period.

Senator MOORE—They have completed 208 and told you that. The information between the child-care centre and Ernst and Young is voluntary. The child-care centres were advised that the service was there and then they could choose whether to use it or not. Is that right?

Ms Carroll—Yes. Child-care services were offered the service and they could take that up. Some of them did. Some services that were not offered in the first round actually requested to be part of the process. They were then given an assessment as well.

Senator MOORE—How was the offer made, Ms Carroll?

Ms Carroll—Services were written to.

Senator MOORE—Can we get a copy of the letter?

Ms Carroll—Yes.

Senator MOORE—All services were written to, and I would imagine the letter includes what would be the expectation of the process. Then they could choose, usually with their board or however they operate, to see whether they would take it up?

Ms Carroll—Yes.

Senator MOORE—They had a certain time in which to do that?

Ms Carroll—They had a fairly lengthy time. They were encouraged to do it quickly. However, the contract is still running, so services can opt in at a later date, even if they chose not to initially.

Senator MOORE—It was let July 2005?

Ms Carroll—I will get you those exact dates, but around then.

Senator MOORE—So 12 months from there vaguely, and then the payment from the department would be within that financial year.

Ms Carroll—Yes.

Senator MOORE—In the quality assessment, you said that you were getting feedback from whichever centres chose to do that. Do you have a program for the formal assessment of how this is going?

Ms Carroll—There is ongoing evaluation, as I said, from the anecdotal feedback that we receive and any formal feedback that services choose to provide. However, I think we have had very limited formal feedback. It is more that services have rung in or indicated in some other way.

Senator MOORE—That kind of process is often stimulated by negative experience.

Ms Carroll—Yes.

Senator MOORE—Has anyone rung up and said that it has been really good?

Ms Carroll—I cannot answer that off the top of my head.

Senator MOORE—In terms of the assessment, it seems from what you have told me—and there could be other things—that it is a bit like if you choose to give feedback you give it, and that will be the assessment of how well it goes. Is that fair?

Ms Carroll—Yes, and I also believe that these services are feeling stressed at this point in time. They are concerned about their funding. As Ms McKay said, often they forget that a large amount of their funding comes through fees which are subsidised through the child-care benefit. This is actually a relatively small amount of income that the service receives, but they are stressed about that income. Ernst and Young and the service need to build a positive relationship for that to work very well.

Ernst and Young can only assess a service on the information they are given by that service. If the service does not provide them with a lot of information, it is more difficult for them to make an assessment. Some of the feedback that Ernst and Young have been giving us is that they have been asking for further documentation to help make their assessment more complete and it is not always forthcoming from child-care services. It is a difficult process all around, I think.

Senator MOORE—So it is a business decision from Ernst and Young as to how much time they spend with one centre?

Ms Carroll—It is a business decision, but in the contract they are expected to follow up a certain amount of time.

Senator MOORE—We may have some more questions when we see the contract, to see how it operates. Whatever they do is confidential?

Ms Carroll—Yes.

Senator MOORE—And people are confident about the confidentiality?

Ms Carroll—Yes.

Senator MOORE—Has that been raised as an issue at all?

Ms Carroll—No.

Senator MOORE—How many child-care providers have lost funding since the operational funding changes were introduced?

Ms Carroll—In this financial year, around 690 child-care services had decreased funding.

Senator MOORE—Up till now?

Ms Carroll—During this financial year. About 755 child-care services had increased funding.

Senator MOORE—They will lose funding before 1 May 2005, so that would be 1 May 2006. That is the period of this funding adjustment.

Ms Carroll—Yes.

Senator MOORE—Some go up and some go down, but the period of this funding adjustment was exactly what? When was this adjustment—

Ms Carroll—This financial year, so it is July 2005 to June 2006.

Senator MOORE—So we do not know exactly how many centres have lost it now? You are anticipating places will lose it during this year. Is that right?

Ms Carroll—Obviously, the program has already started to be implemented. However, there is some transitional funding during this financial year. We anticipate next financial year that about an even number of services will have decreased and increased funding, and there are about 725 of each.

Senator MOORE—That is in 2006-07?

Ms Carroll—Yes.

Senator MOORE—I take it that it is a very individual situation. Each one is different.

Ms Carroll—Yes.

Senator MOORE—For some of the places where the indication is they will lose funding, there has been a decision to offer transitional funding.

Ms Carroll—That is correct.

Senator MOORE—What period of time will the transitional funding usually cover?

Ms Carroll—The transitional funding normally covers just 2005-06.

Senator MOORE—Then there would be an expectation of new funding arrangements from 2006-07?

Ms Carroll—Yes.

Senator MOORE—I think the others are picked up, firstly, in terms of when we have a look at the documentation there could be some other things stimulated and, secondly, by questions that Senator Crossin asked. I want to go onto some questions about the workforce. I know that we have investigated this area here before, but the discussions continue in the community about workforce issues in the industry. Does the department acknowledge that there is a shortage of child-care workers, particularly qualified workers?

Ms McKay—Yes, I think there is a shortage of child-care workers. It is fairly evident anecdotally that child-care workers are in high demand.

Senator MOORE—Are there any particular areas where it is worse, from the department's experience?

Ms McKay—No, we do not know that.

Senator MOORE—How do you get your information on the workforce? I know there is media comment and also Industrial Relations Commission hearings where these things are raised but, from the department's point of view in terms of workforce issues and concerns about skilled workers, where does the information that you get come from?

Ms McKay—There is an advisory body to the minister called the Child Care Reference Group, which is made up of representatives from all of the peak child-care bodies; family day care, long day care and so on. They provide information to the minister and to the department on their experience. That would be our primary source of information. However, we are also in discussion with our state counterparts, through the Community Services Ministers Advisory Council, and they provide information as well.

Senator MOORE—Is there a set agenda item on the advisory group meetings on workforce?

Ms McKay—Not as such.

Senator MOORE—It comes up a lot?

Ms McKay—But it would come up a lot. I have only attended one meeting in recent years, so I cannot really comment on how often it comes up.

Senator MOORE—Did it come up at the one you went to?

Mr Popple—It was raised in informal discussions rather than as a part of the—

Senator MOORE—Was it the same meeting, Mr Popple?

Mr Popple—Yes.

Senator MOORE—At the meeting you did attend, the issue of workforce came up?

Mr Popple—Not as a formal agenda item. It was part of the discussion we were having around the room at one time in relation to issues affecting the sector at the moment.

Senator MOORE—Through the department or to the minister directly, have there been representations or correspondence from the industry about the issue of skilled labour force?

Ms McKay—I would have to check that, but I do not think so.

Senator MOORE—Can you check that, in terms of whether there have been representations to the minister—I know it is not you, Minister—or ministerial correspondence, particularly on the issue of labour force.

Dr Harmer—There is certainly not a huge flood of representations and issues. There may be some, but nothing compared to some issues in the past that have generated public interest sufficient to have a sort of campaign et cetera. There is nothing like that, as far as I am aware.

Senator MOORE—Is that something you can—

Ms McKay—It is an issue that has been around for a while, though. About three or four years ago, the Minister for Children and Youth Affairs convened a think tank on the child-care workforce. Because children's services are very important, as you know from answers to other questions, especially in relation to research and policy intervention, it is an issue that we keep on eye on. It is an area of growing demand and, clearly, an area of growing workforce demand.

Senator MOORE—Does the department give any information to centres that have concerns about getting skilled workers or in discussions or at the advisory groups? Does the department offer any information or advice about what can be done to look at workforce issues?

Ms McKay—No. Strictly speaking, it is not our role. The Commonwealth government is really in the business of assisting parents with the costs of child care. We have an interest in the viability of the sector, obviously, but it is not primarily our responsibility. It is a kind of shared responsibility across several levels of government, the private sector and employers.

Senator MOORE—I am interested in the role of the department in terms of child care. I understand that it is to provide assistance to parents to find child care, but I thought there was a wider role in terms of the child care under FaCSIA—for example, quality child care and providing child care through funding. I do not want to get into a debate, but I thought the role of the department was wider than just ensuring that parents have funding to get adequate child care.

Ms Beauchamp—Workforce issues do impact; that is for certain. One of the things that we are involved in under the community services and disability ministers conference is workforce issues right across the community services sector. That is a key agenda item within that forum. We are involved in the children's services subcommittee, which does occasionally look at workforce issues, with the states and territories as well.

Senator MOORE—What kinds of things happen there, Ms Beauchamp? There would be discussion; what kinds of things are raised at that level?

Ms Beauchamp—I have not seen the formal minutes recently—I have not been to meetings recently—but the sorts of things they are looking at are standards and accreditation, licensing and regulation issues in the states and territories that do require certain staff to child ratios to be met. We are looking at a standards project with the states and territories at the moment.

Mr Popple—The subcommittee looks at a range of issues—Indigenous child care, how we might work together better on planning, workforce issues—and the Commonwealth contributes to examination of those issues and provides input into papers and discussions and provides the information that we have to assist in those issues. Ms McKay was saying that we do not have a role in advising individual child-care centres on how to attract staff. We contribute to the overall debate in the sector and the broader government, state and territory.

Senator MOORE—The response on what the department is doing about it, from your answer, Mr Popple, is more research and advisory.

Mr Popple—And contributing to policy development and ideas with state and territory governments. They obviously have a role in this, too.

Senator MOORE—Do issues about wages and conditions for child-care workers come up in the various discussions with bodies that you have described?

Mr Popple—Certainly the issue of wages comes up, and also retention. We mentioned the discussions in Melbourne at the Child Care Reference Group meeting. One of the discussions there was that, while they have a lot of people doing courses and graduating from the courses, the difficulty is to retain them in the sector.

Senator MOORE—Does the issue of comparative wages for people in the education field through teachers training as opposed to child care come up?

Mr Popple—It is an issue which the sector raises with us. I think everyone is well aware that it is an issue that has been well rehearsed in discussions and also in the media and elsewhere.

Senator MOORE—Is it long standing?

Mr Popple—My understanding is that it has been around for quite a while, yes.

Senator MOORE—Is there any role for the minister to support wage increases for child-care workers to make the sector more attractive?

