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**HOUSE OF  
REPRESENTATIVES**

STANDING COMMITTEE ON FAMILY AND HUMAN SERVICES

**Reference: Balancing work and family**

MONDAY, 21 AUGUST 2006

DARWIN

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**HOUSE OF REPRESENTATIVES**  
**STANDING COMMITTEE ON FAMILY AND HUMAN SERVICES**

**Monday, 21 August 2006**

**Members:** Mrs Bronwyn Bishop (*Chair*), Mrs Irwin (*Deputy Chair*), Mr Cadman, Ms Kate Ellis, Mrs Elson, Mr Fawcett, Ms George, Mrs Markus, Mr Quick and Mr Ticehurst

**Members in attendance:** Mrs Bronwyn Bishop, Mr Cadman, Mrs Markus and Mr Quick

**Terms of reference for the inquiry:**

To inquire into and report on:

How the Australian Government can better help families balance their work and family responsibilities. The committee is particularly interested in:

1. the financial, career and social disincentives to starting families;
2. making it easier for parents who so wish to return to the paid workforce; and
3. the impact of taxation and other matters on families in the choices they make in balancing work and family life.

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**Committee met at 9.32 am****MALONEY, Mr Michael Joseph, Manager, Workplace Relations, Chamber of Commerce Northern Territory**

**CHAIR (Mrs Bronwyn Bishop)**—Welcome to this public hearing of the House of Representatives Standing Committee on Family and Human Services for its inquiry into balancing work and family. Today the committee will start by taking evidence from the Northern Territory Chamber of Commerce and Industry. The committee is particularly keen to learn how private businesses are helping their employees to balance work and family responsibilities.

The committee will also take evidence from the Australian Defence Force, as one of the largest employers in the Territory. Service life places particular demands on the ADF's men and women and their families. The committee is using the opportunity to learn about support programs offered to these people. Finally, the representatives of the Defence Partner Support Group will offer their perspectives on the pressures faced by families of serving personnel. This hearing is open to the public.

I welcome Mr Maloney. We are very grateful that you are able to be with us and let us benefit from the testimony that you will give today. Would you like to make an opening statement?

**Mr Maloney**—I should say, in starting, that I have only been with the chamber and in Darwin for a fairly short period of time. Prior to that, I had some 30-odd years experience in industrial relations and exposure to the workplace, so I will tend to blend it all into one if no-one objects.

The chamber believes that human resources plays a major role in finding that balance for work and family. We are heavily involved in the formulation and delivery of that balance. We also support others that are leading the charge in that direction. It is in relation to one such organisation that I would primarily like to focus my attention on this morning. I would like to share with this committee the initiative of that organisation in delivering work and family balance. The organisation is based in Alice Springs and is an Indigenous organisation as well. The scheme they are working on at the moment, which, in due course, will hopefully be subject to a collective agreement under Work Choices, touches on all three terms of reference and is capable of being adopted by every workplace in the country.

The initiative links earnings with the tax year. If the employer is also a not-for-profit organisation, a public benevolent institution—or a PBI, as it is often called—it will also link it to the FBT year. I will take the committee through that. A woman, for example, 12 weeks into her pregnancy approaches the HR department and takes up an option to forgo gross income for the remainder of her pregnancy. The woman proceeds on to maternity leave and the money is repaid to the woman whilst on maternity leave. Let us put that into a practical situation. Again, we will look at the same woman, 12 weeks into her pregnancy on 1 January. She forgoes \$200 a week gross, so it is salary sacrificed for the next 20 weeks, which is around \$4,000. She proceeds on maternity leave on 1 June for 12 months. The money is repaid on or after 1 July, either as a lump sum or on a periodic basis. Then, if it is the only income she earns for the 12 months, there is \$4,000 tax free.

We should not underestimate the importance of having PBI status, because there are a lot of not-for-profit organisations in Australia that have PBI status and, in terms of the sexes, they are very large employers of women, probably around 80 per cent to 85 per cent. Bear in mind that the FBT year is from 30 March to 1 April and that the FBT exemption allows people to take up to roughly \$16,000 in tax-free benefits—if it is a hospital it is closer to \$9,000. Again we will look at a woman 12 weeks into her pregnancy. In September she forgoes \$400 a week gross and goes on maternity leave in April. The money is repaid as a benefit in the new FBT year. The result in this particular example is \$13,000 tax free.

We can increase the funds available to the woman by also having some associated machinery attached to the system that allows the woman to actively work for the employer during her maternity leave on a casual basis. Just because a woman is on maternity leave does not mean she cannot work. I would imagine that, if it is available, on many occasions they would be quite happy to do a few hours of work. The benefit to the woman is to increase her disposable income into the scheme. It encourages a closer relationship with the workplace while she is on maternity leave. It retains those workplace connections which she may have made over the past five or 10 years. The benefit to the employer is that it increases the prospects of the woman returning to the workplace because it maintains that connection and the pool of labour, which may have otherwise been lost. The cost of running a scheme like that is negligible. It is only a matter of having some understanding of the tax law. It need not be terribly sophisticated.

**CHAIR**—When you say that she identifies at 12 weeks into the pregnancy and then starts to salary sacrifice, does she remain in the workforce? You are not saying that she takes leave, are you?

**Mr Maloney**—No, she remains in the workplace. Twelve weeks is generally the time when a woman will share the news. So, from that point on until she goes on maternity leave—which could be four weeks before the birth—she would work as normal. It is just that she forgoes gross income under a salary sacrifice arrangement.

**CHAIR**—Up to \$200, as an example?

**Mr Maloney**—Whatever amount, depending on whether or not the organisation she works for is a PBI and sets certain limits. She can also use a combination of tax year and FBT year. There may be other considerations for the woman. It may be that she wants to purchase a laptop computer as part of her work, in which case she would probably increase the amount she would be salary sacrificing. There are all those sorts of considerations.

**CHAIR**—But the childcare component is only valuable if you are FBT exempt?

**Mr Maloney**—Yes, you get the best result with FBT exemption. But if you leave that aside, in the first example I gave you, which was not an FBT situation, we had the person being \$4,000 tax free when she went on maternity leave. She went on maternity leave after 1 July, so whatever money she put away in the kitty prior to 1 July whilst on maternity leave she would now draw back. We have not terminated the person. The person is still on the books and we are repaying the money we held back. We are not aware that any adjustment would be required to either the act or the regulations in relation to Work Choices.

**CHAIR**—But where is the benefit for her? It is like putting it in the bank. Is she getting a tax deduction for salary sacrificing?

**Mr Maloney**—She would not be paying tax. The money she has put away beforehand is gross income, so no tax has been paid on it. Because she goes off after 1 July in this example and is off for, say, 12 months, which is a normal arrangement, then that \$4,000 would not attract any taxation.

**CHAIR**—Okay.

**Mr Maloney**—In fact, we could go substantially higher than that, but the example I gave you gave us \$4,000.

**Mr QUICK**—How complicated would this be for Centrelink?

**Mr Maloney**—Again, there will be some interface at Centrelink. We do not think there will be a problem, because we currently have some fairly sophisticated salary sacrifice arrangements around the country and to date there has not been any problem that I am aware of between salary sacrificing and what may arise at Centrelink.

**Mrs MARKUS**—Would that be assessed as income for the previous financial year?

**Mr Maloney**—No, for the following financial year.

**CHAIR**—When she is not earning income in the year that she is paid it, she will come in under the threshold. That is what you are saying, isn't it?

**Mr Maloney**—Yes. And if it is paid out on a weekly or fortnightly basis, which is probably the preference of the employer, then it has that capacity to maintain the relationship with the employee for that period.

**CHAIR**—You are saying that she can get it back as a lump sum and it is tax free up to \$6,000 and after that it is on a small marginal rate?

**Mr Maloney**—Yes.

**CHAIR**—But if it is going to be averaged over the year and she comes back six months into the second year then where is the benefit?

**Mr Maloney**—If I can go to the other extreme: if she went off at the wrong time of the year then the amount of money she would have available for what is left of the financial year would go the other way. A lot of planning goes with this, as to how much you are going to salary sacrifice. I will not go down the track of organising when to get pregnant, because that would be taking it too far.

**CHAIR**—Yes.

**Mr Maloney**—It will be a service. Just because there would be some women who would not be able to utilise this to the full because of the timing of their pregnancy would, in our view, not be a reason not to make it available. We are particularly interested in the not-for-profit sector. In the Territory, for example, we have about 400 workplaces that fall into the not-for-profit sector, and of course we have the second string to our bow that we can use the FBT year as well. In fact, we would probably only use the FBT year to deliver the outcome.

**CHAIR**—But it is really only up to the threshold limit and not working in that year.

**Mr Maloney**—But in the not-for-profit sector, leaving aside the hospital area, we can go to \$16,000. So if a woman sacrificed \$16,000, then at any time in the new FBT year, between 1 April and 30 March, that woman could draw that money back as tax-free dollars.

**CHAIR**—But why is it income tax free dollars? It is FBT-free dollars in PBI. But why is it tax free above \$6,000 with income tax? Why is it? Is it because the threshold is only \$6,000?

**Mr Maloney**—The FBT laws allow an employer in the not-for-profit sector to offer up to \$16,000 in benefits which do not attract taxation.

**CHAIR**—I see. So \$16,000 is the threshold for that sector.

**Mr Maloney**—Yes.

**CHAIR**—But is getting your own cash back considered a benefit? I can understand it if you are buying child care, for instance, and are paying for that. But if it is a kind of savings arrangement and it gets paid back to them, does that meet the description?

**Mr Maloney**—It will be \$16,000 tax free in a benefit that you elect to have which may be \$16,000—

**CHAIR**—But it meets the definition of ‘benefit’?

**Mr Maloney**—Yes, as long as there is a good or service involved.

**CHAIR**—So what is the service?

**Mr Maloney**—The services might be telephone services or gas and electricity services or groceries.

**CHAIR**—I see. So you will pay it back in services. You will not pay it back as \$16,000 in cash.

**Mr Maloney**—Not if you are using the FBT. You are using goods and services. It is that one.

**CHAIR**—So she could take \$6,000 tax free if it coincides with both tax years.

**Mr Maloney**—You could join them both together. You could have a combination. In a PBI you could have a combination of both. You could have the threshold and then you could also have \$16,000 worth of benefits that you can access. So it can be a quite attractive outcome in that sector.

**CHAIR**—And you are saying that is really relevant to the NGO sector that comply because 80 or 85 per cent of its employees are women?

**Mr Maloney**—Yes.

**CHAIR**—What is the demographic of them?

**Mr Maloney**—In terms of where?

**CHAIR**—In terms of ages.

**Mr Maloney**—The Territory has a very young working population, so I would imagine that we are looking at a fairly large number of women in the 25 to 35 bracket.

**CHAIR**—Could you use this arrangement also for caring for a disabled child through life and also if you wanted to take a respite period or if you wanted to care for elderly parents if they suddenly needed a bit of care?

**Mr Maloney**—Anything that you can pay for would be a good or a service.

**CHAIR**—So you could, if you wished, salary sacrifice to get someone in to care for a child while you are still working by salary sacrificing in the normal way?

**Mr Maloney**—Yes. A lot of that is already done now with day-to-day child services. It would be a more sophisticated proposition to come up with what you are talking about but it would be there.

**CHAIR**—The point that I am trying to get at is this: we have taken evidence from the ANZ Bank—but Westpac does it as well and we have taken evidence from the tax office, who do it as well—that they can meet the public ruling of the tax office for salary sacrificing but that it has to be institutional care, in that they have to control the childcare centre and then people can salary sacrifice their childcare payments. What you are saying—and this is quite attractive—is that if you are in the NGO sector and you comply with the act to be PBI then you can salary sacrifice to put a carer in your home to look after an elderly parent or to look after a disabled child or to look after a young child. It is up to \$16,000 a year.

**Mr Maloney**—Yes, whether it be in your home or not. It is your expenditure.

**CHAIR**—And that is effectively a full tax deduction?

**Mr Maloney**—Yes.

**CHAIR**—That is pretty interesting.

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**Mr CADMAN**—Have you done an examination of how it might affect other benefits?

**Mr Maloney**—That follows on from the question from Mr Quick about the interrelationship between the current salary sacrifice arrangements and Centrelink. All I can say at this stage is that—

**Mr CADMAN**—What about family tax benefits and other things that are income dependent?

**Mr Maloney**—We do not offer ourselves as financial advisers when we do these sorts of things. So if an individual has other arrangements with Centrelink in terms of payments, we say to them, ‘Make sure you disclose all this to Centrelink to see whether that makes any difference.’ All I can say at this stage is that we have, at the moment, some sophisticated salary sacrifice arrangements in place around the country. To my knowledge there has never been any Centrelink problem. But obviously we are going into new territory with this arrangement, and it may well be that we have to revisit that, but on the surface we are not aware of any problems.

**Mr CADMAN**—You have childcare rebates and four or five other benefits that can be put and taken, depending on that second income, where there are children. It is okay when they are single but when the baby is born other benefits start to come in or are taken out.

**CHAIR**—Yes, family tax benefit A and B.

**Mrs MARKUS**—The other thing in relation to fringe benefits tax is that the \$16,000 in real money is estimated by the tax office to actually be over \$20,000.

**Mr Maloney**—They use grossed-up figures, yes.

**Mrs MARKUS**—How does that income impact on other entitlements? It is probably critical that we know what that would be.

**Mr Maloney**—There is no impact as I understand it at the moment. The question is whether—

**CHAIR**—I think that is probably right because it is meant to be captured by the fringe benefits tax but the fringe benefits tax is an exemption for this class of people.

