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SENATE

STANDING COMMITTEE ON COMMUNITY AFFAIRS

ESTIMATES

(Supplementary Budget Estimates)

FRIDAY, 24 OCTOBER 2008

CANBERRA

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**SENATE STANDING COMMITTEE ON
COMMUNITY AFFAIRS
Friday, 24 October 2008**

Members: Senator Moore (*Chair*), Senator Siewert (*Deputy Chair*), and Senators Adams, Bilyk, Boyce, Carol Brown, Furner and Humphries

Participating members: Senators Abetz, Arbib, Barnett, Bernardi, Birmingham, Mark Bishop, Boswell, Brandis, Bob Brown, Bushby, Cameron, Cash, Colbeck, Jacinta Collins, Coonan, Cormann, Crossin, Eggleston, Ellison, Farrell, Feeney, Fielding, Fieravanti-Wells, Fifield, Fisher, Forshaw, Hanson-Young, Heffernan, Hurley, Hutchins, Johnston, Joyce, Kroger, Ludlam, Macdonald, Marshall, Mason, McEwen, McGauran, McLucas, Milne, Minchin, Nash, O'Brien, Parry, Payne, Polley, Pratt, Ronaldson, Ryan, Scullion, Stephens, Sterle, Troeth, Trood, Williams, Wortley and Xenophon

Senators in attendance: Senators Adams, Bilyk, Boyce, Brandis, Eggleston, Furner, Humphries, Joyce, Mason, Moore, Payne and Scullion

Committee met at 9.04 am

CROSS PORTFOLIO: INDIGENOUS AFFAIRS

In Attendance

Senator Ludwig, Minister for Human Services

Department of Families, Housing, Community Services and Indigenous Affairs

Executive

Dr Jeff Harmer, Secretary

Ms Glenys Beauchamp, Deputy Secretary

Mr Bernie Yates, Deputy Secretary

Ms Robyn McKay, Acting Deputy Secretary

Ms Peta Winzar, Acting Deputy Secretary

Mr Bruce Hunter, Acting Deputy Secretary, Chief Financial Officer and Chief Operating Officer

Group Managers

Ms Amanda Cattermole, Group Manager, Indigenous Remote Services Delivery

Ms Cate McKenzie, Group Manager, Women, Children and Parenting Support

Mr Barry Sandison, Group Manager, Families

Mr Steve Jennaway, Acting Group Manager, Business and Financial Services

Mr Tony Kwan, Chief Information Officer, Group Manager, Information Management and Technology

Mr Phil Brown, Acting Group Manager, Legal and Compliance

Ms Kerrie Tim, Group Manager, Indigenous Leadership and Engagement

Ms Donna Moody, Group Manager, Program Performance

Ms Lynne Curran, Group Manager, Office of Indigenous Program Coordination

Mr Robert Knapp, Group Manager, Corporate Support

COMMUNITY AFFAIRS

Cross Outcomes

Dr Kim Vella, Acting Branch Manager, Budget Development
Dr Loucas Nicolaou, Branch Manager, Audit and Fraud
Ms Melissa Clode, Section Manager, Budget Strategy and Annual Report, Budget Development
Mr Kurt Munro, Financial Accounting Branch
Mr Scott Dilley, Branch Manager, Financial Management and Governance
Mr Gary Michajlow, Remote Housing Section Manager, Property Environment and Security
Ms Susan Black, Ministerial, Parliamentary and Secretariat Support
Mrs Lynette Maclean, Branch Manager, People Branch

Outcome 1—Greater Self-Reliance and Economic, Social and Community Engagement for Indigenous Australians**1.1 Whole-of-government coordination of policy development and service delivery for Indigenous Australians**

Mr Matthew James, Branch Manager, Performance and Evaluation
Mr Tim Davies, Acting Branch Manager, Indigenous Programs Investigations
Mr David Fintan, Acting Branch Manager, Commercial and Indigenous Law
Ms Annette Gath, Branch Manager, Indigenous Investment and Northern Territory Bilateral
Mr Barry Johnson, Acting State Manager, Northern Territory State Office
Ms Joy McLaughlin, Branch Manager, Northern Territory Emergency Response Review
Ms Alison Smith, Branch Manager, Intergovernmental and Policy
Mr Bruce Smith, Branch Manager, Intergovernmental and Policy
Major General Dave Chalmers, Northern Territory Emergency Response Operations Centre

1.2 Services for Indigenous Australians

Ms Megan Lees, Branch Manager, Indigenous Housing
Mr Robert Ryan, Branch Manager, Indigenous Housing Delivery
Ms Jeanette Hill-Burgess, Section Manager, Indigenous Housing Delivery
Mr Ian Boyson, Section Manager, Indigenous Housing Delivery
Mr Greg Roche, Branch Manager, Portfolio Governance
Ms Caroline Edwards, Branch Manager, Land Reform
Ms Helen Board, Branch Manager, Community Development Employment Projects
Mr Bruce O'Meagher, Acting Branch Manager, Indigenous Economic Development and CDEP Policy
Mr Geoffrey Richardson, Branch Manager, Indigenous Representative Body
Ms Karen Pickering, Acting Branch Manager, Indigenous Leadership
Ms Amanda Doherty, Acting Branch Manager, Reconciliation and Repatriation
Mr Gavin Matthews, Acting Branch Manager, Welfare Payments Reform
Ms Fiona Smart, Branch Manager, Family Safety
Ms Carol Ey, Acting Branch Manager, Research and Analysis

1.3 Registration, regulation and capacity building of Indigenous corporations**Office of the Registrar of Indigenous Corporations**

Mr Anthony Beven, Registrar of Indigenous Corporations

Outcome 3—Families and Children Have Choices and Opportunities**3.1 Support for families**

Mr Ty Emerson, Branch Manager, Family Programs and Governance
Ms Fiona Smart, Branch Manager, Family Safety
Ms Robyn Fleming, Branch Manager, Family Relationship Services
Mr Mark Warburton, Branch Manager, Family Policy Development
Mr Gavin Matthews, Acting Branch Manager, Welfare Payments Reform
Ms Allyson Essex, Branch Manager, Children and Parenting Support

FaHCSIA Portfolio Agencies**Aboriginal Hostels Limited**

Mr Keith Clarke, General Manager
Mr Russell Lane, Assistant General Manager, Operations
Dr Kamlesh Sharma, Assistant General Manager/Company Secretary

Central Land Council

Mr Lindsay Bookie, Chairman
Mr David Ross, Director

Department of Health and Ageing**Outcome 7—Hearing Services****Medical Benefits Division**

Mr Tony Kingdon, Medical Benefits Division
Ms Jenny Williams, Acting National Manager, Office of Hearing Services

Outcome 8—Indigenous Health**Office for Aboriginal and Torres Strait Islander Health**

Ms Lesley Podesta, First Assistant Secretary
Dr Geetha Isaac-Toua, Acting Senior Medical Adviser
Ms Joy Savage, Assistant Secretary, Remote Health Services Development Branch
Mr Mark Thomann, Assistant Secretary, Budget and Planning Branch
Mr David de Carvalho, Assistant Secretary, Policy and Analysis Branch
Mr Garry Fisk, Acting Assistant Secretary, Performance Management Branch
Ms Rachel Balmanno, Assistant Secretary, Family Health and Wellbeing Branch

Department of Education, Employment and Workplace Relations

Graham Carters, Deputy Secretary

Outcome 2—School Education**Indigenous education**

Susan Smith, Acting Group Manager, National Initiatives Group
Loire Hunter, Branch Manager, Indigenous Education Programs Taskforce, National Initiatives Group
Frank van der Heide, Director, Monitoring and Reporting, Indigenous Education Program Taskforce, National Initiatives Group

ABSTUDY, Youth Allowance

Marsha Milliken, Group Manager, Income Support and Stakeholder Group

Outcome 7—Labour Market Assistance Relating to Indigenous Employment

Jo Caldwell, Group Manager, General Employment Services Group

Outcome 8—Workforce Participation Relating to Indigenous Employment

Bob Harvey, Group Manager, Indigenous Group

Possible Witness: Julie Polson, Assistant Secretary, Strategic Support Branch

Possible Witness: Jo Wood, Assistant Secretary, Innovation and Partnerships Branch

Possible Witness: Mary-Anne Sakkara, Assistant Secretary, Indigenous Policy Branch

Department of the Prime Minister and Cabinet**Social policy****Output Group 2**

Ms Serena Wilson, First Assistant Secretary, Social Policy Division

Mr Shane Hoffman, Assistant Secretary, Indigenous Policy Branch

Department of Human Services**Core Department—Outcome 1, Output 1**

Mr Jeff Popple, Acting Deputy Secretary, Delivery Policy and Compliance

Ms Jenny Thomson, Acting First Assistant Secretary, Families and Income Support

Ms Marie Johnson, First Assistant Secretary, Chief Technology Architect

Centrelink—Outcome 1, Output 1.1

Mr Grant Tidswell, Acting Deputy Chief Executive Officer, Customer Service, Centrelink

Mr Trevor Burgess, Chief Financial Officer, Centrelink

Ms Vicki Beath, Acting General Manager, Centrelink

Mr Peter Searston, Acting General Manager, Centrelink

Mr Graham Maloney, National Manager, Centrelink

Mr Eija Seittenranta, General Manager, Centrelink

CHAIR (Senator Moore)—Good morning. I have the world's longest opening statement which I need to read into the record, so bear with me while I go through it. I declare open the Senate Standing Committee on Community Affairs hearing on cross portfolio Indigenous issues. This hearing has arisen from senators being confronted with the difficulty and frustration of not knowing in which portfolio questions covering a wide range of Indigenous issues should best be asked. This became particularly evident in recent estimates hearings when attempting to question a range of matters relating to the Northern Territory emergency response and Closing the Gap initiatives earlier this year. Senators have noted that the government's initiatives addressing Indigenous disadvantage are part of an integrated whole-of-government strategy.