Dr Harmer—That is not the sort of thing that I would be recommending to my minister to get involved in. We do not get involved in the service supply. As I mentioned before, Senator Moore, the federal government's role in child care is primarily in assisting with affordability and helping with the quality assurance et cetera, although state regulations are primarily the key to quality. As Mr Popple and Ms McKay have said, from time to time the minister does get advised about supply issues and labour issues and would no doubt bring those issues to the attention of ministers that have more direct levers in terms of increasing the supply of labour.

Senator FORSHAW—You are different to, say, universities or the building industry in that respect.

Dr Harmer—Indeed.

Senator MOORE—Dr Harmer, which ministers would have that more direct link with the workforce?

Dr Harmer—Minister Andrews is looking after workforce issues and, although I do not think it is utilised at the moment—it would be a bit tricky—the minister for immigration when they are considering immigration intake; the minister for education when they are thinking about training places and allocation. There are many other ministers with some levers that the minister for families and community services does not have.

Senator MOORE—On the workforce issue—because it comes up regularly, as we have acknowledged—is there any kind of interdepartmental link that is stimulated in the industry? We have the advisory committees within this industry, where the issue of workforce obviously comes up. Is there some stimulant or some interdepartmental committee that looks specifically at responding to the kinds of issues that you have identified?

Dr Harmer—I think it is an issue that a range of ministers are becoming increasingly aware of. They would no doubt be looking at whether there are ways to improve the supply, particularly as Welfare to Work comes in in mid-year. As you know, we have an additional 87,000 places to roll out as part of that program, and there will be additional pressure on workforce and child-care places. It is obviously something that will need to be considered by ministers.

Senator MOORE—At the moment it isn't?

Dr Harmer—I would not say it is not. But in the same way that we are not able to talk about advice that we are giving ministers, I can assure you that the supply of child-care workers is an issue that my minister and other ministers are aware of as a constraint.

Senator MOORE—Does the department acknowledge that better wages would lead to better retention? Mr Popple talked about the retention issue, and that is real, but in the various discussions that have been held is there any link that has been acknowledged between wages and retention?

Dr Harmer—I do not think we have enough information to be able to say which issues, what things, what innovations, what proposals might increase the supply. It is possible obviously—theoretically, at least—but whether that would have the impact, we could not say. I do not think we have done enough analysis.

Senator Ellison—Sounds like with the extra child-care places around you could name your price if you are a good child-care worker. It would be a good game to be in.

Senator MOORE—If the Department of Employment and Workplace Relations was looking at the issue of child care, would they turn to FaCSIA for advice? Would you see that as your role? I know that you have the child-care responsibility under Welfare to Work—we established that at length at the last meeting—but in terms of general observation—

Dr Harmer—We have responsibility for rolling out the places and managing that.

Senator MOORE—In terms of expert knowledge of child-care issues in Australia, would you be the place to go to get that?

Dr Harmer—What dimension of child care?

Senator MOORE—Generally. I look at the Child Care Policy and Planning Branch and, from my perspective outside the area, I would have thought, if I were seeking information on child-care policy in Australia, one spot—if not the first spot—would be FaCSIA.

Dr Harmer—Indeed. For the Australian government general child-care policy, we would be it certainly.

Senator MOORE—This is leading on—in terms of the same thing, Dr Harmer and Ms Beauchamp—to workforce participation. We have talked before about the kind of research that the department does, and I am wondering whether FaCSIA has done any analysis on the workforce participation implications of government spending on child care.

Dr Harmer—I am not quite sure I understand your question, Senator.

Senator MOORE—We have talked before about the role of research in your department. I believe that there is a budget of \$41 million for research within the department.

Dr Harmer—That has come from the answer to a question I gave earlier.

Senator MOORE—It probably does. I think the \$41 million comes from the annual report.

Dr Harmer—I think the figure for research in the department which I provided was \$16.118 million in outcome 1. I think that is closer to the figure for research.

Senator MOORE—And we have looked at the kinds of issues that FaCSIA does research on. We talked at the last estimates about child-care implications of Welfare to Work and encouraging people back into the workforce, and also the role of child care in the general workplace situation in Australia. Identified as one of the issues that impacts on people's ability to work is their access to child care.

Dr Harmer—Absolutely. In fact, that is the main reason why, in the Welfare to Work reforms, our minister was able to argue for significant additional child-care places, because it is an enabler.

Senator MOORE—Given that, I am wondering whether there has been any particular research internationally on the wider issue of the linkage between child-care availability and workforce participation and how that works—what is the stimulant; by surveying, how many people identify child care as an issue in their workplace choices or their options to extend work or not; those kinds of things. I know that in the past FaCSIA has done research in other areas, on social policy.

Dr Harmer—I am sure we have. I think it is unarguable that if you are trying to increase workforce participation, particularly amongst some of the groups where the participation rate is low, child care is a key ingredient. I do not think we need to do any research to establish that the provision of additional child-care places will be a positive for participation. I am not sure whether we have done any specific research recently, possibly because we, in a sense, know the answer to that question and there are challenges in child care other than just establishing that it is an important enabler.

Senator MOORE—Is there any research component in the child-care area at the moment?

Dr Harmer—I would need to take that question on notice.

Ms McKay—We do collect data through the child-care census. Collecting the data is one of our most important vehicles for research and, as that data is cleaned, it becomes available as a public dataset for others to do research on. That is a fairly significant investment that we make and we are, effectively, the data collectors on child-care supply in Australia.

Senator MOORE—That analysis of the data that is collected is more for others?

Ms McKay—We analyse it too, but it is also available to others to use. It is public information in the same way that the ABS collections on a range of things become public information. We collect that data as a national resource.

Senator MOORE—I know Dr Harmer said that there are other perhaps more important areas of child care that could be working. Is there any reason within the plan that FaCSIA is not doing particular research on the issues linking child care and workforce participation?

Ms McKay—I am very puzzled by your question, because I do not quite know what research question you are trying to get at. We know that it is not possible to work if you have children and you cannot get child care. What specific information are you referring to?

Dr Harmer—You see, we do not need to research that, Senator.

Senator MOORE—I think that there is wide agreement that child care and people who have family responsibilities and their work are linked. I am thinking of perhaps various forms of child care: what is the most effective; the kind of information about the best way of providing that; what is the best mix. I do not know. It is about seeking out the goal of the department, which is providing quality child care, and how to ensure that the best possible child-care options are there for the Australian community.

Dr Harmer—I certainly do not want to leave you with the impression that we are not constantly looking at that, whether we let research contracts or whether we, as Ms McKay mentioned earlier, do research on the data we are getting in from time to time, but we do know quite a lot about what is the most effective child care to promote increased participation. For example, of the 87,000 places, the vast majority of those—I think 84,000—are outside school hours care, which means that we figure, and it has been accepted by government, that if you really want to encourage people back into the workforce you put your money into the outside school hours care, most of which is provided, as I understand it—and I can be corrected—by schools, by before-school and after-school care. We know quite a lot about how best to do it. An amount of \$9.5 billion is going to be spent over the next four years on child care, which is a huge amount of money reflecting the government's priority in this area, in part driven by the policy intent to provide more opportunities for people to work.

Senator MOORE—I think, Dr Harmer, that is getting to the core point. At previous Senate estimates we have talked a lot about the assessment of unmet need and I am going to try not to go there too much tonight, but one of the things the department tells me is that there is no model or there is no way of telling us what is the unmet need in child care.

Dr Harmer—It is very difficult.

Senator MOORE—It is very difficult.

Dr Harmer—The way it works is that people put their name down for child care in different places and there is no accurate figure. We cannot restrict the ability of parents to put

their name down in different centres and, because they are able to do that, the figures for unmet demand are really difficult to get. We know anecdotally that there are locations where child care is very difficult to get. We also know that there are locations where there appears to be an oversupply of places. It is quite variable. It is really quite a difficult area to model, as you say.

Senator MOORE—You cannot back my point and I will not go on. The point is that you know what you know, and that is a given, but there seem to me to be huge opportunities to have more knowledge in these areas.

Dr Harmer—Yes, and we are interested. Our former minister was very interested in increasing the flow of information in this area and our new minister is very interested in us pursuing ways of getting additional information and data to better position him for policy in this area.

Senator MOORE—One of the areas of the Welfare to Work program that people are struggling with is what form of child care best encourages people into the workplace and what can you offer. I know the extra out of school hours care places are there, but, in terms of keeping records, how do you best induce someone into making that leap? The second area is around what is the best way of spending the money—is it through child-care tax benefit; is it through tax relief; is it through fringe benefit tax; all those kinds of things. Has there been any research on that element of the best expenditure of the dollar, or is that one thing that is possible?

Ms Beauchamp—To assist you, it might be worth while taking that on notice to look at what research we are doing and what information we have access to.

Senator MOORE—That would be very useful, yes.

Ms Beauchamp—For example, HILDA data and also Welfare to Work evaluation. Things will be coming forward in the next little while, so it might be better to take that on notice rather than scramble around here.

Senator MOORE—What we might do is go to the National Childcare Accreditation Council. Is that you as well?

Ms Beauchamp—Senator Polley is going to handle that.

Senator POLLEY—It was touched on earlier by Dr Harmer that the federal government and your department have some responsibility for national standards in child care. How does the NCAC conduct inspections of the CCB approved long day care centres, outside school hours services and family day care workers?

Dr Harmer—You mean the process they go through?

Senator POLLEY—That is right.

Ms Carroll—The National Childcare Accreditation Council is contracted by the department to operate the quality assurance systems for long day care, family day care and outside school hours care. The assessment of the quality of a child-care service has multiple layers to it. The first step is that services go through what is called a self-assessment tool. They self-assess against the quality indicators and they look at where they might need

improvements. They can do those immediately within the child-care service. Then they submit their self-assessment and an independent reviewer comes out to the child-care service at an agreed time to review it. The service has an opportunity at the end of that period—it might be two days, it might be one day, depending on the size of the service—to comment on what the reviewer has written, and then that review goes in to the NCAC to complete the quality process.

Senator POLLEY—How often are the centres inspected?

Ms Carroll—Every three years.

Senator POLLEY—Are there occasions when spot checks are done on child-care centres?

Ms Carroll—No.