**Mr CADMAN**—Yes.

**CHAIR**—Therefore the money would still be classed as subject to the tax for the working-out of other benefits.

**Mr CADMAN**—Yes, it would work as a fringe benefit. It is a very interesting idea.

**CHAIR**—Yes, it is really interesting.

**Mr QUICK**—I like the idea that, as part of this scheme, people retain continuity with the workplace. So you do not lose the corporate memory—

**Mr CADMAN**—That is right.

**Mr QUICK**—and when you come back in it is a seamless transition. The evidence we have heard, especially in high-profile jobs—for example, lawyers—is that, if you are not 300 per cent committed, you do not get back in. So it sounds like a great scheme.

**Mr Maloney**—One of the major benefits of this is to maintain that relationship with the workplace for that period of time. We believe this does it.

**CHAIR**—It does. And they can come back and work while they are still being paid a supplementary income from their salary sacrificing.

**Mr CADMAN**—I take it, from the way you are explaining it, that you have not had it in place for very long. How many people have taken it up?

**Mr Maloney**—It is part of the draft collective agreement of the organisation that is championing the cause. We have shared the idea with DEWR but there has been no response to date. We have floated it with the Australian Nursing Federation as they represent a large number of women on the hospital side, and they are looking at that as we talk today. So obviously I am using this as an opportunity to talk it up.

**CHAIR**—Because of the interest in the inquiry I have had conversations with people since I have been up here and I spoke to someone who is a nurse in the system. They already have salary sacrificing for childcare centres, because hospitals are given the PBI status. But there are other agencies which come under the department that administers the hospitals—agencies such as those dealing with palliative care or other aspects—that are not classified with PBI status. So nurses will not go to these other places because they lose the fringe benefit exemption status. That is a very significant issue.

**Mr Maloney**—It will make a huge difference to the value of a package.

**CHAIR**—Absolutely.

**Mr CADMAN**—Would you keep us informed as this progresses, please?

**Mr Maloney**—I will; I would be more than pleased to do so.

**Mr QUICK**—When it comes to nurses, the big issue at the moment is retention. We have thousands of nurses in their 40s who have been nursing for 20-odd years who, for a variety of reasons, have withdrawn their services and are doing other things. This package might attract them back into the system.

**CHAIR**—It is already working, Harry. In the hospitals here in Darwin, they can salary sacrifice for child care. But they cannot if they move out of the hospital into another arm of health care, because if they do it does not have the tax exemption for fringe benefits tax.

**Mr Maloney**—So if you went from a hospital to work for the Northern Territory aged care division, you would lose your salary sacrifice.

**CHAIR**—You must be in the hospital.

**Mr CADMAN**—If you could fill that gap from the time you leave work until the time you return to work with something like this, that would be a very good adjunct to childcare salary sacrifice.

**CHAIR**—Absolutely. But it also covers disabled children and elderly parents—and, if you chose to salary sacrifice in those situations, you really could time it. You could say, 'I'm going to need some respite here,' and take leave for that period and use the income that you have salary sacrificed to buy the services in.

**Mr CADMAN**—It is an enforced savings process. Some people would prefer to take those funds and invest them and have them perhaps in a separate account and earn some interest.

**CHAIR**—They are subject to full taxation then.

**Mr CADMAN**—They would pay tax on it, yes.

**CHAIR**—Taxation drives everything we do. It drives our behaviour.

**Mr Maloney**—I have been talking about maternity leave, but you could change the focus, as Mrs Bishop said, to respite for six or 12 months.

**Mr CADMAN**—For disabled kids; you are right.

**Mr Maloney**—It is quite flexible that way.

**CHAIR**—More and more, the problem is disabled kids having nowhere to go. Parents are so stressed. I am sorry that we interrupted you, but that has really focused our minds.

**Mr CADMAN**—Do you have any more ideas like that one?

**Mr Maloney**—I will finish this one. This initiative has come from an Aboriginal organisation. It has a great deal of capacity to be picked up by others around the country. For the record, it is known as MATPACK. Subject to hopefully some involvement by DEWR to look at it in more detail, it is a very positive outcome that we are very proud to be associated with.

I would like to mention two others in passing. These are not directly involved with the balance, but go indirectly to the balance between family and work. The first of these that I refer to is employee share ownership, or ESO, which is an initiative brought in by the federal government some years ago. It is something that has not taken off in maybe the way that people thought that it would. A point I would like to make here which builds on some of the comments I made before is that many workplaces are effectively unable to utilise the employee share ownership idea because their organisations are not listed on the stock exchange, which makes it difficult, or alternatively will never run at a profit. I refer there to not-for-profit organisations, which are large employers of women.

**CHAIR**—How does what you are going to talk about differ from the awful mess of EBAs? The way the tax office treated people who used EBAs to postpone paying tax caused an awful mess. EBAs were treated differently from the mass marketing schemes, but people's lives were destroyed because the tax office went back retrospectively and said that part IVA applies and that they were going to apply the general interest charge. That has been an enormous problem. We have sorted that out to a degree, but it really is a variation of employment share ownership, where individuals, as distinct from the large corporations, tried to use it.

**Mr Maloney**—Yes, that is a problem, but it can be even more of a problem. Some organisations, no matter how successful they are in their job, will never make a profit, and they are being denied any access to the ESO at the moment. The proposition which we currently have in front of DEWR is to consider employee share ownership not only on an employer by employer basis but also on an employer cluster basis so that a not-for-profit organisation could be part of a cluster which includes employers both big and small that are registered on the Stock Exchange. They could be part of that group by virtue of the fact that they have the same geography and share some sort of common interest in what they do, and it would give the women in these organisations access to the same benefits that are currently available to males. On the surface, we do not see any reason why there cannot be a cluster of employers. Why is the thought pattern only employer by employer by employer? We see that as also going to the question of women's financial situation because it allows them to be involved in the long-term bigger picture associated with the workplace, which is the share ownership of the companies. We put that on the record as well.

**CHAIR**—How do they get a benefit? Is it by way of dividend if you are an NGO?

**Mr Maloney**—You would not get it out of the NGO. For instance, a large employer in this country is a company known as Yum!, which owns the likes of KFC, and it employs 3,000 people. Their employees—and it was an example given to us by DEWR—have access to shares in that company that are either paid for, subsidised or for free from that company, and they have enjoyed a healthy return over the past several years. All we would be looking at is linking a not-for-profit sector to that cluster. The employer, the business, still gets the money.

**CHAIR**—Why should people who are not contributing to the profits of Yum! share in the dividends?

**Mr Maloney**—Maybe they will be. You have to get the right group in the cluster. It develops a degree of ownership in the not-for-profit sector if you know that you have a healthy dividend tied up in such and such a company.

**CHAIR**—So they would salary sacrifice to buy shares in a listed company which was recognised as an entity by the tax office for being fringe benefits tax free.

**Mr CADMAN**—That would reduce the overheads for the not-for-profit sector. Yum! would be saying, 'We're a good corporate citizen; we're supporting St Vincent de Paul, for instance,' or something like that.

**CHAIR**—They would not be doing anything because the shares would still be bought in the ordinary way.

**Mr Maloney**—We would have to have some sort of tax break to allow them to be treated in the same way as the employee. There would have to be some mechanism to allow them to get the same benefit, but they would never get the benefit out of their own organisation. That is why it has to be—

**CHAIR**—Neither do the small business people, because it would just prove to be far too difficult.

**Mr CADMAN**—It could be an encouragement for greater philanthropy amongst corporations. I would have to think the practicalities through.

**CHAIR**—It would be interesting to look at, anyway.

**Mr Maloney**—We have currently asked DEWR, which has an ESO department, to look at whether there is any chance of clustering employers so that those that cannot ordinarily be part of it can have some involvement.

**Mr CADMAN**—Would you send us a copy of your submission to DEWR?

**Mr Maloney**—Yes, I can do that.

**CHAIR**—That would be great, thank you.

**Mr QUICK**—We could also have them come to talk to us.

**Mrs MARKUS**—Yes, that would be a good idea.

**Mr CADMAN**—We could sort of push at the other end to see what happens.

**Mr Maloney**—As I mentioned to some members before we started, we find that, by raising these sorts of issues which we have raised with DEWR and if we can get people at your level to be interested, it helps a little in our endeavours. They are the two I would like to leave you with as new examples, I believe, of proactive thoughts on balancing both family and work, especially for women.

**Mr QUICK**—I will raise the issue of the skills shortage and the transient nature of the population in Northern Australia. Do you see any inventive ways of addressing that? Are there any in practice here—flexibility of working hours; so many days on, so many days off; salary sacrificing and the like?

**Mr Maloney**—Can I first say to you that there is an enormous skills shortage in the Territory and there is a lot of labour being brought in from overseas to fill those gaps. The sad part is we have a very high rate of unemployment amongst the Indigenous people, and a simple thought pattern for some people is: ‘Well, we’ve got unemployed people and jobs over here. Why don’t they come together?’

I had the opportunity last year to address the House of Representatives Standing Committee on Aboriginal and Torres Strait Islander Affairs in their inquiry into Indigenous employment. We

put a proposition to them there that briefly pointed out that the way forward on Indigenous employment to fill those skills needs is to have a sufficient lead-up period in making available to an employer a trained-up group of Indigenous people in the one spot. If, for example, someone announced a new mine was going to open up in Alice Springs in 12 months time, the thought pattern was that an Indigenous organisation would employ a large number of those people to work in the workplace. They would be employees of the Indigenous organisation and they would be trained up to fill those positions.

There would be a critical number of opportunities, because it is important for Indigenous people when they work together to see each other, to be in each other's company. It is important that people understand Indigenous employment issues in exercising the employment function. So that is still on the go, and it goes very much to the question of making use of a huge pool of unemployed people to meet the skills needs. It will not happen overnight, but I assure you, if the Indigenous world were given the opportunity of lead time to train up 50 or 100 people to meet a planned outcome, the people are there to do it. That was put before your sister committee last year and was also the subject of DEWR discussions as late as last Thursday.

**Mr CADMAN**—Can I suggest you raise that idea directly with the minister? If you don't, I will.

**Mr Maloney**—The minister in fact came to Alice Springs last year, just prior to us putting the final detail on the plan, and now that we have got to the detail our problem is probably with DEWR. They are a big department; it is very difficult to deal with some big departments.

**Mr CADMAN**—The minister has a very special interest in this area. Mal Brough is saying a lot of things in this area as well.

**Mr Maloney**—He is, yes.

**Mr CADMAN**—So they are both focused on this area in particular.

**CHAIR**—Is it possible for us to have a copy of that as well?

**Mr Maloney**—I will forward the *Hansard* for that then. Getting back to your question, Mr Quick, there are a lot of employment opportunities in the Territory we cannot fill because of the huge skills shortage and the anecdotal information is that that will continue for a long time to come. Even though we are the Northern Territory, we can service a lot of Western Australia and Queensland as well. We are well placed up here in Darwin.

**Mr QUICK**—For young people, if they see a job opportunity there is still this emphasis on having to complete 12 years of education. Are there any initiatives or innovative things happening here relating to the school-to-work transition—kids actually working and not necessarily doing full-time school but doing a bit of both? Is that happening up here?

**Mr Maloney**—We have a school-to-work transition experience program. I would have to defer to some of my colleagues who have been in Darwin a lot longer than I have to get the specific answer you require. We do have training officers in the chamber who are well down the track on those issues and I would have to inquire with them.

**CHAIR**—What about the impact that the changing of the system of CDEP is going to have?

**Mr Maloney**—Our meeting with DEWR on Thursday was very much in relation to the changes in the CDEP and where CDEP sits in relation to the Job Network. There are concerns obviously that the role of CDEP seems to be one of change. The fact that participants will only be able to stay with them for 12 months is a concern. The outcomes that DEWR require in terms of setting up businesses is a concern if CDEP people all go to the same part of the marketplace and set up businesses, which may be the case at the moment. I think that everyone shares with DEWR and the government the vision of real jobs. I do not think that there is any debate there—real jobs are what are required—but there might be a lot of heartache as we head that way.

**CHAIR**—Let me give you an example. We have taken evidence in another committee looking at communications, dealing with community radio, and with television to a lesser extent. The evidence we took in Alice Springs was that much of community radio is run by people who are trained and become part of the team for running those radio stations, on CDEP, and once that goes they have no money to be able to afford to pay those people and those people will simply go right back on Newstart, unemployment benefits. Whereas in this, they have got proper jobs and they are really using CDEP, maybe with the odd top-up, to give these people meaningful jobs. It seems to me that unless we make some adjustments here up in the Territory, it could be diabolical.

**Mr Maloney**—There are a lot of Indigenous organisations—probably all Indigenous organisations—using CDEP participants to effectively prop up their operations. If we put that 12-month period in there, then eventually there is going to be heartache. I am talking only 12 months down the track now. The services will just be unable to be provided.

**CHAIR**—In the way it functions it is almost as if that organisation were actually given a grant that they can spend on having those people working. The effect is the same for them because they have no other means of income. They have very little ability to raise sponsorship money. These people are actually doing proper jobs and they are trained on the job. Some of them do go off and get other jobs, but this will disappear. Some of them have been doing it for 15 years.

**Mr Maloney**—Yes. I know quite a few in that boat. They have been doing those jobs for a long time. They seem like jobs; they are jobs; they are delivering personal care and all sorts of things.

**CHAIR**—They are jobs. They are real jobs to them. They can borrow against them and they can behave in a normal fashion. Have they taken cognisance of that in the discussions that you have had with them?

**Mr Maloney**—My involvement in the Indigenous world is that they have. They do understand what is happening. I understand that DEWR understands what is happening as well. We will probably see a shift in focus from CDEP to Job Network as a result of that policy.