On 26 August 2008, the Senate endorsed a recommendation of our committee to provide for future estimates to include a separate time to conduct an estimates hearing on Indigenous matters that would include portfolios with budget expenditure or responsibility for Indigenous issues. Today our committee is considering budget estimates on Indigenous issues that relate to the portfolios of Education, Employment and Workplace Relations; Families, Housing, Community Services and Indigenous Affairs; Health and Ageing; Human Services; and Prime Minister and Cabinet. The committee has before it a list of the cross portfolio outcomes, output groups and agencies relating to matters which senators have indicated they wish to raise at this hearing. In accordance with the standing orders relating to supplementary hearings, today's proceedings will be confined to matters within the relevant outcomes. However, if necessary, questions may be asked across portfolios. Dr Harmer, you would be aware that we would be asking where questions fit, as we always do.

Dr Harmer—Yes.

CHAIR—Thank you very much. The committee appreciates the attendance of all officers from the commencement of the hearing to accommodate this process. We do appreciate the effort that you have all made and that we have called you back on a Friday. We acknowledge the effort you have made to come and be with us. I ask officers please to remain until the adjournment unless the committee advises that they may leave. We will try to do that as quickly as possible when we finish with your portfolio areas.

Senators are reminded that written questions on notice in respect of the supplementary hearings must be lodged with the secretariat by the conclusion of the hearings; that is, close of business today, Friday 24 October. Under standing order No. 26, the committee must take all evidence in public session. This includes answers to questions on notice. Officers and senators are well versed in privilege protections and immunities in the scope of questioning for estimates. If you need reminding, the secretariat has a copy of the usual rules and I do not propose to read them—you will be pleased to know. Officers are reminded that when called to answer a question for the first time, they should state their full name and the capacity in which they appear and speak clearly and into the microphones to assist Hansard to record proceedings. Mobile phones should be switched off or to silent.

I welcome Senator the Hon. Joseph Ludwig, Minister for Human Services and minister representing ministers for the other portfolios appearing before the committee, and officers of the portfolio departments. Minister, do you wish to make an opening statement?

Senator Ludwig—No, thank you. We should go to questions as early as we can.

CHAIR—We can. I confirm that we are not intending to drag this on today. People do have travel requirements, so it will not go into the evening.

Families, Housing, Community Services and indigenous Affairs Portfolio

CHAIR—The committee will now commence with issues relating to FaHCSIA. If the questions appear to relate to another area, we may call officers forward to clarify and get things heard in that way. Welcome, Dr Harmer and Mr Yates. Do either of you have an opening statement at this stage?

Dr Harmer—No, Madam Chair.

CHAIR—We will go to questions.

Senator SIEWERT—I would like to ask some expenditure questions if that is okay. I presume you have seen the research paper from the Parliamentary Library that looks at Indigenous-specific expenditure. The paper is entitled *Commonwealth Indigenous-specific expenditure 1968-2008* and it was written by Dr John Gardiner-Garden.

Dr Harmer—We would need to have a look at that if you are going to ask questions about it.

Senator SIEWERT—It is a paper produced by the Parliamentary Library. It is not one that I had done specifically; it is a general one.

Dr Harmer—I have not seen it.

Senator Ludwig—Senator, if you are going to refer to it, it is the usual practice for a witness to have that available to them so that they can respond to a particular question.

Senator SIEWERT—I assumed that you might have seen it given that it has been out since the end of September.

Senator Ludwig—You can always give us notice about these things so that we can have a copy. I am sure that the department has seen it, and some of the departmental officials have probably perused it, read it and distributed it. But we are now in a different circumstance where you are going to ask questions in relation to specific matters. It is the usual courtesy for that to be provided to the witnesses so that they can be responsive to it.

CHAIR—Senator Siewert, do you have any other questions on another area? We will get this copied and get it to the witnesses.

Senator SIEWERT—Yes. I will come back to that. Is this the appropriate place to ask about expenditure on the Northern Territory intervention?

Dr Harmer—Yes, it is.

Senator SIEWERT—Can you tell me where we are up to in terms of expenditure on the intervention? What was spent in the financial year 2007-08 and on the specific areas?

Dr Harmer—I will ask Ms Moody to answer that. She will probably need to spend a while making sure she has the right place. But we should be able to give you that information.

Senator SIEWERT—Okay.

Ms Moody—These figures relate to Northern Territory emergency response—NTER—specific funding. It was \$467 million. That is the post-audit figure, so it might be slightly different from what we reported last time.

Senator SIEWERT—I am presuming it would be because we had estimates at the beginning of June rather than the end of June. The money that was budgeted for the intervention was more than that—it was about \$587 million, or something like that.

Ms Moody—Yes, Senator, it was \$587 million.

Senator SIEWERT—That was off the top of my head, so there you go.

Dr Harmer—Well done.

Senator SIEWERT—Has that money rolled over to further work in the Northern Territory?

Ms Moody—No, Senator. The money that was provided in 2007-08 was on a no-win, no-loss basis. Any unspent money was, in effect, returned to the budget. But then fresh appropriation was received for the current financial year through the Commonwealth budget process.

Senator SIEWERT—I will go there in a minute, but I would prefer to get the breakdown of the different program areas first. What was the final expenditure in each of the program areas?

Ms Moody—Employment and welfare reform, \$165 million—I am rounding them to the nearest million just in case it does not add up to the last million at the end; promoting law and

order, \$69 million; enhancing education, \$21 million; supporting families, \$28 million; improving child and family health, \$54 million; housing and land reform, \$76 million; and coordination, \$54 million.

Senator SIEWERT—Can we break down a few of these figures as well? I refer first to employment and welfare reform. How much of the \$165 million was spent on the implementation and administration of the welfare reform?

Ms Moody—FaHCSIA spent \$6.6 million and Centrelink spent \$50.8 million.

Senator SIEWERT—And the rest was for employment?

Ms Moody—The rest was for the other employment-related measures and was spent by a combination of Centrelink in regard to those other measures, the Department of Employment and Workplace Relations and Human Services, and some money was spent with Indigenous Business Australia.

Senator SIEWERT—When you talk about the employment services provided by Centrelink, what services were delivered?

Ms Moody—The \$50.8 million that I mentioned before covers the policy functions that FaHCSIA is related to—that is, the income management-type activities.

Senator SIEWERT—No, but thank you for that. I was going back to the other money expended under employment services. You said it went to Human Services, Centrelink and the Department of Employment and Workplace Relations. Is that correct?

Ms Moody—Yes.

Senator SIEWERT—Rather than going through a whole list of figures now, can you provide on notice what that expenditure was broken down into for those agencies?

Ms Moody—Yes.

Senator SIEWERT—That would be appreciated, thank you. Can you break down the housing and land reform? How much was spent on housing and how much was spent on land reform?

Ms Moody—I think we have had a conversation about this before. It did not include Indigenous housing because there are separate processes and separate money around that.

Senator SIEWERT—I am aware of that.

Ms Moody—Most of it was involved in staff housing. A large chunk of it was staff housing, but I do not have the split here. I will take that question on notice and get you a split.

Senator SIEWERT—As I understand it, land reform is where all the different survey work has been done.

Ms Moody—There was a chunk spent on that. There were some legal expenses in there as well. I will get you a breakdown of that.

Senator SIEWERT—That would be appreciated, thank you. Could you now tell me how much is in the budget for this financial year?

Ms Moody—Specifically for the NTER measures, there was \$460.4 million. That is the whole commonwealth appropriation.

Senator SIEWERT—For the intervention?

Ms Moody—Yes.

Senator SIEWERT—Does that include the new trial for the school requirements, or is that on top?

Ms Moody—I do not believe that that is in there. I think only the existing income management for the Northern Territory is included. I would need to confirm that with my colleagues.

Senator SIEWERT—If you could, and tell me how much that is. I am sure you were listening and are aware that we were focusing on the Kimberley and Cannington yesterday because it was non Northern Territory specific.

Ms Moody—If it involves Kimberley and Cannington, it definitely would not be in these numbers.

Senator SIEWERT—I know that. I am talking about the specifics.

Dr Harmer—We will confirm whether that is in the figure that Ms Moody has given you, Senator.

Senator SIEWERT—Thank you. I now refer to the bit over \$100 million that was not spent in 2007-08. Was that figure always budgeted for or has it been boosted by additional resources, given that the \$100 million was not spent last year?

Ms Moody—This is the figure that agencies estimated they required to continue the existing measures.

Senator SIEWERT—The issue there, of course, is that there was \$100 million that was not spent in 2007-08. How are we making up for that?

Dr Harmer—It is not quite like that. Because it was extraordinarily difficult, almost impossible, to predict at the outset in June last year just how much we would need to undertake the various elements of the intervention, it was agreed between the spending departments and the department of finance that it would provide an allocation and that we would account for it. It was fine if we spent up to that amount of \$587 million. If we did not spend it, we would return it to the budget, recognising that it was virtually impossible to give accurate estimates of how much it was going to cost at the beginning. That allocation was, in a sense, a contingency or an estimate of what we thought it would cost. In the end, it cost us \$460 million rather than \$587 million, and that money was returned. There is a separate appropriation for 2008-09 provided in the budget.

Senator SIEWERT—Thank you. How much did the Northern Territory Emergency Response Review cost and how much did it cost to produce *Northern Territory Emergency Response—One Year On*?

Dr Harmer—We will give you that information when Ms Curran is settled. Do you want the cost of the independent review?

Senator SIEWERT—Yes, please.

Dr Harmer—And the cost of the production of—

Senator SIEWERT—The cost of the *Northern Territory Emergency Response—One Year On* booklet.

Dr Harmer—Okay. If you bear with us, we will almost certainly have that information.

Senator SIEWERT—Thank you.