Senator POLLEY—Are they always given notice?

Ms Carroll—They are given notice, yes.

Senator POLLEY—Has there ever been a practice of just turning up and doing a random inspection?

Ms Carroll—No.

Senator MOORE—Has that ever been considered, like the aged care model?

Ms Carroll—It is one thing that has been raised as an option. There have been a number of reviews of the accreditation system over time but it has never been something introduced into the model, but it is always open at a review point to see if it may be introduced at any point in time.

Senator MOORE—That kind of concept is in the mix as a possibility?

Ms Carroll—Certainly when a review is done of the quality system, that is something which would be taken into consideration.

Senator POLLEY—Is the NCAC aware of allegations that some centres, who know they are going to be inspected, exchange and borrow toys and other equipment from other centres to make sure they comply?

Ms Carroll—They have heard that information anecdotally. However, as far as I know they have never had that substantiated.

Senator POLLEY—So there has never been any investigation of those allegations?

Ms Carroll—I would have to go formally to the NCAC, but my understanding is that it has just been said to them anecdotally. There has not been a formal allegation put about a particular service.

Senator POLLEY—Could you take that on notice and make sure you can confirm that. It would be fair to say that, anecdotally, from people I know who work in the industry, it actually happens in some child-care centres. If there are no spot inspections, then it certainly is open for those sorts of incidents to take place.

Ms Carroll—As far as I know there is no evidence of that.

Senator POLLEY—What qualifications do the inspectors need to have to carry this out?

Ms Carroll—The reviewers need to have had a session with the National Childcare Accreditation Council to qualify themselves as reviewers, but there are also other stipulations around the kinds of qualifications and the number of years of experience they need to have in the industry before they are able to become a reviewer.

Senator POLLEY—So they do not have to have a degree in early childhood learning.

Ms Carroll—They have to have a child-care qualification. For example, if they are assessing a long day care service, they need a different qualification than if, for example, they are assessing an outside school hours care service, because the idea is to have the reviewers familiar with the setting they are going in to review.

Senator POLLEY—Can a child-care worker, who has worked for a child-care provider that lost its licence, be employed as an inspector?

Ms Carroll—I would have to check that. My understanding is that, if they are employed by a service, the service has to be accredited. If they had lost their licence they could not be accredited.

Senator POLLEY—Would you take that on notice, just to confirm it?

Ms Carroll—Yes.

Senator MOORE—Did anyone from FaCSIA attend the International NIFTey conference last week in Sydney? Were they participants or presenters? I do not need to have the person, but what was the expectation in the National Investment for the Early Years Conference?

Ms Beauchamp—Sorry, what was the question?

Senator MOORE—Were they participants or presenters? What was the focus of FaCSIA's involvement?

Ms Beauchamp—I think there were some participants. Also we were facilitating and providing assistance to some of the presenters.

Senator MOORE—You would be aware of the research by Professor James Heckman on that whole process.

Ms Beauchamp—Yes. In fact, the secretary hosted a meeting with central agencies and Professor Heckman before that conference.

Dr Harmer—We had Professor Heckman for a lunch and most of an afternoon in Family and Community Services last week, or the week before, and we spent quite a bit of time with him. I used the opportunity to expose Professor Heckman's research on the value of early childhood intervention to Treasury, Finance, the PLC and others.

Mr Lewis—The conference had about 250 people all up, so it was well attended. We had Professor James Heckman from the US and Professor Richard Tremblay, Professor Alan Hayes spoke, and Professor Graham Vimpani. Many leading experts in the area of early childhood intervention and prevention spoke. A series of key themes came out of the conference.

A primary theme was that there is a much higher return on your investment if you invest in the early years and if you intervene early with children. One quote from Professor Heckman was that for every dollar invested you can return up to 17 per cent on your investment.

Senator MOORE—Huge figures.

Mr Lewis—Huge figures. A policy dilemma was the comment by several speakers in terms of successive governments coming to grips with investing in something that you may not get return on for up to 20 years.

Senator MOORE—Sure.

Mr Lewis—Richard Tremblay used the analogy of an investment, or pension fund or superannuation fund; invest early and invest regularly and consistently over time and you get the greatest benefit. That is basically, in a nutshell, the sorts of findings and themes that came out of that.

Dr Harmer—The positive is that at COAG last week this was on the agenda and there is an agreement between the states and the Commonwealth to pursue an early childhood agenda. Our minister has written to the state ministers, which I think Ms Beauchamp mentioned before.

Senator MOORE—Is that kind of experience which you have touched on, Dr Harmer, the sort of thing that would stimulate Australian focused research on similar issues?

Mr Lewis—I might add to that. There is an enormous amount of Australian research going on, but it may not be happening directly in FaCSIA. I think Mr Pople mentioned earlier the Australian Research Alliance for Children and Youth.

Senator MOORE—Yes.

Mr Lewis—They are doing research.

Dr Harmer—The Australian Institute of Family Studies are doing research.

Mr Lewis—The Social Policy Research Centre. There are a number of organisations. The consortium I mentioned for children is made up of 16 partners. Every single site has an academic institution partnered with it to do specific evaluations.

Senator MOORE—Is FaCSIA here the repository of that information?

Mr Lewis—It will be, yes.

Senator MOORE—It will be.

Mr Lewis—But we have also provided many papers from our first strategy evaluation, but other papers are on our website.

Senator MOORE—Mr Lewis, you were saying there was a significant contribution from FaCSIA to its—

Mr Lewis—Yes, there is. Right across FaCSIA, I think, certainly in the child-care branches and in my branch and other branches, the people are interested in the implications of some of what we have been told.

Ms Beauchamp—I think at last week's COAG meeting there was acknowledgment across states and territories and Commonwealth about the importance of collaboration on early childhood, so I think there will be more work happening in this space in a much more collaborative way.

Senator MOORE—So when I ask more questions about research next time we could have more in there?

Ms Beauchamp—Hopefully.

Senator MOORE—Do the family day care coordination units have any role in setting the fees for family day care?

Ms Carroll—That is up to the particular family day care scheme. In some family day care schemes the coordination units do price set or provide some scope within which they encourage their carers to charge. In other family day care schemes, they encourage their carers to be small business operators who set their own fees and they do not work with the carers to look at price setting at all.

Senator MOORE—So they have autonomy area by area? They can but they do not have to?

Ms Carroll—That is right.

Senator MOORE—Is the department aware of concerns among some family day care workers that they are not being allowed to operate as small businesses because the coordination unit has too much power?

Ms Carroll—Anecdotally that has been indicated to us and we would suggest to those carers to go back and work with their coordination units. The department does not have any control over the charging practices of any child-care service, whether family day care or long day care.

Senator MOORE—The department has no role in that?

Ms Carroll—Not in the charging practices.

Senator MOORE—Senator Patterson, who was just here, said in answer to a question on notice previously that the Australian government does not regulate rates that a carer can charge although the charge per hour of care provided is often regulated by family day care schemes, as you have confirmed. Can you let me know what level of regulation family day care schemes can have over the family day carers in their area? For instance, can a particular FDC prescribe the maximum hourly fee?

Ms Carroll—I would have to check on the legal ability of the family day care schemes to do that.

Senator MOORE—It would be good if you can do that for us. What is the policy rationale for allowing the amount of power to family day care coordinators? What is the background to their role?

Ms Carroll—The background to their role is that, like any child-care service, the coordination unit or director or whatever and the management committee look at what fees might be charged and what the policies and practices of that service would be. The same

would apply in family day care. Most family day care schemes are community run and they would have management committees which would also have the responsibility for those policies and practices.

Senator MOORE—So you would equate the FDC with a child-care centre to all intents and purposes.

Ms Carroll—Yes.

Ms McKay—One of the important things that they do is to provide support to the family day care workers, because they are a widely distributed network of workers who essentially work alone except in relation to the family day care coordination unit. That coordination unit tends to facilitate relationships between other family day care workers in the scheme, so that this really is a network of support and interaction that is good for the workers and good for the children.

Senator MOORE—The concept of the administration units being in the centre and the workers feeding out from them. Do senior coordinators in FDC coordination units have the power to hire and fire family day carers?

Ms McKay—I think that is another one that we will have to explore.

Senator MOORE—I have some specific questions a couple of things. If I run through them, you may want to take them as a group, starting with the power to hire and fire. Do family day care workers have any rights to challenge a termination of contract? Do family day care workers have the right to continue operating as a worker if their local scheme does not renew their contract for reasons other than noncompliance with regulations and licence conditions? They are the HR questions. Can you tell me how much money in subsidies do FDC coordination units get from the federal government and how is the amount calculated each year?

Ms Carroll—The amount is calculated based on the occupied places that a child-care service has. There is a rate for the network support based on those occupied places. The services currently use what is called three representative days. They choose three days in a calendar year to estimate what their occupied places would be and then they receive their network support.

Senator MOORE—Like a model? That is how they work it?

Ms Carroll—Yes. The proposed model to be introduced from 1 July this year is to move to a utilisation model where we have been collecting the actual utilisation over the whole year rather than a projected utilisation.

Senator MOORE—When you say a proposed model, has that not been agreed or not implemented?

Ms Carroll—It has not been implemented.

Senator MOORE—But it is going to be implemented?

Ms Carroll—Yes.

Senator MOORE—There is no doubt about that, so it is another area where there is a change happening this financial year.

Ms Carroll—That is right.

Senator MOORE—How has that change been seen?

Ms Carroll—There have been some concerns about what the change may mean. We currently have the first lot of utilisation data in from the family day care services and we are in the process of looking at that compared to what their representative utilisation was to see if there was a significant distinction.

Senator MOORE—That was the historic usage for those areas and this is changing the model.

Ms Carroll—Yes.

Senator MOORE—Is there any similar kind of service to the one that you offered with Ernst and Young for the other places where there was going to be change?

Ms Carroll—Yes. It is the same. Ernst and Young applies across any of the areas of change.

Senator MOORE—Is that included in the same 1.1?

Ms Carroll—Yes.

Senator MOORE—That consultancy is in there as well. That is starting from 1 July this year?

Ms Carroll—Yes.

Senator MOORE—Is that a significant change?