**CHAIR**—That will mean that they will lose their jobs, effectively.

**Mr Maloney**—It appears that way.

**CHAIR**—There ain't any other work where these people are operating!

**Mr Maloney**—No.

**CHAIR**—Do they listen to that argument?

**Mr Maloney**—It is that argument—

**CHAIR**—Are they listening?

**Mr Maloney**—They are, but of course the position in remote Australia where there is nothing else available is different from that in, say, Alice Springs. The pressures that Alice Springs will be under will be exactly those that you have described, as I understand it. In the more remote areas that will not be the impact—not immediately anyway. They may well go on delivering whatever services they are delivering through the CDEP scheme for the foreseeable future because there is an admission that there is nothing else there. That is not the case when we look at Alice Springs or Katherine or Tennant Creek.

**CHAIR**—Has it been made clear in legislation or regulation, or is that merely policy?

**Mr Maloney**—From my discussions with DEWR, that is their understanding of what the impact will be.

**CHAIR**—There must be a definition for remote Australia.

**Mr Maloney**—There is one, though I could not say exactly what the words are. There is the admission that in some parts of Australia there is no employment and it is far better to have a CDEP delivering services to the local community than nothing at all. They are protected as far as I understand it. Places like Alice Springs, where there is a huge shortage of employees, are where the real pressure point will be.

**Mr QUICK**—We are talking about Commonwealth responsibility here. What are the linkages between local government, organisations like yours and the Commonwealth that ensure the net is very strongly meshed so fewer people fall through and society does not have to bear the cost? One would assume that in the Territory you cannot escape—everybody works with everybody else to ensure that you get the maximum benefit. This would be the place to trial some of these things rather than, say, Sydney or Melbourne, where it is all too hard.

**Mr Maloney**—The chamber's position is that many of these CDEPs are in fact our members and our concern is about where they will be in six months, 12 months or two years time. On the one hand, we share the vision of proper jobs—as I think everyone does—but, on the other hand, we are concerned that the safety net is thin in the short term here. We believe there is probably room for a lot of other initiatives and we shared those with DEWR last Thursday. As I understand it, at this stage we have the makings of a real problem some time in the next 12 months.

**Mr CADMAN**—Striking the balance is the problem—is it not? If there are real demands and people are parked in something that is comfortable that they have done for some time, from an

economic benefit point of view, wouldn't it be better if they moved on? How do you strike that balance?

**Mr Maloney**—Can I share with you the fact that some people doing these jobs are fully convinced they are jobs anyway and they would be heartbroken to be told that what they have been doing for the last 20 years is not really a job at all. So we have that problem to deal with. In regard to the balance and a shared outcome and proper jobs, the problem with where we are currently going, at least in the Alice Springs area, is that it is not going to give us a balanced outcome as it stands at the moment. In the discussions in which I have been involved, I would readily agree that the balance is not there. The government policy in relation to that particular aspect is not a balanced one in terms of an outcome that we can all live with.

**Mr CADMAN**—Yet you say there is a huge, unmet demand for employees.

**Mr Maloney**—Yes.

**CHAIR**—But there are a lot of unemployed Indigenous people still in Alice Springs.

**Mr Maloney**—I do not know the exact figure, but I think it is between 60 and 80 per cent—it is very high. There are a lot of positions in Alice Springs. The answer to Indigenous employment is not placing an Indigenous person in a shop on their own; it is having a mass of available positions where you can keep people together, where you can provide training and where you can provide lead-up. That is the answer and that answer is shared by a number of people now as the way to go. Unless it is accepted as a preferred outcome, it will never go any further than that. It is too easy for people outside the Territory to say, 'You have an unemployed Indigenous person and there is a job over at Coles, why can't they work there?' You need some understanding here. I have only been in the Territory for just over two years. There are others with a lot more experience than me, I assure you.

**CHAIR**—With this policy, are they saying that somebody who has been on CDEP for 10 years, and doing what they regard as a proper job, should go off this payment and work in Coles? Is that what it is about?

**Mr Maloney**—They appear to be saying, 'There is a mass of job opportunities in Alice Springs; we can afford to be fairly rigorous with what we do to our CDEPs because those opportunities are there.' And there is no doubt there are those opportunities there, but—

**CHAIR**—Is the example I gave what they mean: that there are some jobs wanted in Coles and we have got people who, because they have been in receipt of CDEP and doing a job, must have some training skills and some ability; therefore we will take this away and put them over there? Is that what it is trying to do?

**Mr Maloney**—That is my understanding of what the policy is and—

**CHAIR**—But that in fact does nothing for these people who are in the unemployment pool as well. All it is doing is moving the people who have found a niche into the proper job market, which probably means some of these organisations will collapse unless they are able to take some of this unemployment pool.

**Mr Maloney**—I think we are going one step further—

**CHAIR**—But then they have not got the CDEP to take them into training anyway.

**Mr Maloney**—I think we are going one step further. We are saying that, even though a person may be unemployed over here, you might transfer them over to Coles or something but they do not get there for a couple of weeks.

**CHAIR**—No, I was not saying that they would transfer; I was saying—

**Mr CADMAN**—The people with some skills.

**CHAIR**—the people who had trained these people up using the CDEP money move on to somewhere else. And if these people had any money available then maybe they could take some of those in and train them up, but they will not have any money. It is gone, and those organisations could collapse. One of the things I found out about Indigenous community radio in the Territory is that they will have a base—say, in Alice Springs—but then there will be communities in remote areas that will actually pick up a transmitter. They will be able to transmit themselves, and they can actually interact with the base so they are putting some of their own programs to air in what effectively becomes a network. They use CDEP money to have someone in that remote community, so presumably that person will stay on it. But it is quite a complicated issue for them.

**Mr Maloney**—It is.

**Mrs MARKUS**—In the discussions with DEWR—I understand they were only recent—what were some of your suggestions for an alternative approach where the principle of the outcome is still somehow maintained but you do not lose the support for those organisations or the employment that people feel they are already in? What would be the transitional arrangement, or what would you put in place to ensure that the principle of the outcome of real jobs was still aimed for most of the time? What would you do?

**Mr Maloney**—Personally, I am attracted to the proposition I have already put to the committee, which is what we put to the earlier parliamentary committee inquiring into Indigenous employment. That is, do not look at these short-term solutions; they have failed for the last hundred years. We need a different approach, and the one—as I said before—that attracts the most attention is identifying a critical mass of job opportunities six, 12 or 18 months out, taking over the employment function for that group of people, training them up and have training people on the ground wherever they are so that you can understand the requirements of Indigenous employment. They are different. DEWR came some of the way to look at it 18 months ago. We went to a goldmine in Newmont; we went up to Argyle et cetera and spoke to the employers up there. I do not think I would be saying anything wrong if I say to you that Argyle is probably the best example of Indigenous employment in the country, some 23 per cent being Indigenous people. But they work on it very hard. They were very interested in our proposition, because it touched on a point with them that employing Indigenous people is extremely hard; if someone could take over that function for us and offer the training et cetera then there might be an even better outcome. But Argyle is by far the best example in the country

of what can be done. When a critical mass is identified and training is given, it can be a marvellous outcome.

**CHAIR**—In that circumstance they are supportive of each other in the learning environment?

**Mr Maloney**—Yes.

**Mr QUICK**—Michael, can I go off on a different tack before we finish. Is the issue of child care a problem here in the Territory because of the fact that it is so large and isolated or is it not a problem at all and there are plenty of vacancies?

**Mr Maloney**—Again, I am probably not the best one to ask that since my kids are rather grown up. I understand that in Alice Springs, where I spent some two years up until very recently, it is very difficult for children in the early age groups—the noughts up to about two or three—and I would be very surprised if it was any different in Darwin. It is very hard to get child care and—this is anecdotal—there are a lot of childhood diseases such as conjunctivitis that probably move through the community more quickly and more often than what may be the case down south. Of course, you have to take your child out of child care for a certain number of days, which then means that either you go on family leave or you have the child in with you at work. It is more often the case that we would have the child in at work with us and you just make sure you do not step on them as you walk around. There are problems but there will be other people far better acquainted with them than I am.

**CHAIR**—That is interesting.

**Mr CADMAN**—Have you thought of advertising down south for employees? It seems to me that in the city environment where I am with lots of young people, some of them are quite uncertain about what they want to do next in life and are not all that attracted to the normal run of city activity. It seems to me that both the Territory and WA could benefit greatly by appealing to the spirit of adventure and challenge in young people in the cities to seek employment in a place like Darwin or Alice Springs.

**Mr Maloney**—I have done many ads which are focused on people down south coming up to Central Australia and we paint it as a huge experience, but we are also after people with a certain degree of talent et cetera. The chances are that they will have family. It is not just a matter of attracting a person up here now, there is the person's partner and maybe a young family as well, which is a big shift if you are coming from Melbourne to Alice Springs or Darwin. It is not only a question of yourself but a big ask of everyone else in your family. Even when you get here, you obviously still have family back south and it is a very expensive arrangement to fly from the Territory down south, unless you are in Alice Springs. It is something you do not do on a whim every weekend. There are those sorts of concerns as well. In Alice Springs, of course, there is only the one airline. Darwin is better served. Alice Springs is particularly difficult.

**CHAIR**—Yes, it is—one plane in, one plane out.

**Mr Maloney**—Yes. Those are considerations as well. It is not unusual to advertise and have absolutely no-one apply for a position in the Territory, because there are buoyant markets elsewhere.

**Mr CADMAN**—I can understand about families pulling up and shifting.

**CHAIR**—There could be a difference between a willingness to go to Darwin and a willingness to go to Alice Springs, because there are many more services in Darwin than there are in Alice Springs.

**Mr Maloney**—I am fairly certain Darwin does much better than Alice Springs.

**CHAIR**—Yes, I think it does. Thank you very much. We will be very grateful to receive from you the information concerning your submission with regard to the collective agreement being negotiated—I find that quite fascinating—and also your submission to DEWR. We thank you very much for your evidence this morning. It has been most enlightening.

**Mr Maloney**—Thank you.

**Proceedings suspended from 10.29 am to 10.40 am**

**INGRAM, Captain Aaron James, Commander, Australian Navy Patrol Boat Group, and Senior Naval Officer, Northern Australia**

**KELTON, Group Captain Mark Anthony, Officer Commanding No. 396 Combat Support Wing, and Senior Air Force Officer, Northern Territory**

**ORME, Brigadier Craig W, CSC, ADC, Commander, 1st Brigade, Robertson Barracks, and Senior Area Representative, Australian Army**

**STODULKA, Mrs Janet, Director-General, Defence Community Organisation**

**CHAIR**—Welcome and thank you all very much for coming this morning. It is a pleasure to be in Darwin and see some of the work you do. Would you like to make an opening statement? Brigadier, you might like to make a statement on behalf of the ADF, and DCO might like to make a different statement.

**Brig. Orme**—I have been asked to make a brief opening statement on behalf of the three services and the civilian elements of defence up here. It is important to note the four services, as we see them. To begin with, Madam Chair, I would like to thank you for coming out to the barracks last night and joining us to celebrate the departure of our soldiers heading off to Afghanistan and the reconstruction task force. They appreciated your presence.

By way of opening, I would like to highlight one of your previous visits, to set the scene for where we are and where we are going. You may recall in 1997, when you were minister, you came and visited when I was commanding the 1st Armoured Regiment here. You came out to Mount Bundy and got covered in dirt and dust, and we appreciated your attendance then. I want to use that as a sort of context to talk about where we are now in terms of a trajectory. Rather than talk about the here and now as a single dot in time, I think the way to look at the Territory and defence's presence in the north is by way of the trajectory—where we have been and where we are now.

Each service is slightly different. Air Force and Navy have had an internal presence in the north since the Second World War and before that. Army's presence in the north has been through NORFORCE, the regional force surveillance unit, and particularly from 1991 onwards, when we moved the 2nd Cavalry Regiment to Darwin, to Robertson Barracks. Since that time, we have moved the whole of the 1st Brigade to Robertson Barracks. I have been experienced through that whole time across the north with Army's involvement, particularly in the period 1997-98, when I commanded the 1st Armoured Regiment here at Robertson Barracks. At that stage, we had simply the 1st Armoured Regiment, the 2nd Cavalry Regiment, the 1st Combat Service Battalion and our brigade headquarters established in Robertson Barracks. That was about 1,000 people. We now have a mature state in Robertson Barracks, with about 3½ thousand soldiers. Up to about 10,000 of the community of Darwin come from the soldiers at Robertson Barracks.

The point I would like highlight in that journey is that we have seen a major maturing of services available to our soldiers, sailors and airmen in the north. We have seen an increase in

the support available to families. I would like to publicly acknowledge the Territory government for the support that they have given the defence community over that period of time in terms of welcoming us into the Darwin community and the support they supply through education, health and a range of social support mechanisms.

I would also like to highlight the excellent work done by the Defence Community Organisation, which throughout that period have grown in the number of services they have offered and have matured in the capability they deliver to us. Initially it was a single service delivery and now we have the combined delivery of the Defence Community Organisation. The trajectory that I would like to highlight is one of an increasing delivery of services, an increasing maturity of the defence community in Darwin—particularly from an Army perspective. We see a major number of our soldiers coming here and we see the first trend of the maturing of our defence and our Army presence here. We are starting to see a significant number of our people, when they leave the service, remain in the Darwin area. I see that as a major benefit for the Army, for defence and for the Darwin community.

I see the issue facing the Territory—in terms of managing work-life balance and managing the Territory as an attractive place to work and live—to be the same strategic challenge that Defence faces in attracting our people to come and serve here in the Territory. Generally they are dislocating them from their families on the south-eastern seaboard to come to the north. It is in our interests to provide a range and quality of services to attract and retain our not only individual soldiers, sailors and airmen but also their families. We need to provide them with the opportunities they need to live, grow and develop as a family and also to be able to maintain their links with their extended family in the south-east.