Ms Curran—The total cost for the review at the moment is \$2.7 million, including our 2007-08 costs, our year-to-date costs and what we anticipate in terms of invoices that are yet to be paid. That would be the total, all-up cost.

Senator SIEWERT—Thank you.

Ms Curran—I do not have the figure for the *Northern Territory Emergency Response—One Year On* publication.

Dr Harmer—We will take that on notice. We should be able to get that.

Senator SIEWERT—Is this the appropriate place to ask who made the decision to print that document and how widely it was circulated? How many did you print?

Dr Harmer—We can probably take on notice how many, unless Ms Curran knows.

Ms Curran—No, I do not know off the top of my head how many were printed. We can certainly get that information and give it to you later today.

Senator SIEWERT—Okay. If you could tell me how many were printed and where it was circulated, that would be appreciated.

Ms Curran—Yes.

Senator SIEWERT—Thank you. Is this the appropriate place to ask about the review? We are going to be doing this all day.

Dr Harmer—We will take it now; it is fine.

CHAIR—Dr Harmer, for the information of the other senators, does that response relate to all questions about the review?

Dr Harmer—Now is as good a time as any.

CHAIR—Okay, thank you.

Senator SIEWERT—Has the review now been completed? Has the work of the review task force now been finalised?

Dr Harmer—Yes.

Senator SIEWERT—Did the task review team submit any draft reports?

Dr Harmer—They certainly would have gone through a drafting process. I am not aware that they submitted any.

Senator SIEWERT—Did the department or the minister see any of the drafts or talk to any of the review team members about any drafts?

Dr Harmer—Not that I am aware of. I should clarify that. We supported the review team as we normally do in these sorts of big exercises. The department had a team of people supporting the review group. I do not know how many drafts of what versions of the document were produced. But they would undoubtedly have gone through drafting of pieces of the report, if not the whole report, before finalising it.

Senator SIEWERT—So the department was unaware of what recommendations the review team would be making?

Dr Harmer—I was certainly unaware of it. I do not know whether any of my people would have been aware. But when the report was finalised, the recommendations were in it, and they are the review team's recommendations.

Senator SIEWERT—What process was undertaken to get the extension from 30 September to 13 October?

Mr Yates—As I understand it, the chair wrote to the minister seeking a short extension and the minister granted it.

Senator SIEWERT—At any stage was the nature of the report discussed with the minister prior to its release?

Mr Yates—Not to my knowledge. Discussed by whom, Senator?

Senator SIEWERT—Discussed by the review team and the minister.

Mr Yates—I am not aware of that.

Dr Harmer—We are not aware; we would not know that. We would have to be careful. We do not know whether or not they discussed it with her.

Senator SIEWERT—Okay, fair enough. What about with the department?

Dr Harmer—They certainly did not discuss the review report with me or, I suspect, Mr Yates. However, when you say 'the department', we had a range of officials supporting the work of the review group. Some of the people in the secretariat supporting the review group would have been aware of drafts and versions et cetera.

Senator SIEWERT—You have in fact pre-empted my next question. Who provided the secretarial support?

Dr Harmer—We did.

Senator SIEWERT—How many officers and from which area did they come?

Dr Harmer—We would probably be able to give you that information. If we cannot, we will take the question on notice.

Mr Yates—There were secretariat support personnel and a number of contracted experts that the review board itself commissioned.

Senator SIEWERT—And I presume that comes into the \$2.7 million.

Dr Harmer—Yes, it does.

Mr Yates—That is correct.

Senator SIEWERT—Can you provide a breakdown of the expenditure of the \$2.7 million?

Dr Harmer—I suspect it will be easier if we take that question on notice.

Senator SIEWERT—That is fine.

Dr Harmer—It should not be a difficulty giving you a breakdown of the \$2.7 million.

Senator SIEWERT—That would be appreciated; thank you. How soon after the minister received the report was it released to the public?

Dr Harmer—I am operating from memory—virtually straightaway.

Mr Yates—I think it was the day after.

Senator SIEWERT—So the minister received it on the 12th. I think it was released on the 13th.

Dr Harmer—Almost certainly.

Mr Yates—In which case, if she received it on the 13th then I think it was released on the same day.

Senator SIEWERT—I refer to the report and the minister's announcement yesterday. What process has been undertaken to advise the minister since the release of the report and what involvement has the department had in reviewing the report and providing advice to the minister?

Dr Harmer—I can certainly confirm that we have provided advice to the minister between the receipt of the report and the government's decision announced yesterday.

Senator SIEWERT—You have.

Dr Harmer—Absolutely.

Senator SIEWERT—On each of the recommendations?

Dr Harmer—I am not sure that it was on each of the recommendations, but we provided advice. I do not want to go into that. I am not required to, and never do, go into what sort of advice on what issue we provide.

Senator SIEWERT—I appreciate that, but there is no harm in me pushing my luck.

Dr Harmer—No.

Senator SIEWERT—How long ago did you provide that advice?

Dr Harmer—We would have provided advice between 13 October, when the report was made available to us, as well as to the minister, and the announcement the minister made yesterday about the government's response.

Senator SIEWERT—Okay. But the officials dealing with this issue had not seen this report prior to its being released on the 13th.

Dr Harmer—I certainly had not seen it, and I do not know whether any of my senior people—

Mr Yates—No.

Dr Harmer—As I said, when you say ‘the department’, the people who were supporting the production of the review team’s report—our secretariat people—would certainly have been involved and they would have seen lots of versions, but I did not.

Senator SIEWERT—Okay. I am not casting any aspersions with this question, but could you explain this: when a government department supports an independent review of this nature, are secretariat personnel prohibited from talking about what they are doing?

Dr Harmer—The people whom we would normally assign to such an important exercise are very professional public servants. They understand confidentiality and the role they are playing. They also well understand that the review report will be written by the three review team members: Peter Yu, Marcia Ella Duncan and Bill Gray, who signed off on the report. So it is their report and they know that very well.

Senator SIEWERT—How often did the expert panel meet?

Ms Curran—I have those details.

Dr Harmer—We should be able to give you that. We will provide that information during the discussion as Ms Curran finds it.

CHAIR—Are there any other general questions about the review before we move on to other matters?

Senator ADAMS—Good morning, Dr Harmer. I refer to the Northern Territory Emergency Response Review Board’s report, which was released on Monday, 13 October, and the speculation that the minister’s office or the department ordered or suggested that the board rewrite its draft report to make the review less negative. How could a draft report fall into the hands of people at the *Australian*? I refer to the article that was published on Wednesday, 15 October entitled, ‘Rewrite takes the sting out of the Northern Territory report’. As you have explained to the committee, the secretariat are very aware of the sensitivities to do with draft reports and that they cannot be published or any contents spoken about until they have gone to the minister and the minister has made an announcement about them. Can you tell the committee how this draft report could have been leaked?

Dr Harmer—I have no idea, Senator.

Senator ADAMS—Does anyone else within your department know?

Dr Harmer—I very much doubt it. In fact, even yesterday I was asked in relation to the pension review about speculation in one of the newspapers regarding advice I had given. It is a great mystery to me and to public servants how those things happen. It certainly did not come from me, and I would be very confident that it did not come from anyone in FaHCSIA.

Senator ADAMS—Are you doing an internal inquiry into this? Obviously it was the draft of this report that was reported now that we have read the actual report.

Dr Harmer—No, we are not. If I tied up my compliance resources in investigating everything that was said by journalists about the contents of early drafts, we would be doing virtually nothing else.

Senator ADAMS—I hope this has not set a precedent. I am very concerned about this. This committee’s reports are kept confidential until the final report is tabled in the Senate. If

something like this has happened, I think you should be looking a little further to see why it happened and who was responsible.

Dr Harmer—Senator, if I thought for a minute that it had come from FaHCSIA, I would be looking at it very carefully, but I do not think it did.

Senator HUMPHRIES—Is it true that the report was rewritten, as the article suggests?

Dr Harmer—I have no idea. I would be very surprised if the final report was exactly what was written in the first instance. As you and all other senators would know, producing a very important report for government often requires a first draft and comments. I do not know how the review panel operated. It is possible that it produced versions of the report and then circulated them or discussed them with the panel of 10 or so people and then made some modifications according to the panel's advice. It is quite likely that they went through a number of iterations.

Senator HUMPHRIES—That process is perfectly acceptable. It is the question of whether the minister or the minister's office asked for the report to be rewritten that I am concerned about. You are not aware of any requests—

Dr Harmer—Absolutely not.

Senator HUMPHRIES—You are not aware, or there was no request?

Dr Harmer—I am not aware and I would be very surprised if it were the case. The minister has very deliberately kept aside from this. It is an independent report, and it is very important to her that it is an independent report.

Senator HUMPHRIES—Are you able to enlighten us, Minister, as to whether you are aware of any drafts being provided to the minister before the final report was published?

Senator Ludwig—I am not aware, no.

Senator HUMPHRIES—Okay. Thank you.

Senator ADAMS—Dr Harmer, can you tell me—

Dr Harmer—I would like to add to that. Mr Yates has just provided me with something that Mr Peter Yu, the chair of the review group, released following that article in the *Australian*. He said:

The board has strongly guarded its independence throughout the process of drafting its report. The methodology of the review has been transparent, with the primary emphasis on direct and face-to-face consultation with Indigenous communities and organisations across the Northern Territory. The report that has been published is the report of the independent review board.

Senator ADAMS—I have read those comments before; thank you. In respect of the report being rewritten, was there a cost to re-establish the review board to bring members back to look at the draft report?

Dr Harmer—I would expect—and we would have expected and allowed for in our costing—that the review board would not have completed its task until it submitted its final report to government. We did not specify with the review board how many drafts it could go through, whether it could have a draft, whether it could have drafts of chapters or anything

else. The government required the review board to produce a final report, and until a final report was provided we would have paid the costs.