Ms Carroll—It is a significant change in that we have never collected the full utilisation from family day care schemes previously. However, they were always funded based on a utilisation model, but it was a projected utilisation based on the three representative days.

Senator MOORE—You will not really know the impact until after at least a year has gone through?

Ms Carroll—That is why we are doing the assessment at the moment, to look at the impact. We have six months worth of utilisation data that we are in the process of inputting to a database. We will then be able to make some assessments.

Senator MOORE—Does the department allow the FDC schemes to set prices that their workers can charge? This is back to the same HR kind of concern.

Ms Carroll—We do not control the charging practices of the services.

Senator MOORE—So it is their call?

Ms Carroll—Yes.

Senator MOORE—What was the average level of subsidy given to units in the financial year 2004-05?

Ms Carroll—I would have to take that on notice.

Senator MOORE—What information must the unit provide to FaCSIA about how the subsidy was spent? Is there a certain amount they have to account for or can the unit give broad indications of types of expenditure?

Ms Carroll—They give broad indications of the types of expenditure because the network support funding is a contribution towards the operational costs of the coordination units. It is not expected to cover the full costs.

Senator MOORE—They have to tell you broadly what they spent their money on.

Ms Carroll—Yes.

Senator MOORE—Do they have to tell you the basis on which they set the hourly rates?

Ms Carroll—No, we do not ask their charging practices.

Senator MOORE—You do not ask them how they have told their workers to set their prices at a certain level?

Ms Carroll—No.

Senator MOORE—You do not ask them any of that detail?

Ms Carroll—As Ms McKay was describing, it is about what the coordination unit does and the relationship they have with carers and going out and supporting the carers. So the funding is a contribution towards that model of going out to support the carers in that kind of more dispersed model.

Senator MOORE—How do you audit the FDC coordination units to see that they are complying?

Ms Carroll—They have to report, as specified in their contract. The contracts are managed by our state and territory offices. If they had a concern they would go out and visit a particular family day care scheme and talk them through any issues they might have.

Senator MOORE—Is the contract public?

Ms Carroll—It would be our standard long form agreement.

Senator MOORE—In each of these coordination units, there is a coordinator, isn't there?

Ms Carroll—Yes.

Senator MOORE—Do they tell you, in terms of discussion with the department, what the workers in their area charge?

Ms Carroll—They may have discussions about that, but it is not for us to control that.

Senator MOORE—Do they have to tell you?

Ms McKay—We do collect fees data—

Senator MOORE—That is what I would have thought.

Ms McKay—during the child-care census.

Senator MOORE—So you would know what a family day care worker—

Ms McKay—We would know the average fee charged in family day care services from the child-care census.

Senator MOORE—Anywhere in the country?

Ms McKay—We produce that data on the basis of averages, but we do a breakdown, Mr Popple is saying, by state and territory.

Senator MOORE—To get the average data, you would have to have the input.

Ms McKay—Yes, we do.

Senator MOORE—You would know what the family day care administration area here is charging as opposed to somewhere else, to form the averages. That would be the kind of information they would share with you?

Ms Carroll—The child-care census collects all of that information and then it is collated, so we are able to provide state averages or the national average.

Senator MOORE—They send that through to you according to the contract they have. Who audits that? Is it self-regulation?

Ms Carroll—The child-care services, including family day care, do not send that through to us based on the contracts that we have with them. That is part of the child-care census that we send out, for which we have a very high return rate. The funding agreement that we have on an annual basis with family day care services around their network support funding is, as I said, maintained by our state and territory offices and they manage that contract, as we would any contract with a service.

Mr Popple—To clarify, we do not have information on the daily fees that they charge in family day care; we have it on a weekly basis.

Senator MOORE—You could find that, though, couldn't you?

Mr Popple—We could do a calculation, but we do not collect it on a daily basis.

Senator MOORE—The data you keep is based on a weekly basis?

Mr Popple—Yes.

Senator MOORE—The state or area office would be responsible for the coordinators in their region? In Queensland you have two area offices—state and North Queensland.

Ms Carroll—Yes.

Senator MOORE—Townsville would be responsible for the units in North Queensland. They would have expectations between them and each of the coordinators about how much money they would get and what they would have to do to get it. Do they have to give you returns at different times?

Ms Carroll—Yes.

Senator MOORE—Apart from the annual child-care census, there would have to be some regular interaction that is kept at the area office?

Ms Carroll—Yes.

Senator MOORE—Can a coordination unit spend money on anything they deem appropriate or are there only certain items and services that federal money can be used to purchase?

Ms Carroll—There are a range of items that would be out of the scope of that funding—things like wages. They could not, for example, buy a car with it.

Senator MOORE—And that is all spelt out in the contract? Everyone is aware of it?

Ms Carroll—Yes.

Senator MOORE—To be there, you would have to know your job.

Ms Carroll—Yes.

Senator MOORE—That is your expectation?

Ms Carroll—Yes.

Senator MOORE—More generally, how will the 2,500 new family day care places which you told us about that were funded in last year's budget be allocated? What is the process? In a previous answer to a question by Ms Plibersek, the minister stated:

... the Department is currently examining ways in which Family Day Care can be delivered more flexibly whilst meeting quality standards.

Mr Popple—The family day care places will be rolled out progressively from July 2006. We will use an allocation round for the places as we have done in the past. As the minister discussed at the last Senate estimates hearing, we are also going to use an allocation model which identifies areas of particular need, such as Welfare to Work recipients, to help target those places, in the same way that we are going to target the outside school hours care places.

Senator MOORE—Where is that model being developed, Mr Popple?

Mr Popple—That model is being developed within FaCSIA.

Senator MOORE—Is it finalised?

Mr Popple—It is nearing finalisation. It draws on our data and data from other sources and other departments.

Senator MOORE—When that model has been finalised, will it be public?

Mr Popple—It is not a model in that sense. It indicates areas of demand and we feed that into the allocation process. When we look at expressions of interest for the next round, particularly from outside schools hours care providers, we will use that to help the PACs allocate priority to particular areas.

Senator MOORE—This is a model that is being created by previous knowledge?

Mr Popple—It is a model which looks at a whole range of things, including where the Welfare to Work participants are mainly located. It looks at employment rates.

Senator MOORE—And that is fed through to you from other departments?

Mr Popple—Yes, and then into that we feed information around child-care places in particular locations and other data on child care.

Senator MOORE—When this model is completed, can we have information about it, including the kinds of things that would feed into the decision-making process.

Dr Harmer—We could give you the various components of the model today, yes—the diagrams saying that these are the inputs.

Senator MOORE—It is exactly the kind of thing we sit here and ask you about. If we have that, we can then ask you more questions on what you have given us.

Dr Harmer—We can hardly wait, Senator!

Senator MOORE—We had a long discussion at the last estimates about after-school care on the basis of what the demands were, who would ask for them and what the historical knowledge was. You are saying that, for the distribution of the family day care places, you are using similar kinds of inputs to determine where the 2,500 new places go?

Mr Popple—As I said earlier, we will go through our normal allocation process. The model will help us target where those places go, in the same way that we will do it for the outside school hours care places. We will identify areas of high need, make certain that they are going to be picked up through expressions of interest that we receive and, if necessary, perhaps adjust where we put some places.

Senator MOORE—How do you get the expressions of interest?

Mr Popple—We discussed that in the Senate estimates last November.

Senator MOORE—We did. We looked particularly at outside school hours care, at length.

Mr Popple—We advertise and organisations submit expressions of interest. I think we advertise twice. Then we go through and assess those expressions of interest.

Senator MOORE—You have existing requests from outside school hours care providers who write in and say, ‘We want to have more.’ Do you have that same process with family day care? Do administration units write to you and say, ‘We really want to have more here.’

Mr Popple—We have a similar sort of process, yes.

Senator MOORE—You do not need to give me the details, but do you have applications from across the country at the moment saying, ‘We want more FDCs in our area?’

Mr Popple—I do not think we do at the moment.

Senator MOORE—I wanted to see whether the model was fixing up the term ‘flexible’. What does ‘offering family day care more flexibly’ mean? Is it looking at qualifications for carers or where they could be provided? What does ‘flexible’ mean in that sense?

Ms Carroll—It primarily is looking at the physical location. Rather than the care always being provided in the carer’s home, are there some other venues? Across Australia a number of family day care schemes have already come up with some alternative models. For example, in regional Victoria I visited a service that was a multifunctional service. In the outside school hours care they only had five children, so they used their family day care model to provide in-venue care in a spare room in their occasional care/long day care centre to care for those five school-aged children but they also had family day carers in homes that were providing care. It is to look at models that might utilise those family day care places in a way that meets the needs of the community in particular situations.

Senator MOORE—The way that works is then fed back through the local family day care coordinator, so that variation in the process is still part of the regional control?

Ms Carroll—Yes.

Senator MOORE—It would be just removing from that particular case that requirement that we have talked about before for the home—all those requirements?

Ms Carroll—Yes.

Senator MOORE—Can we get some information as you get more of the things that are a little bit different in the area?

Ms Carroll—Yes.

Senator MOORE—That would be useful—to flesh out what the flexibility process is. You have reminded me about outside school hours care and I have a few questions. How many of the OSHC places announced at the last budget have been allocated to date? We were told in November that 17,000 of the places had been allocated. What is the update on that? What is the plan for the rest of the 84,300 that were announced?

Mr Popple—As you said, at the last Senate estimates there were 15,000 places allocated in the budget for this current financial year. They were allocated in November, along with 1,724 places reallocated from services which had either closed or which had given them up because they did not need them, so there was a total, as you said, of just under 17,000 in November. Since then we have been doing some top-ups. We have a process of reviewing and topping up services and responding to requests. I think we have currently about 995 expressions of interest for top-ups and we are reviewing those. We have about 3,500 places which are available for reallocation. That is an ongoing process. We will do that current reallocation and we will then move into another formal allocation process in the next month or so, looking to start the process so that when we get to July 2006 we are ready to allocate the next round of outside school hours places for that financial year.

Senator MOORE—And your plan for the allocation would be on target?

Mr Popple—Yes.

Senator MOORE—That is meeting what you hope to achieve?