Across the last 10 years, the single point I would like to make is that the trajectory has been very positive, it continues to be positive, and we appreciate the support we have had from the Territory government, the federal government and, in particular, from the Defence Community Organisation.

**CHAIR**—Mrs Stodulka, would you like to make an opening statement for DCO?

**Mrs Stodulka**—I would like to add to what Brigadier Orme has said and say that the issue of work-life balance for a defence family is probably defined somewhat differently from that of the broader community. The nature of the work is, as you have probably heard it said, a way of life. It is not just a job. I would like to applaud the efforts and the support of the defence families in enabling the members to perform so well.

Brigadier Orme talked about the work that Defence has done in supporting its members and their families in their work and family commitments. The underpinning principle of that effort is that Defence shares a responsibility with the serving member to ensure the wellbeing and the welfare of all its families.

**CHAIR**—Thank you. Group Captain Kelton, would you like to add anything?

**Group Capt. Kelton**—I agree with the brigadier; we need to look at the journey through time. My time in the Territory has only been 18 months short, but what I have seen here is an extension of what we saw several years ago at the other bases and the improvement that comes

on. I would also like to say there is a lot of positive engagement that happens between the three services and with DCO, so when an issue occurs we do engage and work to resolve the issues. It is a very positive relationship.

**CHAIR**—Thank you. Captain Ingram?

**Captain Ingram**—Just briefly, this is my first posting to a remote locality, and I have been very impressed with the support that we get and the relationship we all have in working together through any issues.

**CHAIR**—Thank you. I will start by asking: what is the single largest issue you perceive that affects families in terms of the work-family balance? Brigadier, perhaps your point of view may differ somewhat from DCO's point of view. I wonder if we could hear both answers.

**Brig. Orme**—I would like to be able to have one single biggest issue—

**CHAIR**—How about the top five?

**Brig. Orme**—The sorts of issues that are reflected here in the Territory are the same issues that are reflected across the defence attitude survey that identifies the issues that confront military members. The single biggest issue for not only the member but also their immediate family—be it wife, children, husband, de facto or a range of family arrangements—is the dislocation from their extended family in the south.

By and large—and I will speak about the Army in particular but I think the same goes particularly for Navy and perhaps less so for Air Force—most of our members join the Army as young, single people. Throughout their journey as soldiers they grow from 18 to 21, to 25, to 28. As with most other Australians, that is about the age when they start meeting partners—although that is getting later and later—they get married or they get into a relationship and they have children. That is fine for the first couple of years, but after a period of time the spouses find that they would like to get the support of their extended families.

It is at that point that they are put into a decision space where they ask: 'Can we continue or are the kids missing grandma and grandpa?' They have those sorts of issues. That is probably the single biggest issue—if there is one—that has a strategic impact on managing work-life. Regardless of all those ones that seem more obvious, like tempo and operations, training and separation, that strategic dislocation from the extended family as the families get older contributes to a decision point that a lot of our soldiers face in their late 20s to early 30s. That goes on top of a range of other life decisions they might want to take.

Our recruiting, by and large, is from the south-east and west, and the north, but the traditional south-east seaboard, where Australia's major demographic lies. To come to the Territory is a dislocation from that area and it is a dislocation from the extended family. I see that as the single biggest area that causes concern for families. The question then becomes: how do we mitigate that and how can we shorten that gap? It is not a distance gap anymore; it is a dollar gap. It is not the distance from the Territory to Sydney, because Sydney is only four hours away and Melbourne is only four hours away. But it is a \$1,200 to \$1,300 airline flight per person, so the tyranny of distance is not a tyranny of physical space; it is a tyranny of dollar space. We could

address that by making more trips available or giving easier access to overcoming that distance with money for air travel rather than for driving.

**Mr QUICK**—What are the entitlements at the moment?

**Brig. Orme**—There are a range of entitlements depending on the individual. I am very pragmatic. In my last job I was the director-general of personnel for the Army. We worked hard with Peter Sharp, the head of Defence Personnel Executive, to build a package of conditions for remote localities, particularly Darwin. A married person is entitled to two remote locality trips out of Darwin a year. One must be taken within Australia and another can be taken somewhere else up to the value of a trip to the nearest capital city. So effectively each soldier is entitled to two trips out of Darwin per year. That is a major increase from the previous one trip per year. A single soldier is entitled to two trips per year from Darwin to a location back to a next of kin. So there are two trips per year.

The really powerful piece of the two trips per year is not the two trips out of Darwin, but one trip out of Darwin to give the family respite from the climate conditions and get back to extended family and also the ability to transfer the second entitlement to a family member. So a husband and wife could transfer their second entitlement to their parents. That provides us with the ability to get the parents into Darwin so that the parents can touch, feel, smell and get the sense of where their children are living and contribute to that. So that is the major piece.

The other pieces that sit in there are allowances that cover district allowance. Previously we had air-conditioning allowance paid separately to those who were living in married quarters. We were not paying it to those who had their own homes, which was a disincentive to people buying their own homes in the local community. We rolled that into a single allowance and it has been grossed up so it covers the cost people had before and is extended to people who are in their own homes, so that we encourage them to buy their own homes in the local community. There are a range of other pieces that go to that. There is also a zonal tax rebate that is offered to any individual living in the Territory.

**Mr QUICK**—You spoke about trajectory and not looking back. Do you have a personal opinion about if our recommendation were to double or treble the number of trips? Has there been any work done on the cost of that compared to the corporate memory loss of people not staying within the forces and of having to train people coming in?

**Brig. Orme**—There has. The work we have just done to introduce this new set of entitlements for service in remote localities addressed a number of those issues. In terms of a recommendation, I am not sure the answer is more trips per se but a view to looking at the options.

**Mr QUICK**—A greater understanding of the problem?

**Brig. Orme**—Yes, exactly. As I say, I think the major paradigm shift is to say it is not an issue of distance anymore, because Darwin is not a long way from anywhere if you travel. But there is a cost issue and that is what prohibits people.

**CHAIR**—Can we be relevant to the terms of reference and ask questions about having children. Seeing the rellies a couple of times a year might suit some people just fine, but the real question is babysitting or child care. I know that spouses, particularly female spouses, are greatly sought after as employees up here in the Territory, and I was personally very supportive of the TAFE programs that we would enrol them in to enhance their own skills. The childcare centre, which I think I also opened—

**Brig. Orme**—Yes, you did.

**CHAIR**—was important in all that. Is that sufficient in dealing with the childcare issue or are there other issues? Do we need greater choice in the way that people can have child care?

**Brig. Orme**—I will ask Janet to lead on that, but I will just say that one of the principles I think is most important under all of these things, and why I did not jump to a prescriptive solution to the distance or the remote area issue, is that we should be informed by the principle of choice. Whilst all my blokes wear this colour uniform and there are about 3,500 of them out there—they all look the same from outside—there are 3,500 stories. In fact, there are about 10,000 stories. What I want to offer our soldiers is choice—that they be the ones who are empowered.

On the 21st century battlefield we want soldiers who are capable of being what we are calling the ‘strategic corporal’ and the ‘strategic private’. Our young soldiers in Afghanistan today and in Iraq today are making life-and-death decisions on street corners which influence Australia’s strategic position and the political atmospherics of how we view those areas. Those are the same people that we bring back here. And to get the soldier who is capable of making those decisions, of having that independence of operation and willingness to take that accountability, I do not accept that he or she can then come back and be told exactly what to do, exactly where to live and exactly what policy he or she should follow. So I think the principle of choice is not only one about a lifestyle choice for our soldiers but one that translates to operational effectiveness on the battlefield. We want people who are capable of making those decisions independently and we do not want to hamstring them back here with a set of policies that will constrain them. We need to offer them as much choice as possible.

**CHAIR**—How does that then develop into questions of delivery of child care, for instance, which is key if people are going to be able to work? What is the average number of children that Defence Force families have?

**Brig. Orme**—I will defer to Janet on the number there because I do not know.

**Mrs Stodulka**—I apologise; I cannot tell you the average number of children that Defence Force families have. But to build on the concept that Brigadier Orme just referred to about choice, and your own comment about how we support families to get back into the workforce, you may be aware that in July last year we stood up a new service delivery model for our childcare program. When you came up here in about 1997 you opened our first childcare centre out in Palmerston. We now have five centres in Darwin, and that is because we have moved away from a build-own-operate type of model on which we used to run the program, which we found to be very slow. It was difficult to get the funds, to build the properties and then manage them. What we have done now is contracted with a private company, and by the end of this year

we will have increased the number of long day care places in our childcare program by 150 per cent within an 18-month period. That is long day care, which was the cornerstone of the childcare program back when you were very actively involved in it.

The issue of choice is also very important. We now also operate an extended childcare program, and we sponsor out of school hours places and school holiday programs. We are also very active in family day care because we know that family day care can provide more flexibility in the hours of care for families. We sponsor priority places for defence families in the family day care program around Australia and, under our spouse employment program, we are able to sponsor spouses who are interested in becoming family day care mothers themselves with the setup costs so they can operate family day care out of their own homes. That helps us meet the need for carers for our families and provide very flexible care. They are the hallmarks of the defence childcare program.

Our families with special needs program sponsors what is called a circle of friends respite care program that the defence special needs support group provides for us. That is a very special program. When our families with dependants with high-level special needs are mobile and unable to get to the top of waiting lists for respite care then the circle of friends respite care program kicks in and supports them, very often using volunteers from the defence community itself. They purchase some specialist care but we also use volunteers from our own family community, which is very positive about supporting one another.

**CHAIR**—That was one of the programs that gave a huge degree of satisfaction to both General Baker and me when we kicked it off.

**Mrs Stodulka**—That program has moved from strength to strength.

**CHAIR**—I want to follow up with the tax treatment of those different systems. I understand that Defence is currently seeking a private ruling. I think you are using ABC Learning.

**Mrs Stodulka**—Yes.

**CHAIR**—I find that interesting because the public ruling is there and, for the FBT exemption to work for you, you have to meet the definition of business premises, which you have to own or lease.

**Mrs Stodulka**—Or have a significant management stake.

**CHAIR**—Yes. Then you can put someone in to run it for you. You are saying ‘significant management stake’; I guess that is why you are seeking the private ruling.

**Mrs Stodulka**—Yes. We had 19 defence centres and they are all able to achieve salary sacrificing. ABC manages those 19 centres for us.

**CHAIR**—They are the existing ones.

**Mrs Stodulka**—Exactly. We then have access to ABC’s many hundreds of other centres around Australia; however, we have not sought a ruling for salary sacrificing.

**CHAIR**—Under the public ruling that is not eligible?

**Mrs Stodulka**—No. However, we have taken on approximately 30 new centres with ABC Learning which we now call defence corporate centres and we have significant enrolments of defence children.

**CHAIR**—Do you lease the premises?

**Mrs Stodulka**—It is a lease licence arrangement that comes at no cost to either Defence or ABC.

**CHAIR**—We have to be very specific here; I need to know this. What is the nature of the relationship between Defence and the owner of the premises? Are you in a lease arrangement with the owner of the premises?

**Mrs Stodulka**—We are in a licence arrangement with the owner.

**CHAIR**—That will not do.

**Mr CADMAN**—Is that a licence to provide services?

**Mrs Stodulka**—I would be happy to get specific advice from our finance people on the arrangement. It is very complex.

**CHAIR**—I would like to see a copy of the documentation. Can we see that?

**Mrs Stodulka**—Yes.

**CHAIR**—When did you apply for the private ruling?

**Mrs Stodulka**—We made an application at the end of last year. Indications to us are that the application will not be successful as it has been put at the moment.

**CHAIR**—Yes; that would be my understanding.

**Mrs Stodulka**—Yes.

**CHAIR**—Because the licence arrangement will not give it to you. If you have personnel who are currently salary sacrificing for those positions, they will have to pay the FBT themselves—unless you pay it.

**Mrs Stodulka**—We do not have any personnel who are salary sacrificing other than in our original 19 centres.

**Brig. Orme**—This may be out of sequence but one of the issues which causes challenges for my soldiers—and I would be failing them if I did not represent them on this issue—is the issue of FBT. I talked earlier about the new package we have for district allowance with a remote

locality leave travel. Those allowances and entitlements attract FBT. It was designed to be a very good package at the implementation level but some of our soldiers, sailors and airmen find it very difficult to manage the FBT liability, particularly our more junior soldiers, sailors and airmen, and suffer from what I call the Centrelink effect. They might be in receipt of some kind of Centrelink payment or child support allowance. The problem they have at their level is working out what their liability will be.

**CHAIR**—Once it is grossed up.

**Brig. Orme**—Yes. To be perfectly frank, they have great difficulty with it at times. It either increases their child support payments or they have to pay something else out of the FBT liability, and they have real difficulty working out what that might be.

**CHAIR**—Or they end up owing Centrelink money from their family tax benefit part A.

**Brig. Orme**—Exactly. Our soldiers and their families are having trouble working out what the liability is. Rather than risk incurring a payment or a loss of—

**CHAIR**—They do not take it.

**Brig. Orme**—They do not take it.

**Mr QUICK**—In Townsville, for example, there is a large defence population, and Darwin is the same. Is there any move by Centrelink to establish relationships with the services to be able to say this is a problem? They must know it is a problem that creates anxiety within the forces. Do they talk to you on any level at all?

**Brig. Orme**—Again, that is an issue we can work through. Through our orderly rooms, our soldiers can receive advice on those sorts of issues. We establish those sorts of links. I believe DCO talks to Centrelink on a regular basis, and that, I suppose, is getting right down into the detail of it. I am just trying to raise the macro issue, that the FBT has an effect on the entitlements we are trying to provide our soldiers, sailors and airmen to make it attractive to serve in the Territory. A package which on the surface looked very effective is, in the implementation, complex for the individuals it is most targeted at. The ones who find it most complex are our most junior and the ones who are most in need of the sorts of support that the package is designed to provide.