Senator ADAMS—What was the cost of the overall report?

Dr Harmer—Of the report itself? We have already taken on notice that we will provide a breakdown of the \$2.7 million that the whole review cost, which included the cost of the individual reviewers, the panel, the consultations that were undertaken, the additional advice and expertise that the board contracted during the report process and a range of elements. We will provide a breakdown of that \$2.7 million on notice.

Senator ADAMS—Thank you.

Senator FURNER—We spoke about \$69 million spent on promoting law and order. How many police have been injected into the NTER area as a result of that amount being allocated?

Dr Harmer—Again, Mr Yates may know, but we may need to bring some other people to the table.

CHAIR—Senator Furner, we have moved into details of the report now. I am not sure that that is where we want to be at this stage.

Senator BOYCE—We have more general questions.

CHAIR—We might come back to that.

Dr Harmer—To help Senator Furner, from memory there is something like an additional 53 police, but we will confirm that. I know that when the intervention started, the Northern Territory police had a presence in 18 of the 73 communities and now it has presence in 36 of the 73 communities.

CHAIR—Now that we have the first part of that answer, is there anything else you want to ask in that area? It seems silly to double up.

Senator BOYCE—I will bring it up later. I would rather keep going.

CHAIR—We will not do that. We will pretend we did not hear that.

Senator ADAMS—Dr Harmer, can you provide your most recent figures on the total number of FaHCSIA staff employed to work on the Northern Territory emergency response measures?

Dr Harmer—I think we can probably do that. I am not sure we can do it here because, as you would be aware, we have government business managers in most of the 73 communities. They would be FaHCSIA staff. We have an operations centre established in Darwin with a number of FaHCSIA staff. Of course, running the policy end of it down here we have a number of staff in various groups in Canberra involved in the Northern Territory emergency response, most of whom are part-time rather than full-time. It will be a little tricky to get it, but we will do our best.

Senator ADAMS—I would like that question on notice. How has this number changed since the beginning of the year? Has there been an increase, has it stayed the same or has it declined?

CHAIR—For the financial year?

Senator ADAMS—Yes, for the financial year.

Dr Harmer—In 2008-09?

Senator ADAMS—Yes.

Dr Harmer—We will try to get that information for you.

Senator ADAMS—Thank you. Are there any particular projects within FaHCSIA's Northern Territory emergency response commitment that have experienced budget cuts, been altered or had their staff levels scaled back?

Dr Harmer—Not that I am aware of. I should clarify something: you called it FaHCSIA's Northern Territory intervention, but it is a whole-of-government intervention.

Senator ADAMS—All right.

Dr Harmer—We have led it but, as you would be aware, it has involved a range of other departments and agencies.

Senator ADAMS—Thank you.

Ms Curran—Senator Siewert, you asked earlier about the meeting dates of the expert group.

Senator SIEWERT—Yes.

Ms Curran—They are 27 June, 24 August and 18 September.

Senator SIEWERT—Thank you.

CHAIR—Moving to the specifics of the report—

Senator SIEWERT—I have now tabled the library paper.

Dr Harmer—Is that the report you referred to from the library?

Senator SIEWERT—Yes. As long as we set aside a time later on to come back to that, I am happy to look at it later. Is that a better idea?

Dr Harmer—We will do our best to answer questions now if you have them. I have not seen the report but some of my people have. We will do our best. It is not a report produced by us, so it is not something we would necessarily know all the answers to, but we will do our best.

Senator SIEWERT—That is fair enough. I will probably keep it fairly general anyway. My reading of it, and certainly other people's, is that the bottom line message is that there has been no real growth in Indigenous expenditure since the early 1990s, despite all the supposed increases in spending et cetera. Their analysis of it is that there has not been any growth. That is quite an important issue, given that there is supposed to be a significant injection of funds into Indigenous expenditure. It raises some significant issues for me. I would be delighted if you can tell me that it is not true.

Dr Harmer—I suspect it is going to be quite difficult for us to do that, particularly if it is a whole-of-government question—that is, the Northern Territory government, state governments and local governments.

Senator SIEWERT—It is Commonwealth.

Dr Harmer—That will perhaps be a little easier, but it would take us some time to make that assessment. We would need to get information from various departments et cetera. When was the starting point?

Senator SIEWERT—The early 1990s.

Dr Harmer—That is quite a big task.

CHAIR—We are looking at FaHCSIA after the morning tea break. I am aiming to have FaHCSIA completed by 11.30 am, and that will conclude after the morning tea break. If we go back to those questions after the morning tea break someone can at least have a look at what you would be prepared to talk about.

Dr Harmer—Given the broad nature of the question that Senator Siewert has asked, I think it is going to be very unlikely that by 11.30 am we will be able to answer it definitively, but we could take it on notice. Again, an exercise as big as that means going back to the 1990s for a range of Commonwealth departments across a range of specific programs as well as mainstream programs and trying to estimate, for example in the health and education area, what component of a mainstream program is allocated to Indigenous Australians. That is a very difficult task.

Senator SIEWERT—The point is that we are now supposed to have across government a much better approach to Indigenous expenditure, which is why we have the Office of Indigenous Policy Coordination. To tell you the truth, I am a bit surprised that that report has not hit your radar. It is quite significant, as I said, given that we are supposed to be increasing expenditure in this area very significantly.

Mr Yates—Previous examinations of the issue of the real movements in Australian government Indigenous expenditure since, say, the mid-1990s have indicated that it has moved quite dramatically upwards—as I recall, in the order of more than 40 per cent. Of course, there would have been a further significant injection as a result of the Northern Territory emergency response. But of course there might be multiple ways in which you want to measure this, whether it is per head or as a share of GDP—there are a host of different possibilities. We will have to look at the specific measure you are interested in us advising on the accuracy of.

Senator SIEWERT—It would be good if you were to take the question on notice. When you talk about the significant injection of funding of Indigenous issues in the Northern Territory, a lot of that is about welfare reform, which does not hit the ground for Indigenous expenditure, coordination, staff housing and land reforms. That is not necessarily seen as direct Indigenous expenditure, even though it is counted against Indigenous expenditure. All those measures are counted against Indigenous expenditure, aren't they?

Ms Curran—One of the challenges in this area is that if we focus only on Indigenous expenditure we actually miss where a lot of the main game is in other areas. If you are looking at only remote Australia, there is a whole set of issues. But if you are trying capture what is happening in urban and regional centres, the universal services are also supposed to cater for Indigenous Australians. I think it would be useful for us if you could put your questions in writing and we will respond to each of them. It is quite a complicated picture to unpick in a few concise sentences.

Senator SIEWERT—I take your point. I still have a couple of broader expenditure questions before we go to the specifics. I do not want you to provide me with more information than you have provided in the past. Have the figures we talked about at the last estimates hearings regarding expenditure for this financial year changed? I will not get you to list them all again. Have they changed from the last time you gave them to me?

Dr Harmer—Do you have a question number? It will be easier for my people to answer that question if we have the number. Have we answered it as a question on notice?

Senator SIEWERT—Last time I asked for the expenditure against each of the programs. I am pretty certain—

CHAIR—You did.

Senator SIEWERT—Have they changed at all?

Mr Yates—Do you mean the historical—

Senator SIEWERT—Maybe you could just give it to me again.

Mr Yates—I am not sure what you mean by ‘changed’.

Senator SIEWERT—On notice, could you give me the proposed expenditure as of now against each of the program items?

Dr Harmer—For FaHCSIA?

Senator SIEWERT—Can you provide on notice the proposed expenditure against each of the program items: welfare reform—

Dr Harmer—For 2007 or 2008-09?

Senator SIEWERT—For 2008-09.

Dr Harmer—Sure.

Senator SIEWERT—You have just given me the final figures for last year. I am after the figures for this year.

Mr Yates—The breakdown for 2008-09?

Senator SIEWERT—Yes.

Mr Yates—No problem.

Dr Harmer—We should be able to give you that.

Senator SIEWERT—That would be appreciated. Thank you.

CHAIR—It is just for clarification. Those programs are administered by a range of different departments. Is it your responsibility to pull together the overall budget reports and so on? Is that your department’s responsibility in its overseeing role?

Dr Harmer—Yes. We keep track of the expenditure and allocations.

CHAIR—So each of the departments provides their expenditure and tracking to your department?

Dr Harmer—Yes.

CHAIR—And then you keep that together in the central figures?

Dr Harmer—Yes.

CHAIR—So it is perfectly reasonable for Senator Siewert to get that information from you?

Dr Harmer—Yes.

Senator SIEWERT—How much do you envisage that the new Basics Card will save in terms of administration?

Dr Harmer—I am not sure that I can estimate that. It is believed to be a much more efficient way of administering the income quarantining. I do not know whether my Centrelink colleagues have a question about how much it would save. Do you want me to bring them up or will we take that question on notice?

Senator SIEWERT—If it is difficult for you to get—

Dr Harmer—I think it will be quite difficult to answer that specific question because it is still in development. In a sense, how much it will save will depend on where it is deployed and over what population. I do not think those decisions are clear yet.

Senator SIEWERT—I took it from our conversation in the estimates hearing yesterday that some of those decisions had been finalised. Perhaps I have misread—

Dr Harmer—Some have, but not all.

Senator SIEWERT—So it is not being rolled out throughout the NT?

Mr Yates—Yes, it is being used.

Dr Harmer—It is being used in the NT.

Senator SIEWERT—So is it now replacing—

Dr Harmer—The gift cards.

Senator SIEWERT—It is replacing those totally?

Dr Harmer—Yes, as far as I am aware.

Senator SIEWERT—And it is already up and running, is it not, in a number of—

Mr Yates—Yes.

Senator SIEWERT—But not in all places?

Dr Harmer—It still may be used for stored, valued or gift cards.

Senator SIEWERT—Is that at the discretion of the person or if the facilities are not available?