Mr Popple—Yes. As I said, we would be looking to advertise some time in the next few weeks. We will invite applications from interested parties. They will come in, we will assess them, and then they will be advised hopefully some time around 1 July, maybe a little bit later, depending on how the process goes.

Senator MOORE—I have some general questions about nannies. We had detailed questions before and we have had some response. We just want to follow up on some of the issues around nannies. Question on notice No. 2619 was an extensive question to the minister, in which we asked particular questions about nannies. We got a range of answers from the minister which seemed to say that currently the department knows nothing about the extent of the use of nannies or in-home carers by Australian families. Is that right?

Ms Carroll—That is correct. We do not collect that information.

Senator MOORE—Could it be collected?

Ms Carroll—It would be very difficult to collect, because we do not have any ongoing relationship with nanny services. For example, the child-care census goes out to approved child-care services that we have regular contact with or Centrelink has regular contact with.

The nanny agencies—the nannies—can become registered carers if they choose, but it is up to individuals to do that.

Senator MOORE—Is the department aware that there have been calls from families who use nannies—they publicly state that is their choice for child car—to be given access to the approved care rate of CCB?

Ms McKay—I am aware of that.

Senator MOORE—They have actually lobbied you?

Mr Popple—I think our awareness is mainly from media reports.

Senator MOORE—This has created some media interest, but direct interaction with the department is something that has not happened?

Ms Carroll—There is a small amount of ministerial correspondence but nothing extensive.

Senator MOORE—The department is aware that the House of Representatives standing committee is looking at a range of issues. I know that the department has made a submission. Are you aware of whether the standing committee is considering any policy or funding changes applicable to nannies? Has that been discussed with the department?

Mr Popple—It is a matter for the committee, not for us.

Senator MOORE—It has not been raised with you?

Mr Popple—No.

Senator MOORE—Your submission to the committee was public. It was a large and quite detailed. It did not mention nannies at all?

Mr Popple—It has been some time since then; that was early last year, I believe. I cannot recall any mention of nannies in it.

Senator MOORE—The question on notice asked whether the department had any interest in monitoring the use of nannies and the nanny industries and your response was:

The Department has an interest in all types of early childhood care.

On the whole issue of nannies—because it has received considerable media interest—is there any current research in the department on this issue: usage of nannies, the relative merits, the cost, all those things? Is there a research part in the department looking at those issues?

Mr Popple—The second part of our answer to that question was that our main focus is on supporting parents to access approved, quality child care. At this stage nannies in the main do not provide that sort of child care and there are no regulations around them. It is in some ways outside the primary focus of the department when it looks at child care. We are interested, as we say in the answer, in the broad range of child care but our focus has to be on approved child care which has some form of regulation around it, and quality. At the end of the day, as you indicated earlier, the best experience for children is through a quality system which can further their development rather than just providing a childminding service, which not all nannies do but some nannies do.

Senator MOORE—Has the department developed any position on whether nannies would be a suitable area to get CCB?

Mr Popple—The department looks at a whole range of things all the time, but at this stage we have not looked at that any further.

Dr Harmer—This is very close to policy advice to ministers.

Senator MOORE—Very close.

Dr Harmer—I am afraid we cannot go any further on that.

Senator MOORE—You said that you had received minimal or a small amount of interest. Has it been raised from politicians—backbenchers—contacting the department on the issue about nannies and their role in child care?

Ms Beauchamp—I am not aware of any contact from backbenchers or politicians with the department.

Senator MOORE—Have the department or the minister received letters from government MPs about child-care policy in the last six months?

Dr Harmer—We would have to take that on notice.

Senator MOORE—Certainly.

Dr Harmer—It would be very brave to say yes or no to that.

Senator MOORE—I asked the question about out of school hours care before. The process is that you will be reviewing the situation going out to tender and that you have a number of people waiting. I want to clarify, Mr Popple, does that mean there are over 900 people waiting?

Mr Popple—It is not ‘people’, Senator. It is expressions of interest.

Senator MOORE—Certainly we went through expressions of interest that places put forward to have their services extended.

Mr Popple—Yes.

Senator MOORE—It is often stimulated by people requesting to have that service in their area. When the requests come in and you have them there but you are not actually going to give out the places until July—

Mr Popple—No, sorry. I probably misled you. There is an ongoing process of top-ups. We review those expressions of interest that come in. As I said, we are in the process of doing that now. Once we start a formal allocation process we stop that topping-up process and move into the formal allocation round of going out and seeking broad expressions of interest, assessing those, making a decision then allocating.

Senator MOORE—Are you expecting in the next five months with the topping-up process to meet the demand for the number of people that allegedly are looking for these places?

Mr Popple—Currently we are meeting assessed demand, which is demand that has come in and we can look at to verify there is real demand there—that they do not just want places but actually have a demand to fill. We often find with applications we receive that they overestimate the demand that they have and that they seek places which then sit there unused. We then have to go back out and try and convince them to relinquish those places so we can allocate them to areas of high demand.

Senator MOORE—You do not believe there is demand? You are meeting assessed demand?

Mr Popple—Leaving aside the topping-up arrangement we are going through at the moment, after that last round in November we met all verified or confirmed demand.

Ms Beauchamp—Over the last couple of years there has been quite a large increase in the number of new outside of school hours care places allocated by the government.

Senator MOORE—Have they all been filled?

Ms Beauchamp—That has met the expressed demand, as Mr Popple has said, yes.

Senator MOORE—Did FaCS contribute any data to the recent ABS survey *Barriers and incentives to labour force participation*? Did you contribute to the survey specifically as a department?

Ms Carroll—That survey used particular data that the ABS collects around their regular household survey. They extracted that information from their own household survey.

Senator MOORE—There was no particular input from the department?

Ms Carroll—None at all.

Senator MOORE—I know you have all seen the findings. Was the department concerned about any of those issues, for example about the perception that child care is one of the top barriers to work—that the problem of finding suitable, affordable child care is the No. 1 reason why women who want to work are not looking for it? I know that you would have studied the survey—that is a given. Did the results raise concerns for the department?

Ms Beauchamp—I think the concerns were more in the reporting of the survey and how it was portrayed, because I think it looked at a number of issues around people returning to work. Child care was not specifically singled out as a barrier to participation. It was grouped with a number of other elements including the choice perhaps of families staying at home with home duties and because women are pregnant. There were a couple of other parameters in there that indicated that child care was not necessarily on its own a barrier to returning to work.

Senator MOORE—As a department, did you feel that was unfair?

Ms Beauchamp—From my observations of what was in the media, I thought it misrepresented what was in the survey.

Senator MOORE—What do you do about that? When you see something like that which highlights the area of your expertise, as we have established, is there anything you can do to respond to that?

Ms Carroll—We have spoken through our research area, which has ongoing contact with the ABS. Our researchers have made contact with the ABS and discussed those issues that Ms Beauchamp highlighted. It will be up to the ABS as to how it uses that, but our main concern was that it implied that the survey gave some assessment of the availability of child care when that really was not what the survey was designed to do.

Senator MOORE—Are you as a department denying that the ABS survey found that child care was a specific barrier to work for women?

Ms Carroll—No, we are not denying that particular issue. What we are saying is that it was grouped in a broader category of home duties, child care and pregnancy and that we need to look further at what the child-care specific elements of that were.

Senator MOORE—They perhaps need a different definition in future surveys.

Ms Carroll—Or look at if it is possible to separate those out. Our understanding from having some discussions with the ABS is that perhaps the statistical information gets too small when they try to cut it down and it becomes statistically invalid.

Senator MOORE—Were you involved with developing the work before the survey was done?

Ms Carroll—No.

Senator MOORE—The survey demonstrates that the current system where CCB is payable to every parent who can find long day care or family day care is not enough to ensure supply. Is that a result that you agree with?

Dr Harmer—I would be surprised if we would agree with that. I am not even sure that the survey results would justify that.

Senator MOORE—Is FaCS proposing to do anything to increase the supply of child-care places, apart from simply increasing child-care places in the community?

Ms Beauchamp—As we have said, there is no limit on long day care.

Senator MOORE—No, that can go anywhere.

Ms Beauchamp—The government announced last year quite a significant increase in the number of outside of school hours care places for the next few years amounting to, as Dr Harmer said, 87,000. So there is already a proposal out there to increase the number of outside of school hours care, family day care and in-home care places.

Senator MOORE—The link is between awareness about the availability and the model which Mr Pople has described previously—how you find out and how you allocate. You would be aware of the various media statements made recently by the Treasurer about availability of child care, child-care shortages and possible child-care shortages in outside school hours care. Is that something the department is aware of?

Ms Beauchamp—I have seen the media reports.

Senator MOORE—Has the department been required to send information to the Treasurer about those statements or find out information about that?

Ms Beauchamp—Not specifically, but we are in constant communication with central agencies around a number of our programs and we talk to Treasury, PM&C, the department of finance and others.

Senator MOORE—But there has been no specific link on that issue?

Ms Beauchamp—I am not aware of any specific request on those reports, no.

Senator MOORE—I know I have talked about research a lot tonight, but the stats survey is one of the key elements of providing information in our community and is used a lot. On the issue of child-care shortages, you have said a number of times that it is difficult to measure child-care need and the department cannot predict unmet need. It is interesting to see, given that, how you would be able to work with stats or suggest that stats would be able to pull that issue out. The stats survey actually linked a number of things as being barriers to people going into work. That was one of the publicised results and people have accepted that.

Dr Harmer—My colleagues may want to comment, but I am not sure how that survey was conducted—whether they asked women, for example, ‘What do you think would be or are the major barriers?’ in a theoretical context or, ‘What are the major barriers for you?’ I am not sure we know which way it was framed. It makes a huge difference in terms of the validity of using that survey as any sort of indication of shortages. It is a different analysis and a different conclusion you would draw if they asked women, ‘What do you think are the major barriers?’ compared to, ‘What has been the major barrier for you?’ I am not sure I know which way they answered.

Ms McKay—Fundamentally, it was not a survey about child-care demand; it was a survey about workforce participation. Child care was grouped with a number of other questions about impediments to labour force participation. That ABS survey, though, is probably the only available information that you would say was rigorous—properly collected on a properly constructed sample around demand for child care—but it does not measure demand for child care. We collect information on the supply of child care, which I mentioned before, through the census. Those two data sets are not directly comparable and you cannot derive from them whether there is excess demand or excess supply of child care, but they are the best that we currently have.