**Mr QUICK**—You talked about the young soldier in Iraq or Afghanistan and the dialogue they have with their spouses and families back home. Suddenly the spouse says: ‘I just got a demand from Centrelink. We owe them \$1,600.’ He is up there doing all the right things for the rest of us back here. He does not want to have to go through the trauma. I know what it is like when ordinary families get a demand letter. Centrelink are totally inflexible. One would assume that you have this wonderful trajectory and things are moving. Something should be done at a reasonably senior level with government departments—Taxation, Centrelink, the Child Support Agency and the like—to take the pressure of your guys, who I would assume would perform a hell of a lot better and do a wonderful job if they were not bombarded by all these different government departments. It makes so much sense.

**Brig. Orme**—On that broader issue I would probably defer to General Evans, the head of our Defence Personnel Executive. He would be the ideal man to speak to. We are now getting beyond what I have authority to speak of. I raise the issue at the lower level. I know they are in negotiation. But just to address your concerns about our soldiers in operations, we have very extensive unit support mechanisms here in Australia. The Defence Community Organisation has wonderful support to help people do that. We do that exercise day by day.

Today as we speak I have soldiers in Afghanistan, Iraq and Malaysia and I have soldiers providing security on the streets of Honiara. I had breakfast on Saturday morning with the wives from our 101st Medium Battery, who are in Honiara. I was amazed how many pregnant ladies there were. I was also amazed at the support they had. There were some individual issues. There are welfare officers to deal with the support. It is not insurmountable; they are just broader issues I am raising.

**CHAIR**—Has anybody calculated what the cost of Defence paying the FBT liability is?

**Brig. Orme**—From my previous experience, yes, that does go into the Defence vote. As a simple soldier, it seems to me that the FBT is a nil-sum game from a Defence perspective. But the broader issue of how that should be managed and negotiated I will defer to someone else. I suspect Major General Evans would be the lead officer to carry that, as the Head of Defence Personnel Executive. What I am highlighting is the effect on the ground of what we design as a good policy in Canberra, aimed to support our soldiers. It is a good policy, and it is working, but there are areas on the margin where it is not having the full effect and in those areas are the people who perhaps need it most.

**CHAIR**—Working out your liability for FBT is a science all of its own.

**Brig. Orme**—Yes, and Defence actually has a number of people whose responsibility it is to do that.

**CHAIR**—So we actually employ people to work out FBT? That is very efficient, isn't it!

**Mr CADMAN**—Fringe benefits tax is one thing, but what about other marginal service related benefits that apply to your members, that are specific to the military—Army, Navy and Air Force? It has been my impression that those benefits that are specifically to help you and your family deal with your placement have gradually been whittled away over a period of time. Are there any areas that are related to this where you feel particularly disadvantaged, in a family sense, as compared, say, with public servants on a remote posting?

**Brig. Orme**—If anything, I think the benefits for service families have increased. That is the trajectory I speak about, from my experience serving here in Darwin, in 1997-98 and half of 1999, with my family here while I was on operations in Kuwait. We can compare conditions then to the conditions that we have now, using gross measures—for instance, remote located leave: previously it was one trip from Darwin per year; now it is two for the whole family. That is a significant increase. We could also cite the extension of air-conditioning allowance and the increase in district allowance.

In terms of the relationship to the Defence public service, I will only speak for the military. I believe the conditions of the military have improved and continue to improve. And the trajectory that I spoke about earlier is very positive.

**Mrs Stodulka**—Defence Community Organisation services have indeed expanded and very much focused on understanding the isolation of people in the north and the high operational and training tempo that is demanded of the people serving up here. We have, in fact, expanded our services, particularly in the area of responses in emergencies when the serving member is away from home. So I would say that our services and programs have increased over a period of time rather than decreased.

**Mr CADMAN**—That is really the area of test, isn't it? When a vessel goes out or a contingent is told to move off or an aircraft squadron is required to go somewhere else—that is when the rubber hits the road?

**Mrs Stodulka**—Yes.

**Mr CADMAN**—Are there any areas that you think we should be aware of in this work and family situation?

**Mrs Stodulka**—What the Defence Community Organisation does now, as opposed to the mid-90s when I was working up here, is to plan out, six months ahead, a deployment support program. We work that up with the local commanders to make sure that we are reflecting their aspirations for their people, and we also talk with our community about what is best going to respond to their needs.

**Mr CADMAN**—What if someone, say, came home on Friday and said, 'I'm leaving on Sunday'? That sort of thing doesn't happen so much?

**Mrs Stodulka**—In terms of being deployed?

**Mr CADMAN**—Yes.

**Brig. Orme**—It can happen. I will offer a recent example: the recent crisis in East Timor. Soldiers from my 1st Armoured Regiment, the tank regiment, were required, on a number of days notice, to move to Townsville to support the 3rd Brigade and Brigadier Mick Slater, who is doing a great job over there, to reinforce elements of B Squadron, 3rd/4th Cavalry Squadron over there, and they went on very short notice. That happens.

We were having a discussion prior to this. In some of that, it is the nature of service and there are two distinctions that I draw and I draw with my soldiers. I plan and we plan thoroughly. We engage to account for the things that we know. But the nature of the operational environment which now confronts us, which is different from the mid-nineties, is such that those contingencies come up at relatively no notice and that is the essence of soldiering. That is the essence of being a sailor and of being in the Air Force. It is with great pride that I look at the responses that we are able to make—in the short term to East Timor, also to the Solomon Islands and Afghanistan and the longer lead time that we have for other operations that may be coming up into Iraq. That is the nature of soldiering and being a serviceman and that is why I have to say

that morale, I believe, is high. That is what people join for. I joined in the late seventies and served through the seventies, the eighties and nineties and, to be perfectly frank, it is fantastic to be a soldier in this time.

**Mrs Stodulka**—My point around planning, particularly when those short-notice or unexpected deployments happen, is that we are not starting from scratch. We already know what families and commanding officers want for their people by way of support. There are some core elements to that. They want us on call 24 hours a day, seven days a week for their family so that if a crisis occurs for them they have access to professional support, and we do that. They want their families to be well informed, they want newsletters going out, they want us to hold social functions that provide an opportunity for families to get together and provide a mutual support network and, wherever possible, we will get uniformed people in to talk about what is happening on the deployment. The brigadier talked about the group of women he was meeting with on Saturday morning. Many of them are pregnant, so they also want us to design programs that particularly target the needs of the specific population that we are supporting in this area or in Townsville or wherever. That is what we build. We build it six months out. We obviously are able to be flexible in how we implement that, but it means that we are not starting from scratch when there is a short-notice demand.

**CHAIR**—Does the DCO also provide service to families of reservists whom we now deploy?

**Mrs Stodulka**—Absolutely. We provide all our services to reservists on full-time service.

**Mr QUICK**—When it comes to education—I used to be a teacher light-years ago—I remember being a principal in Tasmania and, suddenly, two or three families came in and they had to understand the Tasmanian system of education. Are those problems gradually being washed away as we develop a national curriculum, or is it still a bit of a concern if you move from Queensland to the NT or from the NT back to Tassie or from Tassie back to Victoria?

**CHAIR**—It was different in the Dark Ages.

**Mrs Stodulka**—I think it works at two levels. In the DCO we have policy-level people who are working with DEST and who have a voice with the MCEETYA and those kinds of organisations to try to look at the national picture, and they are involved in lobbying for national starting ages and those sorts of things to help mobile families. Whilst those bigger picture issues are being sorted out, we provide a very comprehensive education support service on the ground. We have what are called REDLOs—regional education liaison officers—in each state and territory and they provide educational counselling and support to families, advice about schooling: what schooling may best suit their child's needs. We also sponsor defence school transition aides and secondary mentors, who are part-time aides who are positioned and owned within the school. Defence sponsors those positions and they particularly focus on assisting children to settle into school and also make a positive transition out of the school into the next school. We have developed programs like digital student portfolios to assist students and families capture the sort of information that they need about the performance of the child—academically, socially and in a sporting environment—so that when all their gear is in boxes and they have moved from Sydney to Darwin, they have a disk that captures the history of that child and assists the family and the school to make a good placement for that child quickly so that any down time for learning is minimised.

Defence also sponsors a private tutoring program for children who move from one jurisdiction to another and are behind in French or have never studied a particular type of technology or whatever that is required by the school. They will provide subsidised tutoring for that child so that they quickly build their confidence and get their knowledge and skills up to speed. We put a lot of emphasis on supporting mobile families and supporting the education and transition of their children.

**Mr QUICK**—Regarding the retention of senior officers, we heard from the medical profession that they do not like to go out to the country because of their pecking order and because the educational opportunities for their children are somewhat limited the more remote they go. Is it a problem that, when the kids get to senior secondary or university placements and the like, some of your senior officers make a choice, ‘I’ve got so many years up; I’ll go because my kids’ education is so important’? Are there any incentives to keep them? How does it work?

**Brig. Orme**—Speaking as a former director of senior officer management for the Defence Force covering all our senior officers in Army, Navy and Air Force and also the APS, we have no problem retaining our long-serving senior officers by and large. Senior officers include warrant officers and not just commissioned officers.

Whilst I loathe anecdotes, because I do not think they necessarily convey the experience, I am serving with my family here in Canberra. My daughter is in year 10 this year. I have a two-year posting. She could be doing years 10 and 11 up here and then year 12 somewhere else. My daughter has been to nine schools. She started school in England and then went to Puckapunyal, Canberra, Darwin and America. She has had a very rich and wonderful experience. But in these critical years of her schooling it is important she has stability.

I will go back to the issue of choice. One of the other issues that was not raised was our shift towards providing entitlements for what we call members with dependants who are separated. In certain circumstances individual families may decide that the service member will move to another locality and leave the family in the former locality for a range of reasons. There is a set of criteria that includes spouse employment, children’s education and a range of things that provide people with flexibility.

One of the challenges we face on the battlefield—and I keep going back to the battlefield because I think it is important—is how we deal with complexity. I think organisationally Defence is a complex organisation. I think a rules based approach to Defence will not work. Managing and providing policy and principles whereby people can move within a set of parameters is the answer. In this case we are seeing that different people have different circumstances and no two individuals are alike. We need a sufficiently flexible system to allow people to make their own choices.

I would rather be with my family. I quite like them and I think they quite like me. It is the right decision for us because there are layers upon layers of considerations there. It is not just about the family. My wife’s parents are in Canberra and are getting older, and my parents are in Canberra and are getting older. Everyone has their own circumstance. If we get prescriptive then we will miss the point.

We need to empower people and understand there may be conditions and circumstances under which they will make a different decision. We need a broad enough range of policies and principles to allow that to occur and empower the member to make the choice about what is right for them and their family. That is what we are moving towards, and I think that is the answer to this challenging problem for Defence.

I did not mention the second issue behind the strategic dislocation from the south-eastern seaboard. The second issue is mobility, and not just mobility per se. A lot of people join for mobility. I have had a wonderful career moving all around the world, and my family has loved it. But at this point in time stability is more important than mobility. Each person will make a different decision. Mobility is a key issue, but not mobility per se. Mobility is sometimes necessary. If we had a defence force that was not willing to move then we would not have a defence force.

We have to have mobility. We must encourage mobility. I think we have to reward mobility. At the moment we are not really rewarding it. Our system is about compensating for mobility but not actually rewarding it. There is a fundamental difference in remuneration and incentive terms between compensating you for the costs of relocation and rewarding you for relocation. Maybe there is some scope to not just compensate for mobility in a philosophical sense but to actually reward for mobility. I go back to the most complex piece in our entire business—the individuals. If we become prescriptive and try to create conditions under which we think they will do better then we will fail. We need to empower them to make those decisions.

**Mrs MARKUS**—If I may make a comment before I ask some questions. I certainly value your approach and your thinking, having worked extensively with families around Western Sydney over a 25-year period before I stepped into this role. You have individuals within a family, the extended family and the complexities around the choices of each individual within the family as well as the broader family. The needs and issues that can arise in a family create many complexities, let alone with a group of individuals who are now dealing with the complex issues associated with being a member of the Defence Force and all that is required of them.

You have already begun to highlight one of the matters I wanted to raise, and that was the fact that within the family you have a spouse or a partner and they have aspirations for a career. They may already have been well engaged in their career choice before they became the spouse or partner of somebody in the Defence Force. How is the Defence Force responding to that? What could you do differently? What are some of the solutions? I know you have mentioned one of them. Are there others that you could implement? How could we as a government respond to that differently to allow more flexibility and freedom of choice and also somehow maintain that connection between the family members?

**Brig. Orme**—Going to a principles approach, the first principle for defence is to create the conditions under which families can stay together as the ideal situation. In a utopian world, our families would have perfect mobility and each partner could pursue their career aspirations in the military or outside the military without hindrance. That is not a reality, but that is where we should be heading to. So the first principle that should guide us is to ensure that we take every step to make it possible for families to move and to reduce issues of mobility.

One of the current issues is registration between states for professions, particularly for nurses, doctors, lawyers et cetera. Another barrier is educational levels. Again, I will use a personal example. My son and daughter went from a Canberra system to a Territory system, which is effectively a South Australian system. My daughter was able to stay in the right sort of group because of her age and we pushed my son up. Then moving to a US system and coming back to the Canberra system there is a whole mixture of things, and that is not an unusual set of moves.

Then there is the issue of actually getting a job in the new location for the partner, whoever that is. We have a number of members who are couples where both partners serve, in the same service or in different services, and there is an issue about how they balance the two. I was sitting next to a lady who is one of my soldiers in 1st Combat Signals Regiment at the breakfast on Saturday morning, and she is also a spouse of a soldier serving in the Solomons at the moment. She may have to go to Iraq in the future, should the government choose to send another force to Iraq. Her unit would be earmarked to go.