Dr Harmer—It would depend on the circumstances. We are probably getting into technical issues around the use. We will have a go.

Mr Matthews—I would like to clarify the questions. There was a question about how far the Basics Card will be rolled out throughout the Northern Territory. It is intended that the Basics Card will be rolled out to all income managed customers in the Northern Territory.

Senator SIEWERT—What is the timeline for that?

Mr Matthews—The current expectations are that we will, hopefully, be reaching that point around January. As at the middle of October, about 3,800 cards had been issued. I think the latest statistics are probably over 4,000 now. Centrelink would probably have more detail on the current figures. We are in the process of rolling it out.

Senator SIEWERT—Okay. Is a customer awareness program being conducted when you are rolling them out?

Mr Matthews—Yes.

Dr Harmer—Individuals are interviewed by Centrelink. There is quite an intensive process.

Senator SIEWERT—We heard the announcement yesterday about income quarantining continuing. How long is it proposed that compulsory income quarantining will continue?

Dr Harmer—I think the minister said in her statement yesterday that it will continue until we revise the legislation. She anticipates putting that legislation before the House in the spring sitting next year.

Senator SIEWERT—Is that in its existing form?

Dr Harmer—Yes.

Senator SIEWERT—Is that correct?

Mr Yates—Yes.

Dr Harmer—Yes.

Senator SIEWERT—I am trying not to put in any editorial comments. It will continue but be made consistent with the Racial Discrimination Act?

Dr Harmer—All we can do is to read out to you what you will have read already. We have nothing to add in that regard to what the minister said in her initial response yesterday.

Senator SIEWERT—I may have misunderstood, but my understanding is that it is to continue past spring next year but be made consistent with the Racial Discrimination Act. But compulsory income quarantining will continue.

Mr Sandison—Again, in line with the minister's statement, it will be a redesigned, compulsory income management system that we will look to continue after the next 12 months—that is, after the extension of 12 months that the minister announced. But it will be a redesigned system and it will continue.

Senator SIEWERT—Beyond next spring?

Mr Sandison—Correct.

Senator SIEWERT—For 12 months?

Mr Sandison—No statement was made on the timing of that extension.

Senator SIEWERT—That is what I understood. So there is no time restraint on how long we will have compulsory income quarantining in the Northern Territory?

Dr Harmer—I will read out what the minister said yesterday. We cannot add to this at this stage. The minister said:

The existing comprehensive compulsory income management measures are yielding vital benefits to Indigenous communities and many Indigenous people want them to continue.

The Government will immediately start to design a compulsory income management policy which does not require the suspension of the RDA.

Senator SIEWERT—Mr Sandison, are you working on the basis that you are redesigning it to continue?

Mr Sandison—Correct. It will be a decision for the minister as to how long it will go and what the other parameters will be. But, yes, we will be providing advice to the minister.

Senator SIEWERT—What is the evidence base that the minister is talking about that it has been successful? Can you provide us with that evidence? It is contrary to the review.

Dr Harmer—There is a range of information in relation to the significant increase in expenditure that is occurring in the stores with fresh food and vegetables et cetera. The minister has travelled quite a bit to the Northern Territory and she has spoken at length with a large number of people who live in the communities. She referred in her press commentary yesterday to a meeting she had with a very large number of Indigenous women in Wadeye—which I think is the largest Indigenous town in the Northern Territory—about the very strong, virtually unanimous view of the women that it ought to be continued. There is a range of elements in the evidence.

Senator SIEWERT—I would appreciate getting that, because I understand the review travelled extensively and met with people as well and came up with a different conclusion. Let us talk about stores. Have you done further surveys of the stores besides the one you have already done?

Mr Sandison—I suggest that income management is part of the broader Northern Territory emergency response, and you are treating it in isolation in terms of evidence of what is going on. It is but one of the elements of the intervention. It is probably better looked at it in the context of the broader issues, which includes the stores. It might be more helpful to look at the broader body of information that is available.

Senator SIEWERT—Is it possible to get FaHCSIA's submission to the review?

Ms Curran—That is up on our website. I do not know whether you have had the opportunity to look at the NTER monitoring report, which is also on our website. That provides comprehensive information against a range of indicators for all of the measures in the NTER review. There is a range of information here that we draw upon, including a survey of the GBMs in terms of perceptions about what is happening in the community. We talk about the stores in this context. A range of data has been provided by the Northern Territory government. It is the first time that we have had aggregate data on things such as hospitalisation rates, violence-related incidents and what is happening in each of the Operation Themis communities. If you have not seen that, I recommend that you look at it.

Senator SIEWERT—The point being that the review saw that information and still recommended that compulsory income quarantining stop.

Dr Harmer—We will take that as a statement, Senator.

Ms Curran—I could refer you to page 47, I think, where they talked about the need for a transition for income management. I just need to get the correct page reference for you. Could I find that and give that to you?

Senator SIEWERT—I would appreciate that. The point is that we are not transitioning; we are changing the system. However, we are transitioning to a compulsory system and they said transition to a voluntary system.

Dr Harmer—We really cannot add anything. The government has received the review report and it has now made a response. The minister has committed herself to responding more fully in the next couple of months. Really, it is not the role of public servants to defend the position or to debate with you the merits of what the government has decided. We are here, and we will do our best, to answer your questions. But we cannot debate the merits of the government's decision.

Senator SIEWERT—Fair enough. What specific survey work of the stores was done beyond the original survey?

Ms Curran—A supplementary survey has been done.

Senator SIEWERT—How was that done?

Ms Curran—With a survey instrument.

Senator SIEWERT—What was the survey instrument?

Ms Curran—I think I can provide you with some of the methodology. We looked at the overall impact of income management on the community, the changes in shopping habits, the frequency of purchases, understanding of income management, the overall impact of income management on the store, and the impact on store turnover and workload.

Senator SIEWERT—How was that survey done? Was it done of all the stores?

Ms Curran—This follow-up survey involved 41 stores.

Senator SIEWERT—And they had a survey form to fill out?

Ms Curran—It was a survey we went through with them.

Senator SIEWERT—So you phoned them and went through the survey?

Ms Curran—Yes. I believe there was a telephone interview with all of them. I would need to confirm that.

Senator SIEWERT—Can you provide us with the list of questions asked?

Ms Curran—I think we could do that.

Senator SIEWERT—That would be appreciated, thank you. When was that done?

Ms Curran—I think it was done in May 2008.

Senator SIEWERT—Thank you.

CHAIR—Are there any further questions on the review?

Senator ADAMS—I want to go through the statistics.

CHAIR—I want to finish questions on the review by 10.15 am if I can.

Senator HUMPHRIES—I want to ask a couple of questions about the review. The review suggests that there have been difficulties in enforcing the changes made to the narrowcasting of pornography into these communities. Can you explain exactly what those difficulties are?

Dr Harmer—We will do our best.

Ms Edwards—Senator, I think your question is to do with the status of implementation of the narrowcasting restrictions.

Senator HUMPHRIES—Yes.

Ms Edwards—The existing pornography restrictions in the original legislation relating to the Northern Territory emergency response, which prohibits X-rated and unrated material, are in place and have been in place since the commencement of that legislation. The narrowcasting restrictions, which are contained in a long-winded bill—

Senator HUMPHRIES—We reviewed that bill in this committee.

Ms Edwards—are still being debated in the Senate. Those provisions are not yet enacted, so there has been no progress to implement them because they are not yet law.

Senator HUMPHRIES—Okay. There is also reference in the report to this being an audit of publicly funded computers in the territory—264 organisations have publicly funded computers. It is also indicated that the audit has been slowed down because the software was incompatible, presumably with the computers that were being tested. Can you explain how that came about?

Ms Edwards—The audit is being done in accordance with that original legislation. But, for the details of how the program is being managed in the Northern Territory, I would have to defer to one of my colleagues.

Dr Harmer—We will get you that information on notice. I understand that you want to know how it happened that the software employed to conduct the audit was incompatible with the computers?

Senator HUMPHRIES—Yes. I would also like to know the status of that audit.

Dr Harmer—Whether we are remedying it?

Senator HUMPHRIES—Not just how you are remedying the problem with the software, but whether any of those 264 organisations have had their computers tested at this point. If so, what has it shown about the presence of pornography or the use of pornography on those computers?

Dr Harmer—We will take that question on notice.

Senator HUMPHRIES—I would also like to ask about crime statistics. The report contains information about the spread of greater policing throughout Indigenous communities. There is a suggestion that crime figures have spiked as a police presence has been established in a number of communities. That is understandable. Obviously we need to be able to tease out in the medium to long term to what extent crime is tracking, notwithstanding the greater

reporting rate because there are police in these communities. What is being done to identify those sorts of trends?

Dr Harmer—The tracking of crime reporting et cetera would be a matter for the Northern Territory government. As you say, when you have an increased possibility of something happening as a result of your bringing something to the attention of the police, almost inevitably the rate of reporting goes up, which has happened in the Northern Territory. Frankly, as you implied, that is quite a good thing. The most important thing now is to ensure that we have a measure of whether we are making a difference with the presence of police. We are working with the Northern Territory government on that sort of information. My colleagues might have some more data.

Ms Curran—In our monitoring report that I referred to earlier we have a number of measures that will track that over time. I will ask my colleague Mr James to run you through some of those matters.

Mr James—One of the things we mention in the monitoring report—and this comes out of the Northern Territory Police data—is that they have actually separated the data out for the places that have the extra 18 police stations. We tried in the monitoring report to separate out that effect. That is one of the ways in which you can try to see through that sort of effect. In addition, you would also want to look at a few years of data to see how the trends go. The data can be a little bit noisy. That is one of the key ways—looking at the places where there are the additional police officers and the marginal impact that it has had on the increased reporting rate.