Senator MOORE—If we go back to the question of demand, if you are looking at planning in the area, the demand for child care is the key point. FaCS have said they cannot do it. The survey, you state, does not do it.

Dr Harmer—In some cases, we do. As Mr Popple said earlier, in terms of one of the elements of child care, we are reasonably confident that we have sufficient places to meet demand.

Senator MOORE—That is the outside school hours care.

Dr Harmer—Yes, which is an important element.

Senator MOORE—The department has stated that you are confident you have met the demand.

Mr Popple—We base that largely on the fact that we go through this allocation process where we receive expressions of interests, assess them and then allocate places. That is a much different process. That is not based on waiting lists at centres or something like that. It is actually responding to bids from services. That is perhaps not picking up total demand, because it is not picking up demand in areas where services are not willing to locate.

Senator MOORE—Is the department’s position, based on all of that, that you have met the demand for outside school hours care?

Mr Popple—Assessed demand, yes.

Dr Harmer—Assessed demand—the demand that is reflected through providers bidding for places. That is the demand we mean.

Mr Popple—Yes.

Senator MOORE—That is exactly the same area where the Treasurer has, in media comment, stated that there are shortages.

Dr Harmer—The Treasurer may be aware, through anecdotes or perhaps in his own electorate, of parents looking for places in areas where there is no provider. We would not be aware of that because there is no provider bidding for places. We have no mechanism to find whether there is demand in those locations, and that could be the Treasurer's information. It does not necessarily mean that there is a difference in position; it is just that the Treasurer has available information from a local area.

Senator MOORE—How does that information come to the department? The Treasurer—there are others too—is on record publicly making a specific statement about after school hours care.

Dr Harmer—It is quite likely that there is unmet demand in local areas where there may not be providers bidding for places, but we provide assistance, funding and places through providers applying for places, and we provide all of the places that providers are applying for.

Senator MOORE—So you are providing what the providers have asked for?

Dr Harmer—Yes.

Senator MOORE—That does not mean that there is no shortage.

Dr Harmer—No, it does not, but we are confident we are meeting expressed demand through services.

Senator MOORE—But you cannot be confident you are meeting the demand.

Dr Harmer—We cannot be confident we are meeting—

Senator MOORE—You can confidently say that you are meeting the expressed demand of providers, of which you are aware.

Dr Harmer—Yes, for places.

Senator MOORE—But you cannot categorically say that there is no shortage.

Dr Harmer—No, and it would be very unwise to do that. There will no doubt be cases where someone is looking for a place and there is no provider.

Ms Beauchamp—The fact that some services are relinquishing places would indicate that there may be a surplus in some areas.

Dr Harmer—So it is patchy. As we said earlier, in some localities we have provided more places than are being taken up. In other places there are no providers to bid for places.

Senator MOORE—It varies. It is interesting that this evening you talked about anecdotal evidence in other areas being used to come to a conclusion, but in this area of outside school hours care 'anecdote' is not seen as evidence of a shortage.

Ms Carroll—What we are saying is that, if there is no child-care service provider there to indicate that there is a need, we do not necessarily hear about it.

Dr Harmer—And there are no other mechanisms to validate it.

Senator MOORE—Which goes back to how you find out about the need. The key point seems to be how you find out about the need. Are there any plans to increase the supply of places long day care places?

Ms Beauchamp—The Australian government's role, as Ms McKay said, is providing financial assistance to parents.

Dr Harmer—There is no barrier.

Ms Beauchamp—There is no barrier to the availability of long day care.

Senator MOORE—Except people having the child-care services available to provide them. That is the barrier. You provide the funding to the parents to pay for it.

Dr Harmer—Yes.

Senator MOORE—But, from the department's evidence, you have no ability to—

Dr Harmer—We do not control—

Senator MOORE—provide the places in long day care.

Ms McKay—The places are automatically available. If a child-care service chooses to set up, becomes licensed and is prepared to meet our quality standards, they are eligible for child-care benefit. There is no restriction on—

Dr Harmer—It is unlimited, in a sense.

Senator MOORE—We are not going to go into a discussion about infrastructure, which we have had here before. Senator Evans will have to get a full half-hour to finish off, but I am going to ask some very quick questions. FaCS sent a letter and a glossy pamphlet to parents receiving CCB, inviting them to inform the department of any fraud they suspect is being committed by their child-care provider. Can you tell me when the letter and the pamphlet went out?

Mr Popple—The brochure was mailed out earlier this year.

Senator MOORE—In 2006?

Mr Popple—Yes. The brochure was mailed to all families using CCB approved long day care and family day care services in the week beginning 23 January.

Senator MOORE—Can we get a copy of the letter and the pamphlet?

Mr Popple—I can give you a copy of the pamphlet now, if you wish, but I do not have the letter here.

Senator MOORE—That would be lovely. Can you tell me how much it cost to produce the letter and the pamphlet? Do you have costings for that, Mr Popple?

Mr Popple—The costing is approximately \$300,000. The final cost will depend upon how many letters we receive back. There is a response form on the brochure and we will pick up the mailing cost when those brochures come back.

Senator MOORE—How many did you send out?

Mr Popple—377,000.

Senator MOORE—And that went to all parents receiving the kinds of care you mentioned in your opening statement?

Mr Popple—Yes.

Senator MOORE—How much did they cost to send?

Mr Popple—I only have the total cost, which is anticipated to be \$335,000.

Senator MOORE—That includes some distribution as well?

Mr Popple—Yes.

Senator MOORE—If you can take it on notice to break that figure down into production of the leaflet and pamphlet and the distribution, that would be good. Are there any figures on how many child-care providers are known or suspected by FaCS to be involved in fraudulent practices?

Mr Popple—No.

Senator MOORE—How many are you investigating?

Ms Beauchamp—We do not have figures in relation to those that are being investigated.

Senator MOORE—Can we get those? It would not be breaching privacy at all to give me a round figure.

Senator CHRIS EVANS—Surely you must have done a risk analysis.

Ms Beauchamp—Centrelink do the investigations where there have been issues of fraud identified.

Senator MOORE—Wouldn't that be stimulated by you?

Ms Beauchamp—No. They are notified through Centrelink.

Senator MOORE—I know Centrelink has the stream to do investigations, but they are notified of the fraud through Centrelink?

Ms Beauchamp—No.

Mr Popple—Notification of fraud might come through in various ways. If we were informed of a potential fraud case, we would pass that on to Centrelink to conduct an investigation on our behalf. Centrelink have responsibility for conducting compliance checks, and that would include fraud cases. I am not aware of any particular cases under way at the moment. There may be some, but I am not aware of them.

Senator MOORE—So why was it necessary to send out this particular information brochure now? It seems strange. Has this been done before?

Mr Popple—There had been a number of cases some time ago and the previous Minister for Children and Youth Affairs had been personally made aware of a number of complaints around this. There were sufficient suggestions and concerns around fraud and lack of compliance and parents being forced to perhaps do things which went against the spirit of

CCB to prompt us to take this measure. As I mentioned, it only went out on the 23rd, and we have already had back to the mail centre something close to 7,000 responses. We have not had a chance to analyse those, but certainly there would seem to be some element of concern out there by parents about how they are being treated by their child-care centres. Of course, FaCSIA's view would be that the vast majority of child-care providers are doing the right thing, but it would be good to try and find out those who are not.

Senator CHRIS EVANS—You might want to wait to analyse the results first. Some of them might be telling you child care is too expensive.

Mr Popple—The responses to date have not been saying that.

Senator MOORE—I have particular questions about what happens when it comes back. It may be useful to put them on notice to you because it is too early in this particular program to ask you about how you intend to investigate any analysis of the complaints which are the focus of the questions. What I will do is put them on notice on the basis that we would expect you, once it begins, to give us some information about those processes. That is fine.

Mr Popple—Sure. As I said, it is very early days.

Senator MOORE—You have already had around 7,000 responses but they have not been analysed yet.

Mr Popple—The vast majority of them are still at the mail centre, so we have not even seen them.

Senator MOORE—Which area is doing the analysis?

Mr Popple—My branch.

Senator MOORE—Can you tell me how many people are working in the areas of the Child Care Policy and Planning Branch and the Child Care Services Branch at the moment?

Ms Carroll—It would be between 80 and 90 staff.

Senator MOORE—In the whole area?

Ms Carroll—Across the area.

[10.32 pm]

CHAIR— We thank outcome 4 officers and call on outcome 5.

Senator CHRIS EVANS—I want to start with the issue I raised with you, or forewarned you about, which is the power supply issue in the Kimberleys—the municipal services program and the funding in the Kimberleys.

Dr Harmer—When we talked about that before, that was in outcome 2, the Community Housing and Infrastructure Program.

Senator CHRIS EVANS—Yes.

Dr Harmer—For many of the other things talked about this morning I mentioned outcome 5, but that one is outcome 2.

Senator CHRIS EVANS—Sorry, I must have misheard you. I am very concerned about this issue. Quite frankly, the answers I got back from the department to questions I put on

notice were very dismissive. I am very concerned about the impact on the medical and other services in the Kimberley communities as a result of this policy. There is a lot of disquiet about it. The answers were very much, 'Not our problem; tell somebody else,' in terms of the impact on the community. While I accept we may have gone past it, as I say, that is why I tried to sort it out earlier. That may have been my error because I thought we were told it was in outcome 5.

Dr Harmer—I would not have made a mistake about the outcome for that one.

Senator CHRIS EVANS—I am not saying you did. I accept it may have been my error in the discussion, Dr Harmer. Your answer to me, when I asked, 'Will the continued operation of organisations providing essential services in Balga be viable, given the increase cost of the power tariffs?'—and it went on—was, 'The viability of local organisations is a matter to be considered with the respective funding agencies.' So much for the whole-of-government approach. I really find that answer inappropriate, given you administered a scheme—

Dr Harmer—Senator, what we are saying there is that we may provide one component of funding, but not the entire funding, I suspect. I do not know the—

Senator CHRIS EVANS—No. What you are saying is, 'Yes, we are putting up the electricity prices,' and, 'Yes, we know that there are suggestions that the hospital or the medical services and others may not be able to find those, and those community services might be underfunded, but we will take it up with somebody else.' Quite frankly, this is getting to be quite a serious issue for a number of these communities. You are going to tell me, I suppose, the officers have gone.