**CHAIR**—Do they have children?

**Brig. Orme**—They have a little child who was sitting on my knee, doing all the sorts of remarkable things that little children do when they sit on your knee. That is another thing. So there are issues of registration. Mobility amongst the states is an issue and there is also the problem of getting work. The SWAPP program that we have assists partners, and the acronym stands for—

**Mrs Stodulka**—Service Workforce Access Program for Partners.

**Brig. Orme**—That is effectively where a partner can go to the local provider of an employment agency to receive coaching, guidance and mentoring on preparing a resume, applying for a job and seeing what jobs are available. That is, I believe, to the value of \$3,000, which is great, except that that \$3,000 is now FBT-able. So there are a range of programs like that. The demographic of the defence department and the ADF particularly is very wide, from our soldiers to our officers, and the partners can be anything from cardiothoracic surgeons to tradespeople to relatively low-skilled workers, particularly amongst the officers. Some of our officers are marrying partners who have really high value in a dollar sense and high-status professions which they are being dislocated from. That is a challenge as well.

**CHAIR**—In the example that you just gave, with one person in the Solomons and one in Iraq and there is a child, what happens to the child?

**Brig. Orme**—We have not got to that position, and that is—

**CHAIR**—Suppose we do. Let us take a hypothetical: what would happen to the child? What responsibility is taken?

**Brig. Orme**—Before we go to the hypothetical, can I just say that as a commander I would do everything in my power and authority to ensure that did not occur. It is probably not a good thing to ask this hypothetical. When I was in my former capacity as director-general of personnel, we as an army would have done everything to make sure that did not occur, because I do not think

that is a fair situation to put people in. If for some reason it did occur we would then look across to—

**Mrs Stodulka**—We do, for example, have single parents in the ADF, and they deploy. Part of what they need to think about, and we certainly work with them, is their plan for when they do deploy or for when they are required to be away from home. Normally, that is when they call on extended family support. They also look at au pairs or nanny systems. They—

**CHAIR**—So let us look at that. Let us consider a situation of a single parent who is deploying; there is no extended family to do anything about it, so they have no alternative but to employ someone to give them in-home care, which they have to pay for with post-tax dollars. How do they afford it?

**Mrs Stodulka**—It comes back to that issue of choice that the brigadier was talking about. The members, especially single parent members, have to look at—and we certainly do this before they deploy—what realistic plans can be put in place to support them while they also fulfil their responsibilities to the military.

**CHAIR**—Realistically, they probably use their operational pay to pay for the child care.

**Brig. Orme**—Again, as a commander—and this is trying to take the hypothetical to reality—the first thing I would do is to look to the defence community for a foster-type arrangement and see if there was a family within the broader Army, Navy and Air Force community that was willing to foster that child while the parent was away. That would then lead to some questions about how we could then support that foster family to maintain the child in a supportive arrangement and also to not have an economic disadvantage for doing that good work.

**CHAIR**—Equally, there could be a tax deduction available for the childcare expense, as you get when you salary sacrifice. At the moment you have got parents who are able to put their children in one of the original 19 childcare centres; they can salary sacrifice, so they are getting a tax deduction for their child care, whereas a single parent with a child who goes on deployment has to pay full tax for her child care. It is a very uneven system.

**Mrs Stodulka**—Yes.

**Brig. Orme**—It is. This is slightly off the track, but it is useful to raise the importance we see of grandparents. I know in the hypothetical we were talking about the person had no support, but there is a role for grandparents in the ADF. Again, with one of the other wives, her mother was there. She is giving birth in two weeks and her mother was there. She is having a caesarean section and her mother leaves on the same day as the caesarean section but then her husband's mother turns up on that day.

**CHAIR**—That is terrific, but there are a lot of grandparents who are still working these days.

**Brig. Orme**—Absolutely, but in the broader dialogue about this issue it is being raised that we are seeing grandparents playing critical roles in the short-term care, particularly during the birth period, which is important to us, particularly up here in the Territory where they are generally coming from down south. There is a sort of tag-team arrangement, where—

**CHAIR**—So they may choose to have a parent fly up on one of their free trips, but they will have to pay fringe benefits tax on the airfare?

**Brig. Orme**—Yes.

**Mr QUICK**—Brigadier, from your wide experience around the world, are we doing it any better than any other armed service?

**Brig. Orme**—Yes, we are doing it much better. I served in the British Army as a major for two years, commanding British soldiers in Germany and the UK, and I served with the US Army in Kuwait and in Kansas. We are doing it much better than any other army in the world. We have a compassion that is uniquely Australian, we have a set of conditions that are responsive to Australian conditions and we are up there with any other nation in the world. Can it be better? Absolutely, and I believe we are working toward that. But if you are talking about benchmarking the way we treat our soldiers and the way we support our families, I would defy you to find another army that does it better. The two particularly that I would benchmark would be the UK and the US. They expend a lot of effort, I might add—I am not denigrating theirs—but we are up there at world standard in the support of our families and I believe we exceed it.

**Mrs Stodulka**—The ADF travels overseas and runs boards to recruit people who have been in other services and are looking to join the ADF. The DCO is part of that recruitment board, both by way of making an assessment of how the family might adapt to the ADF and the Australian way of life and by talking with them about the sorts of services and support systems that are available through the ADF, and we find that their jaws just drop when they find out that they will get money to put their children into some kind of schooling. They cannot believe the way that we provide educational counselling, that we have aides within schools and that we tutor when we are moving families from jurisdiction to jurisdiction. It has been very interesting for us to see that.

**Mr QUICK**—When I asked the question I thought that would be the answer. As members of this committee, can you somehow convey to your service officers the fact that we value the opportunity today to talk to you and to gain from your experience. Hopefully, the recommendations that our committee, through our chair, will make to the government will give you that flexibility to put the icing on top of a wonderful cake.

**CHAIR**—Captain Ingram, does Navy have any special problems because of the separation that occurs when sailors go to sea?

**Capt. Ingram**—Certainly locally, patrol boats are out at sea 365 days a year. We require the DCO to be responsive all year, and they are and that is a wonderful thing. The system is responsive. From my own experience on overseas deployments, the other aspect is that, whilst support is provided at home, if there is a real crisis and in the best interests of the family that member needs to go home then heaven and earth is moved to make sure that happens. That is another very positive aspect of the way we work.

**CHAIR**—And Group Captain Kelton?

**Group Capt. Kelton**—There are no special issues for Air Force. We are an expeditionary force like anybody else, not only with our aircraft but also with our combat support squadrons. I agree with the brigadier and the captain that we do it very well for our people. It is not just DCO who give us great support; we also run our own internal programs. We are very focused on the individual in the field to make sure that he is doing the best job possible and that, as you said, he is not focused on the issues at home. We give very good support to our people.

There will always be one or two cases, but the thing is that we have a system where it can come up through the chain and we try to resolve it at the lowest level. I run all the Air Force bases around Australia at the moment, and it is very rare for me to hear about an issue—which is good, because it means that the people we have empowered below us are actually doing their job. With those issues that I do hear about, we then move up the chain. I think we have a very responsive system when it comes to looking after people, because people are our capability.

**CHAIR**—It seems to me that the DCO is working, from what you all have to say. That gives me a particular bit of pleasure, too, because I think I set that up as well. Certainly, it has grown and is providing many more services than it did in its embryonic days.

**Mrs Stodulka**—We have just had our 10th anniversary.

**CHAIR**—When we went on to deliver some of those extra services, it was again quite primitive in some ways, but you have developed them and it has come a long way. I would like some information. Could we possibly get some stats on the average birth rate for serving families—I want to see how it matches with the rest of the population—the incidence of marriage breakup within the services and the actual number of people who are salary sacrificing for child care? If possible, we would love to see your submission to the tax office for a private ruling, but you might need to ask somebody else's permission for that. I would understand that but we would like to see that, if possible.

**Mrs Stodulka**—Yes.

**Brig. Orme**—I do not wish to put a burden on my department, but you may want to consider the rates of members with dependant separator as well. We are seeing that as a trend change. To give you a sense of where we are heading in the future on, again, this trajectory piece, you will find that there has been an increase over the years—and you will see it increasing. That informs a whole range of other issues.

**CHAIR**—So you are talking about those people who agree to separate for a period of time for the betterment of the family but still remain a family unit.

**Brig. Orme**—Yes, and that is a positive benefit, but also other deductions can be taken from that. I think that would be useful for your understanding of some of those issues.

**CHAIR**—Yes, it would be; thank you very much.

**Mrs Stodulka**—I am happy to take responsibility for providing that for you.

**CHAIR**—Thank you. That would be very good; we would be grateful for that. Thank you very much for appearing before us this morning. We have appreciated the input, and it will certainly enhance our report.

[11.48 am]

**ABOUD, Mrs Joanne, Delegate, Northern Territory, Defence Families Australia; and Chairperson, Partner Support Group**

**MEEHAN, Mrs Kim Louise, Secretary, Partner Support Group**

**CHAIR**—Welcome. Do you have any comment to make about the capacity in which you appear?

**Mrs Aboud**—I am appearing in two roles today. The first is more formal. I am the Northern Territory delegate for Defence Families Australia. Defence Families Australia is a voluntary group funded through Defence, so we have delegates across Australia. There are nine national delegates across Australia, and the convener in Canberra, which is a ministerial appointment under Minister Bruce Billson. I am also the chairperson of the Partner Support Group and Kim is my secretary. The history of the Partner Support Group is that, with the first deployment to Iraq, the Al Muthanna Task Group One, a group of interested spouses got together, recognising there were some deficiencies in the support area. We are a self-funding voluntary group made up of military spouses to add to the pre-existing support networks. The Partner Support Group for Darwin began last May. It is a very informal group.

**CHAIR**—I want to begin by asking you one or two questions about the Defence Families Australia group, for which you are the delegate for the Northern Territory. How does that group—which is a very active group and one which I have a lot of time for—feel about the support that we have heard about this morning from DCO and the way the three services are addressing the problems of families?

**Mrs Aboud**—I have a prepared statement, if you would like to hear that. Perhaps questions will flow on after it.

**CHAIR**—We would love to hear it, thank you very much.

**Mrs Aboud**—We very much thank the committee for the opportunity to speak on behalf of defence families at this forum. There are financial, career and social disincentives for starting families. All of the difficulties in balancing work and family life that exist for defence families can be related to three underlying factors: mobility; the isolation, particularly in Darwin; and the high operational tempo that is current at the moment.

While there are some fantastic initiatives offered by Defence to families, and I am sure you have heard some of these mentioned this morning, to counter the mobility, the fact remains that for a member to offer unrestricted service the families need to move. Most often, those moves are interstate and that poses difficulties for the families. On average, we are looking at families staying in a posting locality for just under two years before they move. That can be very difficult; it can take six months to settle in, and then you really only have 18 months left in location to form networks and support. If some of that is spent on your own, it can be very lonely as well.

The initiatives are there. There are uniform allowances and tuition allowances to help children transition into schools. There is priority access to the long day care centres so that spouses can get into the workplace quickly. And there is SWAPP, which helps to retrain and enhance qualifications of spouses to join the workforce. The concern of Defence Families about the mobility is that there are still inconsistencies in education. I know Brigadier Orme mentioned that there are difficulties with different starting ages in different states, and also the different curriculum. It is of concern to families and, as Brigadier Orme alluded to, some do make the difficult choice to leave the family in a location so that they can maintain consistent schooling. That is hard. Nobody makes that decision lightly, to separate the family for a short period.

Specific to the Northern Territory and Darwin region is the isolation and high operational tempos, which are adding additional stress to families. Darwin has a fantastic defence network. It has four defence community houses run by voluntary groups that are incorporated and partially funded through Defence who do 'welcome packs' and welcome morning teas to settle families quickly into location. There are some great publications, and one that is also voluntary and funded partially through Defence is called the *Top Ender*, which gives great information. I believe there are only three publications like this one in Australia.

Darwin and the Northern Territory are still a long way from most families' traditional support, as in the extended family. So that is an added stress. There is the remote locality package for defence families which incorporates allowances to cover the higher cost of living such as air conditioning and food. It also includes two flights for each eligible family to a destination of their choice. Unfortunately, these entitlements all attract the FBT. It is quite feasible for an average family of four—where the spouse has accessed SWAPP and utilised the resume writing service through SWAPP and they have taken eight flights to, say, the east coast to visit family—to have an excess FBT of over \$20,000 gross. That puts additional stresses on families who are receiving the family assistance payments or who are paying family support for children from a previous relationship.

Even though there are great initiatives, there are defence families who consciously have to make the choice that they do not access these things. It is better to have the family assistance payment coming in fortnightly than actually taking a holiday. In a way, the intent of the remote locality package is not as good as it appears.

**CHAIR**—You are saying that the remote locality package is really devalued because of the way the family tax benefit A and B work—is that right?

**Mrs Aboud**—I think so—even just the fact that it attracts fringe benefits tax.

**CHAIR**—You then have to make the adjustment to the amount of family tax benefit you receive.

**Mrs Aboud**—Yes.

**Mrs Meehan**—A lot of families rely on getting that fortnightly payment. With such a high fringe benefits tax, it is not feasible for them to take a holiday because they would lose a significant amount of money that they rely on for day-to-day living. This applies especially to families who may have two or three children from a previous marriage and are paying family

support. If they take a holiday, the amount that they would then have to pay on top of that for FBT out of their basic wage means it is just not feasible. It means that they cannot do it.

**CHAIR**—So you tend to have it locally.

**Mrs Meehan**—Yes. And there are families who may say, ‘We might only use just one air conditioner because we don’t want the additional fringe benefits tax.’