Senator HUMPHRIES—Is that evaluation being done by FaHCSIA as well as, presumably, by the Northern Territory Police?

Mr James—The Northern Territory Police made a confidential submission to the Northern Territory Emergency Response review. However, we have been liaising with the Northern Territory government and we have been getting data at a community level which is aggregated across the NTER areas and which allows us to make those calculations. We got material from the Northern Territory government to put together the monitoring report that my colleague mentioned earlier, which is on our website. We cleared that back through them.

Ms Curran—The intention is that this will be an ongoing thing, that we will have regular monitoring of the impact on the ground.

Senator HUMPHRIES—Okay. However, I want to confirm that the additional police have been welcomed in those communities on the whole

Ms Curran—Absolutely.

Dr Harmer—There is no doubt about that, Senator. The review team commented on that. Certainly, the minister and officials who have been going around the communities have found that the presence of the police is a very highly valued element of the intervention.

CHAIR—Is this the right officer for Senator Furner's question about policing?

Dr Harmer—Yes.

Senator FURNER—I guess it is along similar lines that Senator Humphries was exploring in relation to the results of and increases in policing in the communities and what sort of opinions were coming back from community leaders about curbing crime and conduct in those areas. What statistics do you have on satisfaction about what has been achieved?

Dr Harmer—As the officer mentioned, we are working with the Northern Territory government to get statistics and figures from each community. The review report itself focused some attention on this and noted that the presence of the policing was valued by the communities and welcomed. From our perspective, we see it as fundamental. It is very difficult to achieve some of the other objectives we have in terms of making a difference to disadvantage if you do not have basic law and order. It is very early days yet. We need to get a lot more statistics and to look at figures over a longer period of time, but it seems that having the police presence and law and order is quite fundamental to making a difference in these towns.

Senator FURNER—I take it that most of those police are Indigenous?

Dr Harmer—I am not sure of the breakdown between Indigenous and non-Indigenous. I will let someone who knows more about it respond.

Ms Moody—I would like to correct a figure from before. There are actually 51 additional police officers, which at the moment is a combination of Australian Federal Police officers seconded to the Northern Territory Police and Northern Territory Police officers. It is true that when the state police were there as well they were under the command of the Northern Territory Police commissioner. To the general public they look just like Northern Territory Police officers. As well as the additional 51 police officers in communities, the AFP has also provided additional police officers for the child abuse task force and also has extra people in Darwin working on the overall operation.

In terms of the police being welcomed, Northern Territory Police has done a survey about community attitudes in some of the communities that have the new police stations. It found that people did welcome the police officers. I think that is reinforced by what the Secretary has said. Northern Territory Police did its own survey about some of the attitudes towards the police in those communities, recognising that in 18 cases they did not have permanent police officers before and now they do and understanding the value of that and people's attitudes towards it. I think there was another part to your question.

Senator FURNER—The Indigenous composition.

Ms Moody—I do not have numbers, but I think it would be fair to say that most of those police officers would not be Indigenous. However, the Northern Territory Police has been going through a process of actively trying to increase the number of Indigenous police officers it has in the force. I would need to take on notice the actual split to get numbers. But my feeling is that most of them would not be Indigenous.

Senator BOYCE—My question relates to access to police services, but perhaps I should save them for Major General Chalmers. When will he appear?

Dr Harmer—Major General Chalmers is within the FaHCSIA group. Any questions to him would come now.

Senator BOYCE—I am a terrible creature of habit; these questions were directed to you at the last estimates hearings, Major General Chalmers. I will try again. We talked about how long it would take for police to access people in remote communities. We worked on a half-hour time frame. Has there been any change in the police response time?

Major Gen. Chalmers—Are we talking about a change before the NTNER or after the NTNER? I can give you some figures. The NTNER directly delivered 18 additional presences in our 73 communities. This is a little complicated because it depends on how you count what was a presence in a community. For instance, Maranboy has a permanent police station, but there is no community of any sort there now. The Indigenous communities of Beswick and Barunga are within about 10 or 12 kilometres of Maranboy, which is centrally located for them. Before the NTNER, there were 17 permanent police presences in our communities. We now have an additional 18 at what the Northern Territory Police call Operation Themis stations or presences. Of the remaining communities, 34 have a police response time longer than 30 minutes.

Senator BOYCE—So there are 34 communities where it would take more time. What would be the longest response time?

Major Gen. Chalmers—Some of those are communities which are entirely cut off in the wet season. In other communities, the response could depend on whether access is by road. Island communities might require a barge, so it might depend on sea state. It can take hours or even days. Then again, it depends on the ability of the responding station to have officers available, given their existing workload and other priorities that they might be facing. There are 34, and then four that have a response time of less than half an hour. Of course, that is a significant change in the situation that existed 18 months ago.

CHAIR—We are going to break at 10.20 am to 10.30 am for morning tea. After that, Senator Brandis wants half an hour between 10.30 am and 11.00 am for the Central Land Council.

Senator BRANDIS—Perhaps I misled you. I have a few questions but not many for the department. Then I have about half an hour of questions for the Central Land Council. Both brackets of questions are directed to the same topic.

CHAIR—I was unaware of that. We will still have that between 10.30 am and 11.00 am. That is allocated time.

Senator ADAMS—Good morning, Major General Chalmers. Has the number of Aboriginal police aides increased since the emergency response began?

Major Gen. Chalmers—I would have to take that question on notice to give you the exact figures, but I will give my understanding of the situation. I understand there are about 75 Aboriginal community police officers, or ACPOs, in the police force at the moment. I understand that that figure has not changed since the intervention. In other words, the commissioner has not increased the number of ACPOs, nor is there a measure in the emergency response to increase that figure. The commissioner has focused very much, though, on increasing the number of mainstream police officers in the force who are Indigenous. They have a program called the TACPO, the Transitional Aboriginal Community Police Officer course, which they have run once and are about to run a second time. In that

course the police force took 12 ACPOs, gave them some months of training and then graduated them as mainstream police officers. In doing so, they more than doubled the number of Indigenous police officers in the Northern Territory Police.

Senator BOYCE—So there are fewer than 24 Indigenous police officers in the Northern Territory Police?

Major Gen. Chalmers—Indeed, the number is very small at the moment. The commissioner is aware that that is a significant concern for the Northern Territory Police given that 40 per cent of the Northern Territory's population is Indigenous. They are working hard to build that number.

Senator ADAMS—You are on the ground driving around and seeing the signs. I note that one of the recommendations in the review is that the current signage advising about alcohol and pornography restrictions should be modified. There is a reference to determining appropriate location, design and wording. Can you help me with that? I have taken a photo of that particular sign and thought it was very appropriate. Why are they not happy with it?

Major Gen. Chalmers—I cannot tell you what is in the review board's mind in making that recommendation, beyond what you can read in the report. The signage was rolled out and caused some concern amongst community members. People felt that the signs were too large and were shaming. We have responded to those concerns by, firstly, rewording them. People were particularly concerned about the word 'pornography' appearing on the signs. They were used to signs about alcohol and alcohol prohibition. But the signs also included text saying that pornography was prohibited. In response to those concerns and in consultation with communities, the signs have been reworded to talk about restricted material instead of using the word 'pornography'. People feel more comfortable with that. The size of the signs has also been altered. The large highway signs are still that size, but the signs at the entrances to communities have been made smaller. We are in the process of amending signs and rolling out the remainder of the signage program.

Senator ADAMS—So the signs they were referring to were not the large highway signs but rather the signs at the entrances to the communities?

Major Gen. Chalmers—It is the signs at the entrances to communities that caused concern. The issue is the target audience of the signs. The signs were to indicate to people such as contractors coming into communities that it was illegal for them to bring alcohol and pornography into communities and to make sure they were aware of that and, therefore, be the basis of a prosecution of them if they did so.

Senator ADAMS—We address the general figures at each hearing. Can you provide your most recent figures of the number of child health checks that have been carried out in Indigenous communities?

Major Gen. Chalmers—The total is now 12,097. That is the figure for the 12 months of the child health check program. That includes child health checks that were conducted by teams comprising a doctor and remote area nurses who were brought in as our child health check teams. It also includes checks done under Medicare 708 arrangements by clinics themselves. So—not doubling up on checks and making sure that we count only one check for each child—that figure came out at 12,097.

Senator ADAMS—How many second-round checks have been done?

Major Gen. Chalmers—I cannot provide that figure. I think at the moment the focus is on following up on the referrals that came out of the initial child health checks. But, certainly, part of the aim of the health program is to create a sustained increase in primary health care capacity in the Northern Territory. In other words, it is designed to ensure that clinics which, in the past, had a great deal of difficulty, due to the resources that were available to them to offer children health checks, now have and will have additional resources to ensure that those health checks can be offered to children on a regular basis.

Senator ADAMS—What proportion of communities have been visited to conduct these checks and how has that number increased compared to the end of last year? Have you done any extra communities since last year?

Major Gen. Chalmers—My understanding at this stage is that all communities have been visited for child health checks and that checks have been offered to all communities.

Senator ADAMS—That is all prescribed communities?

Major Gen. Chalmers—All 73 communities.

Senator ADAMS—That is very good.

Major Gen. Chalmers—Senator, I am advised that 107 second child health checks have been conducted so far.

Senator ADAMS—Good; thank you. I would like your general observation, from when you first began until now, as to how the communities are accepting the child health teams and how the children and families appear. Are they more healthy and settled? Are they quite accepting of people coming and helping them with their medical issues?

Major Gen. Chalmers—I will offer you some anecdotal evidence based on my visits to communities and my discussions with clinic nurses. Going back 12 or 16 months, when we commenced the child health check program, there was a great deal of concern in communities. The review board reports that concern. It related to a large degree, of course, to the history of governments dealing with Indigenous peoples and their concern that these child health check teams were going to come in and do some form of invasive compulsory check that would result in children being taken away from families. So there was a widespread fear in communities.