Dr Harmer—They certainly have. They were from outcome 2. The Community Housing and Infrastructure Program was the only program that I can imagine where we would be funding infrastructure or some components of infrastructure.

Senator CHRIS EVANS—Yes, it is called the municipal services program.

Dr Harmer—Yes, that is it. All I can do is take any further questions on notice.

Senator CHRIS EVANS—Unfortunately I tried that and you provided me with the answers and we are not very happy about them. This is about power supply in communities that are highly disadvantaged and whether or not their essential services can continue with the increased burden of the fuel costs. It is not a matter on which you can wait around. We have been pushing to get some action on this for some time. Are you telling me you are not aware of this, Dr Harmer? That it has not come to your level?

Dr Harmer—I have not seen that answer, no.

Senator CHRIS EVANS—I am not talking about the answer. The issue has not come to your attention?

Dr Harmer—No, it has not. What community is it?

Senator CHRIS EVANS—One of them is Balgo but there are a whole range of them. They will not come onto the mainstream grid until at the earliest, I think, 2007—but it might be even longer.

Senator Ellison—Where are the answers not answering the question? What was the information you were after, Senator Evans?

Senator CHRIS EVANS—The problem is based on the increased price of fuel. This scheme is supposed to subsidise that impost. They argue that the calculation for the fuel is based on \$1.15 and they are paying \$1.40 or so. My main concern is that it went to the impact on essential services in those communities. FaCSIA is the department responsible for the program. Communities have been writing, ringing; I put questions on notice. As I say, the answer to my concern, and the widespread concern about the impact on those services, is the answer from the department:

The viability of local organisations is a matter to be considered with their respective funding agencies.

Dr Harmer—I would need to check with my people. I have not seen that answer. It may be that there is some misunderstanding about the responsibility of the municipal services program for funding the entire additional costs. I suspect it may have something to do with the fact that other departments, or maybe other levels of government, are not taking responsibility. I understand your issue.

Senator CHRIS EVANS—Given we have a whole-of-government approach, we have solved all those problems. I had OIPC telling me that this morning for three hours.

Dr Harmer—We have not solved entirely the whole-of-governments' approach between Commonwealth and state in some of these matters. That issue may go to some cross-subsidisation between the Commonwealth and the state, for example.

Senator CHRIS EVANS—No, it goes to you trying to move them to a user-pays system and the rates that you have set. The concern is about how that impacts on organisations, some of whom have to find an extra \$250,000. It is quite complex.

Dr Harmer—I would need to know a lot more about it to be any help to you here or have officers from outcome 2 here. If you have any specific further information you want in relation to that, I am happy to take it on notice.

Senator CHRIS EVANS—I want it fixed.

Senator Ellison—Is it possible to provide a briefing to Senator Evans?

Dr Harmer—We are very happy to do that.

Senator Ellison—The situation here is that, firstly, you want to know who is responsible for that.

Senator CHRIS EVANS—No, I know that: FaCSIA.

Senator Ellison—Is that said in the answer?

Senator CHRIS EVANS—Yes. They administer the scheme.

Dr Harmer—We administer one of the schemes that subsidises the cost of power. What is not clear to me is whether we are, as you mentioned, responsible entirely for the provision of the subsidies or ensuring it is affordable. I genuinely do not know the answer to that, Senator.

Senator CHRIS EVANS—It is a complex thing. I think the state pay for the capital works—

Dr Harmer—Yes.

Senator CHRIS EVANS—but your scheme goes directly to the subsidy.

Dr Harmer—To recurrent costs.

Senator CHRIS EVANS—You forced them onto new standard rates which are higher than they have been paying and do not account for the higher prices. What they are saying is, ‘This is going to lead to community services having increased costs.’ I have had letters from members of parliament up there. A lot of people have been trying to get it fixed. I put the questions on notice and, quite frankly, I am not happy with them.

Dr Harmer—I am offering to provide you with some further detail about the situation you have asked about.

Senator CHRIS EVANS—I would appreciate that, Dr Harmer. I can refer you to the question.

Dr Harmer—Which question was it?

Senator CHRIS EVANS—Question Nos 1377 and 1375. One was relating to Balgo and one was relating to the other five or six.

Dr Harmer—I will see if we can provide you with a more detailed response.

Senator Ellison—What are the other communities?

Senator CHRIS EVANS—There are five or six others: Bidyadanga, Beagle Bay, Djarindjin Lombadina, Warmun.

Senator Ellison—Yes, I know those communities.

Senator CHRIS EVANS—You have moved some of the bigger communities onto the main supply. These are some of the smaller ones.

Dr Harmer—I will see if we can provide you with a more detailed response.

Senator CHRIS EVANS—I appreciate that.

Senator Ellison—It is a big issue.

Senator CHRIS EVANS—We had a bit of a chat last time about the small equipment grants, Dr Harmer. Some evidence was given to me that the department’s recommendations were ticked off by the minister and no ministerial interference or discretion was applied. You wrote back to the committee on 9 February this year indicating that that advice in November was not quite accurate, that the officer in charge had not much corporate knowledge and that the information was not correct in the sense that the minister did use her ministerial discretion in relation to the departmental recommendations during this time.

Dr Harmer—Yes.

Senator CHRIS EVANS—Can you tell me when the minister used that and for how many applications?

Dr Harmer—I cannot tell you when—whenever the recommendations went up. That is not at all unusual. The minister has discretion in this area. The error was that, when you asked the question, the senior officer that answered the question was advised by a junior officer ‘no’.

We did not discover that the answer was in fact ‘yes’ until last week when we were looking through the files. I immediately corrected it.

Senator CHRIS EVANS—There is nothing like another round of estimates for these things to come to light.

Dr Harmer—It does focus the mind on the files and making sure we are well prepared. In terms of when, it would have been just before the grants went out, I assume.

Senator CHRIS EVANS—Given that reviewing the files and seeing the answers meant you were well prepared, surely you will be able to do better than that.

Dr Harmer—We may have the answer about when it was, yes. In terms of the second part of your question, Senator, I know it was a very small number: less than one per cent. I do not know exactly what, but I remember asking how many and I was told it was a tiny proportion of the recommendations that were not accepted: less than one per cent. So, in terms of exercising ministerial discretion—

Senator CHRIS EVANS—There was more than one round, though, wasn’t there?

Dr Harmer—The one I was asking about was one round.

Senator CHRIS EVANS—I was just checking whether you were applying it to one round or both. There have been at least two, haven’t there, from recollection? There are so many grant programs these days.

Dr Harmer—I think Minister Patterson—and the question was about Minister Patterson—only approved one round. Her exercising of discretion led to a difference in grants compared to those we recommended in less than one per cent of cases—which is, in my experience over 20-something years of administering these grants programs with ministers exercising discretion, a tiny proportion.

Senator CHRIS EVANS—Thanks for that. Do we have someone who can actually answer the details?

Dr Harmer—It was 16 May 2005.

Senator CHRIS EVANS—That is when the recommendation went up to the minister or when it came out?

Dr Harmer—That is when she signed it off. It would have gone up in the week or so before.

Senator CHRIS EVANS—Is that the only round where that minister, or ministers for the volunteer small equipment grants, has used the discretion?

Dr Harmer—That is the only round that Senator Patterson used the discretion. I am not aware. It was before my time—

Senator CHRIS EVANS—Isn’t this program fairly recent?

Dr Harmer—It has been going for a few years.

Mr Carmichael—The program has been going since 2001.

Senator CHRIS EVANS—So we do not know whether there has been ministerial discretion used in the earlier rounds.

Dr Harmer—I would be very surprised—given my experience running grants programs where ministers have discretion—if all ministers have not exercised some discretion, as they are entitled to, in the various rounds. It is very rare, in a program of small grants like this where the minister has discretion, for the minister to accept in total all of the department's recommendations.

Senator CHRIS EVANS—Thanks, Dr Harmer. I am conscious of the time, so if we can get over the ground we need to get over. I understand the message you are trying to convey to me. That was 16 May 2005. When was the previous round? I thought there were two in one year.

Dr Harmer—There were two rounds in 2004.

Mr Carmichael—Yes, that is right.

Dr Harmer—And one round in 2003.

Senator CHRIS EVANS—Are you able to tell me tonight whether or not ministerial discretion was used in those rounds?

Dr Harmer—We will take that on notice. I would be very confident that ministerial discretion was used in each one.

Senator CHRIS EVANS—So would I, but can you get the details for me?

Dr Harmer—Sure.

Senator CHRIS EVANS—Whether ministerial discretion was used and on how many occasions. Dr Harmer, you have been pressing that there has been less than one per cent, so perhaps you could tell me on how many grants it was used in the round of 16 May 2005 as well.

Dr Harmer—Senator, 16 May 2005 was the one I was talking about where it was less than one per cent.

Senator CHRIS EVANS—Yes, I know. I would like to know how many grants that affected.

Dr Harmer—Sure. We will take that on notice.

Senator CHRIS EVANS—You took me through how this process went, the geographical allocation and the methods you used. How does that sit when there is then some discretion used over the top? Does that alter the balance? Do you then have to alter the balance of the other programs? Does that depend on whether the minister allocates it to something else with the same geographical area?

Dr Harmer—Yes. It obviously did not alter the balance very much—one per cent is not going to alter much of the balance. It would depend whether, for example, it was from a disability volunteer organisation to another disability volunteer organisation, and I do not know the answer to that.

Senator CHRIS EVANS—What I am asking for is your response. In terms of ministerial discretion being applied, do you have to then rebalance?

Dr Harmer—No. The minister makes the decision. We make recommendations and, once the minister has made a decision, that is it.

Senator CHRIS EVANS—The discretion is applied and that is it.

Dr Harmer—Yes.

Senator CHRIS EVANS—There is no advice or guidance to the minister about discretion. It is exactly that: discretion.