**Mr CADMAN**—With respect to this capacity to fly home to visit family or have family fly to you, would it apply if you were in Melbourne and your family was in Sydney?

**Mrs Aboud**—No.

**Mr CADMAN**—Where does it apply in Australia?

**Mrs Aboud**—The remote areas of Australia—virtually the Top End of Australia.

**Mr CADMAN**—Do you have a list of the places to which it applies?

**Mrs Aboud**—I can provide a list, yes.

**CHAIR**—Do you mean the tax zone?

**Mr CADMAN**—No, where the twice yearly visit applies.

**Mrs Meehan**—Yes, we can provide a list. Darwin is the main one.

**Mr CADMAN**—Where does it apply?

**Mrs Aboud**—It extends from Townsville across the Top End of Australia through to Exmouth. It is virtually a magic line. Then there are classifications within that for what are deemed to be remote. Darwin is actually classified as group B, whereas Tindal at Katherine is group D. It does depend on the cost of living and other services provided. Darwin is deemed less remote than obviously Katherine, Exmouth or Kununurra. I do believe the FBT implications for the allowances change according to the classification. I believe that Katherine-Tindal defence residents do not get a FBT component to their remote locality package.

**Mr CADMAN**—So you are not so concerned about the classification process as the taxing on that benefit?

**Mrs Aboud**—Yes. I am quite happy to acknowledge that the six families who live at Nhulunbuy are probably living worse than I am. I would not necessarily want to swap with them. To continue with my opening statement: the high operational tempo is also beginning to impact on families because it is not just that the members are deployed but that when they are returning from deployments, in some units, they then have to go away on pre-promotional courses and things which can take them away from family for up to four months. So they are returning from deployment, returning back from leave, going away again for four months and then returning to the unit just to start pre-operational training to go on another deployment. There are also some

families where the members are looking at going on their third or fourth deployment. Personally, my husband has been on three deployments and Kim's has been on two.

**CHAIR**—They like it, don't they?

**Mrs Aboud**—They do, unfortunately. Yes.

**CHAIR**—You did marry a serviceman.

**Mrs Aboud**—Yes, and I do not think families begrudge them. The opportunity to do what they are trained to do, yes, it is a very powerful thing. It is just that the time in between, unfortunately, is wearing families down a little.

**Mr QUICK**—When it comes to taxation, with special payments for overseas on top of your normal payment, plus the fringe benefits tax, plus all the other bits and pieces—do the spouses get some assistance on the base to sort out something as complicated as this? As you mentioned, some might be paying CSA to a previous relationship. It must be a nightmare. I know my tax is hard enough.

**Mrs Aboud**—It certainly can be. There are difficulties and unfortunately there are horror stories. Certainly with the additional deployment allowances—

**Mr QUICK**—They are tax free, aren't they?

**Mrs Aboud**—They are tax free.

**CHAIR**—They still add to the levels for cut-off amounts and so on.

**Mr QUICK**—The overseas things would not impact on their FBT capacity, would they?

**CHAIR**—No, but the operational allowances add in to the cut-off amounts for means testing of family tax benefit A.

**Mr QUICK**—Should they, when you are putting your life on the line?

**CHAIR**—They are tax free.

**Mr QUICK**—They are tax free but if they add to the—

**CHAIR**—Well, it is still income.

**Mrs Aboud**—It is. I would say most families appreciate the tax-free money. As far as financial assistance, it is available through the units. To what level of expertise that is I am not sure. Certainly they encourage families to speak to financial planners outside Defence, obviously. But there are terrible stories of members coming home and the wife has spent all the money. I guess it is still a matter of personal choice as to what you do with your own finances.

**CHAIR**—Have you still got some of your statement left?

**Mrs Aboud**—Yes, thank you, Madam Chair. One area where we feel that families perhaps do need some help is occasional care and respite care. While Defence has worked very hard at developing the long day care systems, certainly for Darwin, and I speak personally, they are full with long day care children. There is not the availability for a spouse who is basically providing duty of care to a family while the partner is deployed for 24/7.

**CHAIR**—You are a single parent for those purposes, aren't you?

**Mrs Aboud**—Exactly. To have some time out and some care, even if it is just to go to a doctor's appointment or to have a haircut—

**Mr CADMAN**—What about occasional care?

**Mrs Aboud**—That is the difficulty. Occasional care places virtually do not exist. Most places are long day care. You can be lucky to get in occasionally—say a booking for one day a week—but there are no places that offer short-term care, such as three hours.

**CHAIR**—Up here do you have any agencies that you could ring up and say, 'I need someone to come and mind my children while I do half a day's—whatever'?

**Mrs Aboud**—There are.

**CHAIR**—What sort of expense does that entail?

**Mrs Aboud**—There is one group called Chelsea's. I have four children. I know that when I rang them it was \$18 an hour for a minimum of four hours.

**CHAIR**—So that is with after-tax dollars?

**Mrs Aboud**—Yes. That is what I alluded to before.

**CHAIR**—Do you work?

**Mrs Aboud**—No.

**CHAIR**—So you get the \$3,169 or whatever it is now?

**Mrs Aboud**—Yes, I do.

**CHAIR**—What about you, Kim? Do you work?

**Mrs Meehan**—Not currently. I had a child while my husband was away in Iraq last year. Cooper is 15 months. Previous to that I met my husband in Perth. I worked there; I had a career with Coca-Cola. We moved to Melbourne. I was lucky enough to then get a job with another company. I had a good job there. I actually earned more than my husband—I suppose I was the

higher breadwinner of the family. Then we moved to Darwin and we made a conscious decision that this was the time to start a family because there was no opportunity for me to continue in Darwin the career that I was in.

**CHAIR**—Do you mind if I ask what your skill is?

**Mrs Meehan**—No. I was a business manager for Coca-Cola and a company called Simplot. I managed a portfolio of products—for example, the Coles chain. In Melbourne I managed the WA independent supermarkets, so I liaised with the head office of FAL in WA, did the promotional programs, getting the products into the stores, doing the catalogues and that type of thing. I worked in a head office position. Up here you do not have the head offices of major companies, so the type of thing that I was doing was not feasible to do up here. I would have had to change my career or do something completely different.

**CHAIR**—You are obviously very skilled.

**Mrs Meehan**—Yes. So we made that conscious decision that we were going to Darwin and we would try to start a family—and that is what we did. Moving forward, my husband is actually planning to leave the Defence Force early next year. He has done 22 years in the Defence Force. That was a personal decision. It is time for us to move on, not because he is disgruntled or disillusioned with the Defence Force. He is at the top of his career. He is a warrant officer class 1. He has done what he set out to achieve and has had a great career, and it is time to do something different. If he were staying in, we would be in this position when we moved again of what I would do. I do not think I would be able to continue the career that I was doing. I was working 60 hours a week and I could not do that or would not do that with a small family, so I would be working part time or doing something like that.

**CHAIR**—So he will be moving back to civvy street and you will be setting up with a whole new thing to decipher.

**Mrs Meehan**—Yes.

**CHAIR**—Jo, what about you? How old are your kids?

**Mrs Aboud**—They range from nine to two.

**CHAIR**—And you have got four?

**Mrs Aboud**—I have four.

**CHAIR**—You are doing your bit for the nation!

**Mrs Aboud**—I am, thank you, Madam Chair. Mine is very much the same as Kim's. I am a science teacher by profession.

**CHAIR**—I would have thought that there would be a lot of opportunities up here.

**Mrs Aboud**—There are. It is just that at the moment I have two at home—a four-year-old and a two-year-old. I am lucky that I do have a profession that is transferable across states. It is difficult, as Kim said, for professional spouses.

**Mr QUICK**—What about teacher registration, Jo?

**Mrs Aboud**—It is difficult.

**Mr QUICK**—Do you have to register in each state?

**Mrs Aboud**—Yes. There is no transference of long service leave. The process can be elongated. I know personally that when we moved from New South Wales to Victoria it took six months for my registration to go through.

**CHAIR**—So you could not teach for six months?

**Mrs Aboud**—That is right.

**Mr QUICK**—What about portability of superannuation, Kim?

**Mrs Meehan**—When I left Coca-Cola, I had the superannuation sitting there and I then had to personally move it into another fund and then had a new one start up when I joined Simplot. Then I left Simplot and then I had another job. So I had three different jobs, three different super funds and eventually I had to put them into one when I left. I think the rules with superannuation are a bit more flexible now.

**Mrs MARKUS**—What about other women? Are they working part time? What sort of impact does that have? As you have mentioned, there is no occasional care. How do they access child care on a casual, flexible arrangement? They do not necessarily have access to their extended family. What are some of the challenges? How do they manage those?

**Mrs Aboud**—It is very difficult. A lot resort to family in-home day care. For professions that do shift work, like in nursing, some spouses stand down from work to stay home with the family, because it is too difficult to juggle part-time work or shift work. An issue that is current in Darwin is that CSIG—the Corporate Services and Infrastructure Group for Defence, who manage the defence estate—are conducting a review of all businesses on defence estate. It is pertinent across Australia but it is very much an issue in Darwin because there are three bases that have on-base housing. They have said that running a business from home may be an unfair commercial advantage, which unfortunately is affecting family day care. They are not approving any more family day care.

**CHAIR**—So you cannot do family day care if you are in a DHA house?

**Mrs Aboud**—On base.

**CHAIR**—So this is on-base housing?

**Mrs Aboud**—With DHA, when you wish to set up a business you apply to DHA. But if it is on defence estate, it is moved over to Defence for approval. During this review, they are not giving approval—

**CHAIR**—So even DHA housing that is on defence estate is caught by this rule?

**Mrs Aboud**—Yes, unfortunately. In a place where family day care is extremely important, we have families being told that they may be running an illegal business. On one hand you have DCO—the Defence Community Organisation—training these spouses through SWAPP to become home day carers and on the other hand you have Defence saying, ‘No, that’s in breach of defence estate rules.’

**CHAIR**—Which bit of Defence is making that decision?

**Mrs Aboud**—To be honest, I am not sure whether it is just at the local Darwin level or whether it works through. But it is through CSGI, which is corporate services. I believe in Canberra that is the defence support group, which runs defence estate.

**Mr QUICK**—I think we might need to talk to them. There are some questions that we need to ask.

**Mr CADMAN**—I can see how a full-blown commercial activity with deliveries and that sort of thing operating from a home could be a difficult thing. But surely there can be a process of categorisation, so a business that is beneficial to the care of children is allowable.

**CHAIR**—But that is not fair either, Alan. Where you live is a condition of service. That is part of it. If a spouse wants to run a business from home via their computer or whatever, that technically would be a breach, too.

**Mrs MARKUS**—The other thing is that being able to run a business from your home would create so much flexibility, particularly for the spouse that is left at home looking after the children. You can sell and buy through eBay and so on and make quite a profit. The opportunities for home business is fast growing in this nation.

**CHAIR**—That is a very real problem. We had better look at that.

**Mrs MARKUS**—It would be quite a disadvantage if that was removed from spouses of Defence Force personnel.

**Mrs Meehan**—Hairdressing from home is one. They cannot do that anymore.

**Mrs MARKUS**—Can we come back to shift work? I have some understanding of what you face, although not an exact one. My husband is a shift worker, and I am required to travel in my job.

**Mr QUICK**—You are a shift worker, too.

**CHAIR**—Yes, we are shift workers.

**Mrs MARKUS**—I will not go into the details of what we arrange for child care. I have a 10- and a 13-year-old. What would you see as being part of the solution to this? Do you have any ideas about how to resolve that issue of spouses—the husbands and wives—at home having to do shift work? How can they continue to engage with the workforce and receive an income and care for the children? What is a solution?

**Mrs Aboud**—It is difficult. I will preface my answer with a bit of history, if I may. When the Al Muthanna Task Group left in May last year—and both our husbands left on that—there was an attempt through DCO to set up an occasional care situation on a Thursday afternoon. It has now been set up in a centre that is a preschool and kindy room. On the days that the kindy was not used it was set up for occasional care. The difficulty is that there is such a demand for it that they are now full and, in an effort to pay consistent wages to the carers, it is effectively running like a long day care centre. They have set bookings and things like that. That is the problem.

I do not really have an answer to overcome it except to provide a centre that is flexible and where you get priority of access if your partner is deployed or even on a course or out on exercise. It can be just as difficult for spouses if husbands have gone to, say, Coltana in South Australia for four months. There should be some sort of priority access for that care and no permanent bookings, if you like. I understand that when you have to pay wages to the carers themselves it makes it a very difficult business to run. Then there is the issue of flexibility after hours; most centres here in Darwin close at 6.30 pm.

**Mrs MARKUS**—I have often thought that would be a good idea. But nights are a challenge. Would it be helpful if you were to pay someone and get some sort of tax incentive or assistance?

**Mrs Aboud**—Definitely.

**CHAIR**—That would have to be tied to employment; otherwise it is private expenditure.

**Mr QUICK**—Is the problem that all this has developed in a haphazard patchwork sort of way? You mentioned that the kindergarten does not meet the needs of overseas deployment, so there is that aspect. Someone mentioned this morning that there are 19 centres. We know how many Defence Force children there are; we know how many women are pregnant. Can we build a multipurpose centre that has all the capacity and still some flexibility and is arranged as the banks do—the ANZ—to be fringe benefit—

**CHAIR**—There is a problem with that. Those 19 centres are all around Australia. They are the old childcare centres that Defence used to operate itself.

**Mr QUICK**—Because Townsville and Darwin are the two big areas, do we get to the stage of saying, ‘let us build a 150-place childcare centre that has flexibility and some spare multipurpose rooms’?