We had a very good team and very good doctor go into Hermannsburg. They worked closely with the people in the community and Gus Williams, the senior person in the Hermannsburg community, in fact wrote a letter to the newspapers saying that people in other communities should not be fearful and that these checks were focused on general health and designed to benefit children. As the teams rolled out across the 73 communities, the acceptance was very high. I think that the Department of Health and Ageing would advise you that the eventual take-up rate for a voluntary program compares very favourably with other types of voluntary health checks. Of course, we did not check all children—though my aim would be to ensure that we offer a health check and a health service to every Indigenous child—but we checked somewhere in the order of 10 times more children than have been offered a health check in the past.

Nurses in clinics have told me that they observe already a change in issues like failure to thrive, the weight of children and the general health of children. That is not necessarily as a result of the child health checks, but they did address some health issues, such as skin conditions, iron deficiency and so on, and offered children follow-up care in those areas. I think nurses are really pointing to the effect of income management and the greater expenditure of welfare moneys on food and the increased amount of food that is going to children. I have certainly been advised by nurses in clinics that they have seen a difference already.

Dr Harmer—We have at the table Ms Lesley Podesta from the Department of Health and Ageing, who may be able to add to that. I know, as Major General Chalmers indicated, that the Department of Health and Ageing has been monitoring the impact and results—

CHAIR—I do not want to intrude, but we said we were going to break at 10.20 am. Ms Podesta, we will come back after morning tea and I will give you some time frames for how we will fill the rest of the day. I am sorry for being rude, but we need to have the break now. We will come back at 10.30 am for questions of the Central Land Council.

Senator ADAMS—Just for the record, I have visited the Hermannsburg medical clinic and I am very impressed with the way that they are dealing with all their patients or clients and also the number of Indigenous employees they have. Some of the Indigenous health workers are very good. I think they have done a great job while facing great adversity.

CHAIR—Thank you, Senator. We will come back at 10.30 am.

Proceedings suspended from 10.23 am to 10.34 am

Dr Harmer—Senator Siewert asked a question about the publication of *Northern Territory emergency response—one year on*.

CHAIR—Yes.

Dr Harmer—I have the answer to that question. The total cost was \$28,886.25 and the print run was 2,600.

CHAIR—We are now dealing with questions on the Central Land Council.

Senator BRANDIS—Senator Scullion has an interest in these questions as well. Madam Chair, if it is all right with you, perhaps he can jump in at his discretion.

CHAIR—Absolutely.

Senator BRANDIS—I want to direct most of these questions to the Central Land Council, but I also want to ask some initial questions of the department. The issue I am concerned with is the relationship between the Central Land Council and Centrecorp Aboriginal Investment Corporation Pty Limited. Dr Harmer, are you aware of a number of reports by the journalist Ben Schneiders and Russell Skelton in the *Age* and the *Sydney Morning Herald* last year and this year concerning the assets and holdings of Centrecorp Aboriginal Investment Corporation Pty Ltd?

Dr Harmer—The department is aware of that.

Senator BRANDIS—To put it shortly, the allegation is that Centrecorp controls a very large portfolio of assets, which the journalists assert to be something of the order of

\$100 million, but there is little or no accountability in relation to them and the disbursement of revenue earned from those assets. Are you aware of that issue?

Dr Harmer—We are aware of that allegation.

Senator BRANDIS—Has the department done anything about it by way of inquiry of the Central Land Council or even turned its mind to the possibility of an audit?

Dr Harmer—I will let Mr Roche answer.

Mr Roche—Greg Roche, Branch Manager, Portfolio Governance, FaHCSIA. We understand that the Central Land Council, as a body incorporated under the Commonwealth Authorities and Companies Act, has to be audited by the Australian National Audit Office.

Senator BRANDIS—Yes.

Mr Roche—The Australian National Audit Office has ruled that Centrecorp is not a related entity to the Central Land Council. As our interest extends only to the operations of the Central Land Council, we have not seen fit to investigate.

Senator BRANDIS—I have looked at the most recent annual report of the Central Land Council, which annexes the ANAO report. I do not see anywhere in that report that there is a ruling to that effect. Would you be good enough to direct me to where I might find that ruling?

Mr Roche—The ruling was the subject of correspondence between the ANAO and the Central Land Council, which we and other agencies have seen.

Senator BRANDIS—When was that correspondence? Was it recently or some years ago?

Mr Roche—It would be best probably to refer that question to either the ANAO or the Central Land Council.

Senator BRANDIS—Okay. So, as far as the department is concerned, is it correct to say that the ANAO, having expressed that view—I do not know whether the ANAO makes rulings as such—that is the end of the matter as far as you are concerned?

Mr Roche—That is correct. Our interest is the expenditure of public moneys in relation to the Central Land Council.

Senator BRANDIS—Yes. But are you not also interested in the compliance of the Central Land Council with its statute, including compliance with its obligations under the Aboriginal Land Rights (Northern Territory) Act 1976?

Mr Roche—Yes, Senator.

Senator BRANDIS—Section 23 (1) (ea) of that act imposes limitations on the investment by Aboriginal land councils in commercial activity not directly related to Aboriginal land itself.

Mr Roche—That is correct.

Senator BRANDIS—Have you turned your mind to the question of whether or not, in view of what has been asserted in the media, the relationship between the Central Land Council and Centrecorp might, potentially at least, be in breach of the statute?

Mr Roche—On the basis of the ANAO decision, or ruling—whichever way you would like to typify it—we are satisfied that that section has not been breached.

Senator BRANDIS—Have you turned your mind to the question, Mr Roche?

Mr Roche—Yes, Senator, we have.

Senator BRANDIS—It is one thing to say that the ANAO has expressed the view that Centrecorp is not a related entity. That may or may not be right, but let us assume for the sake of this discussion that it is. Even if Centrecorp is not a related entity, but given that we know for a fact that the Central Land Council is the controlling shareholder in Centrecorp, it is quite a different question whether, as the controlling shareholder in Centrecorp, the Central Land Council is in breach of section 23 (1) (ea) of the act, is it not? It is a legal question.

Mr Roche—It is correct that it is a legal question. There has been a number of reviews or assessments of the relationship between the Central Land Council and Centrecorp over the years.

Senator BRANDIS—Can you pause there, Mr Roche? You might need to take this question on notice. Can you please give us a list of those reviews and favour us with copies of the reviews?

Mr Roche—I am happy to take that question on notice.

Senator BRANDIS—Please. I will move on to the Central Land Council, because obviously it is more directly germane to them than to the department. Are you telling me, Mr Roche, that because the ANAO has expressed the opinion that Centrecorp is not a related entity that the department therefore concluded that there was no issue to be investigated by it as to whether the Central Land Council may be in breach of its obligations under section 23 (1) (ea) of the act? That does not seem to me to follow.

Mr Roche—I can only say that there has been a number of reviews and investigations into the relationship between the Central Land Council and Centrecorp. We are very aware of this issue and have kept it under review.

Senator BRANDIS—By the way, when was the most recent review?

Mr Roche—Last year.

Senator BRANDIS—When last year? Let me be more precise, was it before 21 August last year?

Mr Roche—I would have to take that question on notice.

Senator BRANDIS—These allegations by credible journalists were first published in a series of newspaper reports beginning on 21 August last year and most recently in the *Age* on 23 May 2008. I would be concerned if the department had not been inspired to some activity following these five reports. Let me tell you when they were published: in the *Age* of 21 August, 2007, 22 August 2007 and 25 August 2007, and the *Sydney Morning Herald* of 1 March 2008 and the *Age* of 23 May 2008. Can you perhaps take this question on notice?

Dr Harmer—I am advised that we were involved in a review that was subsequent to 21 August last year.

Senator BRANDIS—Can we please have a copy of the document that was the outcome of that review?

Dr Harmer—We will take that on notice.

Senator BRANDIS—That will do for the department, I think. Mr Ross, you are the Director of the Central Land Council?

Mr Ross—That is correct.

Senator BRANDIS—You are David Michael Ross, are you not?

Mr Ross—I am one of them.

Senator BRANDIS—You are still one of the current directors of Centrecorp Aboriginal Investment Corporation Pty Limited?

Mr Ross—I am.

Senator BRANDIS—Centrecorp Aboriginal Investment Corporation Pty Limited, according to a recent company search, has five shares issued, three of which are owned by the Central Land Council—correct?

Mr Ross—That is correct.

Senator BRANDIS—Again, according to the company search, the registered office and principal place of business of Centrecorp Aboriginal Investment Corporation Pty Limited is 75 Hartley Street, Alice Springs. Is that correct?

Mr Ross—That is correct.

Senator BRANDIS—Is that also a property own or leased by the Central Land Council?

Mr Ross—It is.

Senator BRANDIS—It is it owned or leased?

Mr Ross—It is rented. It is in the process of being sold because we are building a new office for the Central Land Council. In order to pay for the new building, we have to sell the old building.

Senator BRANDIS—Do not worry about that. I am interested in where things stand at the minute. Does the Central Land Council currently own 75 Hartley Street?

Mr Ross—Yes.

Senator BRANDIS—And Centrecorp is one of your tenants, is it? Does it occupy any physical space or is it just a sign on the wall, as it were?

Mr Ross—It is a tenant.

Senator BRANDIS—I am sorry I do not have another copy, but perhaps you do. I have the 2006-07 annual report of the Central Land Council. Going to the balance sheet, as at 30 June 2007, under the heading 'Assets', the gross assets of the Central Land Council are \$14,785,655, of which one item, 'investments', is listed as \$4. If you go to note 6(b), which explains the treatment of the Central Land Council's investments, we learn that the figure of \$4 is arrived at by reference to the nominal value of four shares: one share in Imparja

Television Pty Limited, and three shares in Centrecorp Aboriginal Investment Corporation Pty Limited, those being the three shares of which we spoke earlier. The note to the account says:

... the profits of Centrecorp will be distributed according to the charitable trust deed for the benefit of Aboriginal people in the central Australian region, and as such the land council has no economic interest in Centrecorp and does not account for Centrecorp as a controlled entity.