Dr Harmer—The brief going up presumably would have made recommendations on a certain basis and the minister, using her discretion, would have said, ‘I agree with most of it, but not in this case.’

Senator CHRIS EVANS—That is the brief as you have allocated it, according to that process you described to me.

Dr Harmer—Yes.

Senator CHRIS EVANS—I want to ask about the particular 2004 grants. I thought I asked a more detailed question on notice but, looking at the replies, I may have only drafted it and not sent it in, given that you seem to have answered the questions but I cannot find that one. You did answer the question I put in—in perhaps the briefest terms possible—regarding these grants. I am trying to understand how you came to inherit these grants. I think there were eight.

Dr Harmer—I will have to ask one of my colleagues to answer the question.

Ms McKenzie—Are you referring to the eight grants that were election commitments?

Senator CHRIS EVANS—Yes.

Ms McKenzie—The responsibility for funding those grants was given to the department after the election.

Senator CHRIS EVANS—Yes, but they were originally under the Regional Partnerships grants program.

Ms McKenzie—After the government had made that commitment, it decided that FaCS would take these ones forward. That is as far as we are involved.

Senator CHRIS EVANS—But you do accept that when they were announced they were under the Regional Partnerships grant program.

Ms McKenzie—We had nothing to do with that. The government had made certain commitments and asked FaCS to take those forward.

Senator CHRIS EVANS—But you must have received the documentation from another department, surely.

Mr Carmichael—Yes, some documentation was forthcoming. Not all of them were from the regional grants program. This is the Local Answers program you are now referring to,

where these grants were managed. The additional funding was provided, if we are talking about the same eight election commitments.

Senator CHRIS EVANS—It is the Kilburn Blair Athol Community Youth Centre, Greenwood skate park et cetera.

Mr Carmichael—Yes, that is right.

Senator CHRIS EVANS—I know they are in your budget papers, but I also know when they were announced. They were announced under the Department of Transport and Regional Services Regional Partnerships grant program. I am trying to work out how they got from there to you.

Dr Harmer—The government asked us to fund them.

Senator CHRIS EVANS—They asked you to fund them and they gave you the funding.

Dr Harmer—Yes.

Mr Carmichael—That is correct.

Senator CHRIS EVANS—Who gave you the paperwork as to what the grant entailed and what the contractual obligations were to be? You did not just write a cheque to someone who turned up and said, ‘I’m from the Swan Italian Sporting Club.’ Someone must have told you on what basis you were to pay the money over.

Dr Harmer—I am not sure that we have all that information here. We will have to take it on notice.

Senator CHRIS EVANS—Tell me what information you do have, Dr Harmer. We have done this once before and you could not help us last time. I know you are very thorough—

Dr Harmer—We do our best to help you and we have done our best to help you on many occasions. I am not trying to not be helpful.

Senator CHRIS EVANS—This one we are struggling on, so let us see if we can do any better tonight.

Dr Harmer—This one is going to be very easy, because we have the ANAO coming in to have a look at all these grants, and their report will be made public. So there will be no shortage of information about these grants.

Senator CHRIS EVANS—I am a great supporter of ANAO, but I am a great supporter of Senate estimates, too—

Dr Harmer—Indeed.

Senator CHRIS EVANS—so I would like someone to give me some answers.

Mr Carmichael—I can give some elaboration. Where they were previously an initiative in another portfolio, that paperwork was handed over to us. There was a series of correspondence between that department and ours, for us to understand what the projects were, then we negotiated with the individual projects based on that information.

Senator CHRIS EVANS—Is it true that seven of them came from the Department of Transport and Regional Services, DOTARS?

Mr Carmichael—I would have to take that on notice.

Dr Harmer—Seven of them, yes, that is true.

Senator CHRIS EVANS—So we now agree seven came from DOTARS?

Dr Harmer—Yes.

Ms McKenzie—That is the information we have previously provided to you on notice.

Senator CHRIS EVANS—Where did the other one come from? When you say ‘previously provided’, was that at the estimates or on questions on notice?

Ms McKenzie—There was a question on notice, No. 1364, where we were asked 18 questions in relation to this.

Senator CHRIS EVANS—Yes, I cannot find the answer to that, because that was not in the book.

Dr Harmer—We have it here.

Senator CHRIS EVANS—I thought I must be going mad, because I had a draft of the question.

Senator Ellison—It seems to have been asked by you.

Senator CHRIS EVANS—I see, we put it on notice through the Senate—sorry. I do not have the copy in my file with me, so I would appreciate—

Dr Harmer—We have provided the answers to the ones you are about to ask, I think.

Senator CHRIS EVANS—When was that answer provided?

Dr Harmer—We do not have a date on it.

Senator CHRIS EVANS—No, I suspect we went to the estimates answers and did not find it. Are you able to tell me what the other department was?

Senator Ellison—We can get you a copy right now. It might assist you, rather than answer—

Senator CHRIS EVANS—No, I know we are running out of time.

Senator Ellison—Because the answers could all be there.

Dr Harmer—I think they probably are.

Senator CHRIS EVANS—The answer on the eight is there?

Ms McKenzie—No, that answer to where the other one came from—that question was not asked.

Senator CHRIS EVANS—That is what I am asking now.

Ms McKenzie—I cannot provide the answer but we can take it on notice.

Senator CHRIS EVANS—Seven came out of the regional parks program. I can follow them. The other one just seems to have appeared out of thin air.

Dr Harmer—We will get you an answer.

Senator CHRIS EVANS—I would appreciate that. I apologise: I did not have the answers to that. As I said, I checked but I checked in the Senate estimates answers. I want to finally ask about the emergency relief program. Can you tell me how that works and how you decide how much is spent? I gather there is a \$5,000 maximum that can be spent on administration. Is that right?

Mr Warburton—The guidelines for emergency relief allow providers to spend a maximum of \$5,000 or 15 per cent of the grant, whichever is the lesser, per outlet. If a provider has two outlets, they are allowed that for each outlet.

Senator CHRIS EVANS—Is that 30 per cent of the grant or—

Mr Warburton—It is 15 per cent of the grant or \$5,000, whichever is the smallest.

Senator CHRIS EVANS—Yes, but when they have two outlets the point that you are making is—

Mr Warburton—That amount for each outlet.

Senator CHRIS EVANS—Does that mean it could rise to 30 per cent of the total grant?

Mr Warburton—Yes.

Senator CHRIS EVANS—I was trying to understand whether that meant there was another grant or whether it just meant two outlets and therefore potentially 30 per cent of the total grant moneys could go for administration.

Mr Warburton—There might not be a high probability of that. If there was a small grant and it was for more than one outlet, that is the case.

Senator CHRIS EVANS—Have you had any difficulty with agencies saying that the limits were providing stress to them in terms of their ability to keep their costs below those limits?

Mr Warburton—That is generally an issue that is debated within the sector. At the beginning of this financial year, we liberalised that to allow that quota for each outlet. It had previously been restricted to \$5,000 or 15 per cent irrespective of the number of outlets, and it was as a result of consultation and views put to the department that that was liberalised. There are some agencies who would still have some concerns about that.

Senator CHRIS EVANS—Is one of those Fairfield Community Aid and Information Service?

Mr Warburton—Yes.

Senator CHRIS EVANS—Where are we at with the dispute and their concerns?

Mr Warburton—We are about to seek expressions of interest for providers in the Fairfield area. The Salvation Army continues to have an outlet in the Fairfield area, and prior to Christmas we provided the Salvation Army with an additional \$40,000.

Senator CHRIS EVANS—Was that to cover for Fairfield not operating?

Mr Warburton—We had some discussions with them. They had experienced some increase in demand. Those discussions went to what a reasonable amount of additional emergency relief would be for them, and that was the figure that was settled on.

Senator CHRIS EVANS—This is for the Salvos?

Mr Warburton—Yes.

Senator CHRIS EVANS—What was the problem with Fairfield Community Aid and Information Service? Are you still funding them?

Mr Warburton—Not at this point in time.

Senator CHRIS EVANS—When did their funding cease?

Mr Warburton—At the end of 2004-05.

Senator CHRIS EVANS—So the end of June 2005?

Mr Warburton—That is correct.

Senator CHRIS EVANS—Why were they not funded beyond that?

Mr Warburton—We made an offer to Fairfield community aid at the beginning of the year. That offer was not taken up and it lapsed after 20 days.

Senator CHRIS EVANS—Did you have discussions with them about their concerns?

Mr Warburton—Yes.

Senator CHRIS EVANS—What were those concerns?

Mr Warburton—Their main concern related to the amount of money that they were allowed for administration. There was a new form funding agreement this year, and they had some other matters in that that they discussed with us. I believe in the end that was not the issue for them. The issue was the amount allowed for administration.

Senator CHRIS EVANS—As a result of that, they did not proceed with their application. Is that right?

Mr Warburton—The funding offer we made them lapsed. We had some further discussions at one point. We said we were prepared to consider making another offer to them. We were prepared to consider allowing them increased money for administration, but there had been some changes to the operational and financial circumstances of the organisation and we said we wanted to look at those. At the end of the day, we believed we were not in a position to make the organisation another funding offer.

Senator CHRIS EVANS—You considered another funding offer but did not make one in the end.

Mr Warburton—That is correct.

Senator CHRIS EVANS—How many outlets does Fairfield have?

Mr Warburton—One.

Senator CHRIS EVANS—When did the change to this provision about two outlets and 15 per cent occur?

Mr Warburton—It was effective from the beginning of this financial year.

Senator CHRIS EVANS—So 2005-06.

Mr Warburton—Yes.

CHAIR—Senator Evans, I hate to cut you off in full flight, but it is now after 11 o'clock.

Senator CHRIS EVANS—That is fine, Chair.

CHAIR—I would like to thank officers of the Department of Families, Community Services and Indigenous Affairs for their attendance today. We are very grateful for the information you have provided to us, and we would be grateful also for a continuance of the usual prompt record of the department in providing the information that has been taken on notice.

Dr Harmer—Just before we close, I have some answers to table that we promised during the day.

CHAIR—Certainly. Thank you very much, Dr Harmer and officers, and thank you, Minister, for your appearance today.

Committee adjourned at 11.02 pm