**CHAIR**—But they are not building them anymore. That is the whole point.

**Mr QUICK**—But should they?

**CHAIR**—They have gone away from that model.

**Mrs Meehan**—ABC Learning manage defence child care and they are running their own business and they need to make a profit, as do all organisations. To have that flexibility that we need, as Joanne mentioned, may result in you not always being full all the time. If you are being flexible so a family can have four hours or an eight-hour shift while the mother needs to go on an evening shift as a nurse, you may have five children instead of the needed 10 children to make it viable for one particular week. The next week it might be full. It may not be viable in the eyes of ABC. I have a friend who is a nurse. They have two small children who are not at school yet. When her husband is away her only option if she wants to continue working is to pay for a private person to come to the house and look after the children, which can cost \$12 to \$16 an hour for an eight-hour shift. Does it justify doing two or three shifts a week for the amount of money that is taken up with child care for two children?

**CHAIR**—If she had a tax deduction for that then it becomes a different situation.

**Mrs Meehan**—If my friend had the option of having a tax deduction that would make it more viable, I am sure.

**Mrs Aboud**—You are still paying for it weekly without the deduction, which does not come for a while. Some people would not have the upfront money to cover that.

**Mrs Meehan**—For some people that would be an issue.

**CHAIR**—They are still going to be getting more than they are paying out—otherwise you are not going to do it at all.

**Mrs Meehan**—That is right.

**CHAIR**—And then you get the benefit at the end of the year, so it is of enormous help to people. I think I have used this figure before. The Commissioner of Taxation actually collects \$15 billion more than he needs to every year. That does not count the surplus; that is just money he returns to taxpayers. The Commonwealth has a loan of \$15 billion of taxpayers' money interest free for 12 months.

**Mrs Meehan**—I think that would be a big help. As Jo mentioned, in all the centres we do have, if you want to have the children in for four hours, you still pay for a day. So it costs you \$46 per child—that is the full amount—to put your child in, and you need to keep that spot for the whole year; otherwise you lose it.

**CHAIR**—Whether or not you are actually using it.

**Mrs Meehan**—Yes.

**CHAIR**—That is right.

**Mrs Aboud**—The whole day.

**Mrs Meehan**—Yes. Even if you are not working, to have your four hours off to go a meeting, to go to the dentist or to get your hair done is very hard if you do not know many people or you do not have family.

**CHAIR**—If you are keeping that childcare place open because you want to use it, but your child is not in it, do you still get the CCB?

**Mr QUICK**—No, I do not think so.

**CHAIR**—It is paid to the childcare centre—or it can be.

**Mr QUICK**—I do not know.

**Mrs MARKUS**—I do not think you get it.

**CHAIR**—But you still have to pay for it.

**Mrs MARKUS**—We need to ask that question.

**CHAIR**—I think we need to ask that question.

**Mrs Aboud**—And it is difficult. We all know that there are some great incentives, but we have moved in a different era with Defence. While there are some very proactive initiatives happening, we are in, if you like, unknown territory—even though we are in the Northern Territory—in that the nature of Defence has changed. Ten years ago, not many people went very far or very often. It has changed. Certainly as Kim said before, living in Darwin, we are away from our extended family. You really do have to rely on friends. With child care sometimes, it is all very well to ask your friends to look after your children once or twice, but you do not want to wear the friendship away.

**Mrs Meehan**—Especially when there are four of them.

**Mrs Aboud**—That is right. It becomes difficult.

**Mrs Meehan**—The other thing that Brigadier Orme mentioned was bringing family up to assist. In my situation, my husband left in April, and our baby was born on 18 May—about six weeks after he left. We had only moved to Darwin in February. I knew no-one here. I had no family. So I had the situation, ‘I am going to have this baby by myself. My husband is not here.’ My mum works full time. She cannot afford to have the six months off that she needed. At the time the conditions were that I could go somewhere else to have the baby or I could bring a family member up for the majority of the time that my husband was away.

**Mrs Aboud**—Seventy-five per cent of the deployment.

**Mrs Meehan**—My mum works full time; she could not have four months off work to come up and assist me. I wanted her to come up for a month to be here for the birth and to help with that critical time. That was not allowed within the conditions of the deployment.

**CHAIR**—Why?

**Mrs Meehan**—The conditions of the deployment were that the Army would pay for my mother or someone to come up to assist me if they were staying for 75 per cent of the time.

**CHAIR**—What?

**Mrs Meehan**—My husband's family were retired or semiretired, but they are a lot older, so they were not really going to be that much help. My sisters all work. So I did not have anyone that could come up for four months of the year.

**Mrs MARKUS**—So that goes to the flexibility of the guidelines about that trip for parents or extended family.

**Mrs Meehan**—Yes.

**CHAIR**—I thought you were allowed to use one of those—

**Mrs Meehan**—I could use our RLLT to bring my mother up if I wanted to. However, I had my mum come up, then my sister and then my in-laws after that. I flew home to Perth so that I could have some time with my husband's family and then my dad came up after that. So I had people here for probably four months out of that six months, but they were all different family members, because none of them could stay.

**CHAIR**—What did you get for the four months?

**Mrs Meehan**—That was just my family saying, 'Yes, we will come.' They would fly and stay with me.

**Mrs MARKUS**—So they covered their own costs?

**Mrs Meehan**—Yes.

**Mrs MARKUS**—So what would have been covered by the Defence Force?

**Mrs Meehan**—I could have used the RLLT, and I did, for some of my family. However, we also wanted to keep one of them so that when my husband did come home we could, as a family, go home for a visit for Christmas. So the RLLT is not necessarily for emergency care or to assist in that way; it is to give you respite or to allow you to do what you need to do with your other family.

**CHAIR**—I do not understand what you missed out on because your mother could only come for a month instead of four months. What would you have got if she could have stayed for four?

**Mrs Meehan**—They would have paid for her to fly up.

**CHAIR**—I see.

**Mrs Meehan**—I think the reason is that—

**CHAIR**—Otherwise it could be abused.

**Mrs Meehan**—it may be abused. People may say, ‘Oh, I need my mum to come and help so can you pay for her to come up for a few weeks?’ when really it is a holiday—whereas this was a genuine situation where I needed someone. I did not know anyone at the time and I just needed someone to help me with the baby. That is just an example. I overcame that but—

**CHAIR**—There does seem to be a presumption—which is a wrong presumption, and people are going to have to adjust to it—that grandparents are available on-call. They are not sitting around waiting to come and see the grandkids. They are out there working. We need them in the workforce and part of our policy is to keep them there. So people have to factor in that grandparents are not a ready stream of babysitters or occasional care.

**Mrs Meehan**—My mum is 54 or something, so she is not at retirement age. She is separated from my father so she is supporting herself. She cannot just leave her job.

**CHAIR**—Of course she can’t. We will have to get the message across that that is not an available, constant resource.

**Mrs Meehan**—Not for everyone. Some people are lucky to have that option.

**CHAIR**—Yes, but more and more are not.

**Mrs Aboud**—That is very true.

**CHAIR**—That is not being factored in. They think, ‘Grandparents—of course, they can come.’ They cannot.

**Mrs Aboud**—Yes, it was a stipulation of the conditions of service that to take removal from, for example, Darwin you need to go for more than 75 per cent of the time. The same applies if you wish to bring family up. They have to stay for that length of time for the expenses to be paid.

**CHAIR**—That is probably the way they ration it.

**Mrs Aboud**—Yes.

**Mrs Meehan**—And I think it is about having flexibility within the policy so that if you have a genuine case you can put it to the powers that be and they can approve it and say: ‘Yes, you are pregnant; I can see that. Your mum can come for a month instead of four months.’ We do not want it to be abused.

**CHAIR**—Maybe pregnancy could be a different category. Is there anything else?

**Mrs Aboud**—I do not think so. It is basically about occasional care—we recognise that long day care has been well looked after—and recognising previous employment service, and helping

in transition across the states. That also applies to education. Through my work with Defence Families of Australia I know that Defence are trying hard to come up with ways of allowing members to perform their duty and serve their country, but they are also starting to recognise that family plays an important part.

If the member's family is happy then the member is as well. And Defence are starting to recognise that families play a much larger role, certainly with retention being an issue at the four- to eight-year service mark. A lot of it comes back to whether the family is happy. Certainly, with a lot of defence people being in the north—in Townsville and Darwin—away from the family, location is an added stress.

**CHAIR**—Absolutely. As minister, I used to say that if I had happy families I had happy serving personnel.

**Mrs Aboud**—That is very true. It has not changed.

**CHAIR**—I have one last question. What about opportunities for spouses to access continuing education so that they are continuing to up-skill if they want to? Is that still happening? Are people utilising TAFE opportunities or study opportunities?

**Mrs Meehan**—There is the SWAPP program. I am not 100 per cent sure how flexible that is or whether it is flexible enough to meet the needs. When I first moved to Darwin I accessed the SWAPP program. However, there were limits as to what I could use that for. I think the aim was to assist me to get into a similar role to the one I was previously in but in my situation I had the degree, the skills and the career. I wanted to go into a different avenue. I wanted to downsize. I wanted to go into something part-time or something I could do in the home, or something which would allow me to utilise the markets here and make something or do craft. There were a lot of other different things I could do, too, but I was restricted in that I had to go through an approval system that might say, 'I don't think that course meets our criteria.' It was almost limiting my choice to change careers or to do something less skilled, if that makes sense. That may be an area to look at.

**CHAIR**—It has now become more common, because we graduate more women than men. Women now have a much higher level of education than in previous times, so we are going to have more people like you.

**Mrs Meehan**—I think the other thing is that the SWAPP program allows you to utilise 24 hours of child care while you are doing your courses or your training or getting your experience. That may be something that needs to be looked at. I am doing some of my course by correspondence, but I did part of the SWAPP program in-house. I had three days of lectures and I utilised that child care, but I now no longer have any more child care that I can claim back for that year course. So there is that small contribution of 24 hours of child care, or three days of child care, but here it is basically three days. I may have needed only a four-hour window of opportunity to sit my exams but, because only long day care was realistic at the time, eight hours of child care would have been taken out to sit the one exam.

**CHAIR**—We were very impressed with Brigadier Orme's words about wanting to offer choice to personnel and how that makes better soldiers and how that impacts on families. More

choice sounds good. If there are no more questions, I thank you very much for coming. We appreciate what you had to say. Mrs Aboud, I started to ask you about the Defence Families of Australia organisation. As the delegate, is there any particular issue that they are following that we have not raised today?

**Mrs Aboud**—Certainly the home business issue—

**CHAIR**—That is a very real issue. We will follow that one up.

**Mrs Aboud**—It is very pertinent in Darwin because housing is on-base, and that does not occur everywhere.

**CHAIR**—No, it does not.

**Mrs Aboud**—It may affect places like Puckapunyal and—

**CHAIR**—It affects a lot of places, actually, where choices are given to a lot of people that, if they want to, they can move to outside accommodation. But here there has been a deliberate policy of putting DHA housing on defence owned land.

**Mr CADMAN**—What is the story in Tindal and Katherine?

**Mrs Aboud**—They would still be affected. In Tindal, half the housing is on the base.

**CHAIR**—Because it is a bare base.

**Mrs Aboud**—Yes. Certainly that issue is very pertinent at the moment. DFA have made submissions with regard to changes to the defence home owner's subsidy which are due to come out. We are very keen to watch the new housing classification policy for Defence that is due to come in in the middle of next year. It is moving the housing classification away from amenities to rent bands. We are very keen to make sure that that does not disadvantage members and their families.

**CHAIR**—It will change it, won't it, because it is going to be, 'If you have four kids, you need four bedrooms,' as distinct from, 'This is your rent, this is your entitlement.'

**Mrs Aboud**—Yes.

**CHAIR**—That will be an interesting one.

**Mrs Aboud**—It may well be, yes.

**Mr CADMAN**—Why do you need two organisations?

**Mrs Aboud**—That is a good question. Do you mean the Partner Support Group and—

**CHAIR**—I think I can answer that: the Defence Families of Australia organisation is the national peak body and there are delegates. For instance, Jo is appointed to be the delegate for the Northern Territory but she wants an on-the-ground support group for people dealing with day-to-day issues, so they have created their own.

**Mrs Meehan**—The Partner Support Group does not really tackle the issues; it provides more of a social opportunity to partners. At the moment, most of our functions are of a social nature and we provide babysitting at those functions. So we might have a dinner and movie night or we might utilise the sergeants mess to have what we call ‘bunco’, a dice game, and we provide babysitting. It is more to meet people and provide a social network and a way of getting to know people, especially in Darwin. It is not necessarily in an official capacity at all.

**Mr CADMAN**—But the link is very important though.

**Mrs Aboud**—They are compatible because I am available at these functions and a spouse may say, ‘I have a problem.’

**Mr CADMAN**—I bet they come and talk to you.

**Mrs Aboud**—Yes, and then I can physically do something about it. Certainly, as Kim said, it started up because DCO run deployment support functions for the families of deployed members. They are fantastic. The Darwin DCO office are a very proactive, young and vibrant group who are doing a great job, but their functions are for the whole family. They help us by paying for the babysitting, because we are a self-funded group, so that we can have an evening where the spouses can come along, know the children are cared for and just have a social time rather than a whole family barbecue event. It is really just a social framework but it does allow the opportunity for spouses to say—

**CHAIR**—It is a girls night out.

**Mrs Aboud**—Exactly. It is. It is a bit of respite.

**Mrs MARKUS**—What about the blokes? There must be some blokes on their own.

**Mrs Aboud**—There are but they tend to get a bit intimidated, I think!

**CHAIR**—Thank you very much.

Resolved (on motion by **Mrs Markus**):

That this committee authorises publication, including publication on the parliamentary database, of the transcript of the evidence given before it at public hearing this day.

**Committee adjourned at 12.37 pm**