Are you familiar with the treatment of Centrecorp in that way in your financial statements?

Mr Ross—Yes.

Senator BRANDIS—When I say ‘your’ in this context, I mean you wearing your Director of the Central Land Council hat.

Mr Ross—That is the position I am here in.

Senator BRANDIS—Sure. I am going to move between your position as Director of the Central Land Council and your position as a director of Centrecorp. Is it correct to say that Centrecorp is the trustee of a charitable trust and that that charitable trust operates under a trust deed?

Mr Ross—Yes, that is correct.

Senator BRANDIS—Is that trust deed publicly available?

Mr Ross—No, it is not.

Senator BRANDIS—Would you be prepared to make it publicly available?

Mr Ross—Centrecorp is in the process of dealing with those very issues.

Senator BRANDIS—Thank you, but that really does not tell me very much. When you say it is in the process of dealing with those very issues, I take it you mean issues of transparency and disclosure. What is Centrecorp doing?

Mr Ross—I was invited here as the Director of the Central Land Council and not as a representative of Centrecorp. It is a private company.

Senator BRANDIS—It is a charitable trust, though.

Dr Harmer—Mr Ross is able to answer questions from the committee in relation to his directorship of the Central Land Council, but I do not believe that the committee has jurisdiction over his position on—

Senator BRANDIS—Why do you not leave that to us, Dr Harmer? You heard the chairman read the statement of relevance. We have established that the Central Land Council owns 60 per cent of the shares in this company. It is a private company, but it is described in the books of Central Land Council—and Mr Ross has confirmed this in his answers to my questions—as a charitable trust which operates for the benefit of Aboriginal people. In fact, its principal place of business and registered address is the same as that of the Central Land Council. With respect, it would seem to me that it is artificial to the point of being suspicious to seek to withhold from the scrutiny of this committee the activities of a charitable trust controlled by the Central Land Council. It is an asset. Even if it is written down as only \$3 in the books, it is still an asset of the Central Land Council.

Dr Harmer—I was expressing the view that Mr Ross was invited here in his position as Director of the Central Land Council and would be expecting to be questioned on that relationship.

Senator BRANDIS—Yes.

Dr Harmer—I am not aware that he was advised—but I may be wrong—that he would also be questioned in relation to his position in the other organisation. That is where I am coming from. It would be a little different if Mr Ross were comfortable, but I take it from his position that he came expecting to be questioned in relation to—

Senator BRANDIS—With respect, I am not asking questions of the department now; I am asking questions of the Central Land Council.

CHAIR—Senator Brandis, Mr Ross will be able to answer questions in relation to his position as Director of the Central Land Council. How he chooses to answer those questions—

Senator BRANDIS—Absolutely.

CHAIR—is his decision. You can continue with your questions, Senator Brandis. Mr Ross, you have only to answer questions that you feel comfortable with and in your position as director of the land council.

Senator BRANDIS—Dr Harmer, none of these questions is directed to the department. If the minister wants to raise an objection, it is appropriate for him as the minister at the table to do so. That is a matter for the minister, but please do not interrupt.

CHAIR—Senator Brandis, Dr Harmer in his position will be able to contribute when he wishes to.

Senator BRANDIS—But I am not asking him any questions, you see.

CHAIR—Go ahead, Senator Brandis.

Dr Harmer—However, I am the secretary of the department and the Central Land Council is an agency within the department.

Senator BRANDIS—Let me ask my questions of Mr Ross.

Senator Ludwig—That is the point I was going to make. Dr Harmer can raise questions of the chair. He does not have to rely on me. If I want to intervene I can as well.

CHAIR—Certainly, Minister. Go ahead, Senator Brandis.

Senator BRANDIS—Mr Ross, as the Director of the Central Land Council, which is the owner of 60 per cent of the shares in Centrecorp, I want to ask you some questions about the Central Land Council's asset—that is, its controlling interest in Centrecorp. I will go back to where I was when I was interrupted. Mr Ross, you may wish to take this question on notice. Would the Central Land Council, as the controlling shareholder, be prepared to consider publishing or making available to the parliament the Centrecorp trust deed? Do you want to take that question on notice?

Mr Ross—Yes.

Senator BRANDIS—You said before that Centrecorp or the Central Land Council—I cannot remember which hat you were wearing, as it were—was considering these issues and I asked you what you meant by issues of transparency and disclosure. Can you explain more fully what you meant by that?

Mr Ross—Can I go back to a question that you asked of Mr Roche about the Audit Office? I have here a document from the Audit Office asking the question, ‘Is consolidation necessary?’ The answer is, ‘No, it isn’t necessary.’ That was signed off by the senior director of the Australian National Audit Office at the time.

Senator BRANDIS—Would you be good enough to table that letter, Mr Ross?

Mr Ross—Sure.

Senator BRANDIS—We will have a look at that. What are the steps that you mentioned before that you have under consideration in relation to these issues of transparency and disclosure?

Mr Ross—I think the questions really need to be addressed to Centrecorp itself.

Senator BRANDIS—I am asking you in your capacity as the Director of the Central Land Council, which controls Centrecorp.

Mr Ross—We do not control Centrecorp.

Senator BRANDIS—You do. You have three of the five shares.

Mr Ross—We do not have a controlling interest.

Senator BRANDIS—Yes, you do. You have three of the five shares and they are all ordinary shares of the same class.

Mr Ross—But there is no financial impediment on either side of the Central Land Council. We are not at risk one way or the other. There are three \$1 shareholdings and that is the end of it. There is no more involvement by the Central Land Council in the day-to-day activity of Centrecorp or of Imparja for that matter.

Senator BRANDIS—You are a director of Centrecorp, too. I think we established that. So the public body of which you are the director controls Centrecorp in the sense that it has a controlling interest in Centrecorp, and you are a director of Centrecorp. I point out to you that it is possible for one company or entity to have a controlling interest in another company or entity without, for the purposes of the Audit Office, them being related entities. They are two slightly different concepts. There is no issue that a company that has 60 per cent of the issued capital in another company has a controlling interest as long as the shares are all of the same class. Do not worry about that.

You might wish to take the following questions on notice. I do not think you will be in a position to answer them now. I am putting them to you and I ask you to consider them and provide answers to them or, if you want to object to answering the questions, to formulate any objections you have with care. Is it not the case that Centrecorp is the owner of units in the CAAMV unit trust that in turn holds a 50 per cent interest in the Peter Kittle Motor Co. along with a 50 per cent interest owned by another company, Yambah Pty Ltd, which is Mr Peter Kittle’s own company? Would you take that question on notice?

Mr Ross—I think the question should be directed to Centrecorp itself, not to the Central Land Council.

Senator BRANDIS—As I said, I am asking you in your capacity as the director of the entity that has a controlling interest in Centrecorp and whose asset is treated as a financial asset in the books of the Central Land Council. I also ask you to take this question on notice: is it true, as has been asserted by credible journalists in the newspaper reports to which I referred earlier, that the aggregate value of the holdings of Centrecorp is in excess of \$100 million?

Mr Ross, you have provided a letter to the committee from Mark Maloney, who is a Senior Director of the ANAO. It states: 'I have held discussions with my technical area, and as a result of our discussions last week it has been decided that as a result of no benefit being obtained there is no need for consolidation of entities in which you may have control. Your financial statements can now be finalised on this basis.' That is all the letter says. It seems clear that Mr Maloney shares the view that I just put to you, which I think is uncontroversial—that is, that Centrecorp is controlled by the Central Land Council.

I now go back to the questions I want you to take on notice. Is it also not the case that the Central Land Council, through its 60 per cent holding in Centrecorp, has a 50 per cent interest in LJ Hooker Alice Springs, that it owns the Yeperenye Shopping Centre, that it owns the Alice Springs plaza, that it has a 50 per cent interest in Big O Mitre 10 and that it has other real estate property holdings? Will you take that question on notice? You do not have to if you do not want to. If you are prepared to offer the answer now, that would be even better. But if you are not in a position to answer the question now please take it on notice.

Mr Ross—I would be happy to pass those questions on to Centrecorp.

Senator BRANDIS—It has been made very clear by the chair that I am directing these questions to you in your capacity as the director of the Central Land Council. We know, and this is uncontroversial, that the Central Land Council controls Centrecorp. It has 60 per cent of the issued capital in Centrecorp. To your knowledge, has Centrecorp ever made a distribution to the Central Land Council?

Mr Ross—To the Central Land Council?

Senator BRANDIS—Yes.

Mr Ross—To my knowledge, no.

Senator BRANDIS—I refer back to note 6(b) to your financial statements, which states:

The profits of Centrecorp will be distributed according to its charitable trust deed for the benefit of Aboriginal people in the Central Australian region ...

That is a note to your accounts. That is the explanation of your balance sheet, which is the justification for the treatment of your interest in Centrecorp at nominal value only. Has Centrecorp made any distributions according to its charitable trust deed for the benefit of Aboriginal people in the Central Australia region? If so, when, what were the amounts and to whom were the distributions made?

Mr Ross—I will take that question on notice.

Senator BRANDIS—Thank you. I will make this as plain as I can. If there had been no distributions, that note to your accounts would be misleading. You did not prepare these accounts, so I am not saying you misled anyone, but that note would be misleading because the justification offered in the accounts for treating these shares at nominal value rather than at asset-backing value is that these distributions have been made. The Central Land Council, as the controlling shareholder in Centrecorp, plainly has a fiduciary obligation, and a statutory obligation for that matter, under the Commonwealth Authorities and Companies Act to ensure the veracity of that note to the accounts. Do you understand?

CHAIR—You have only two minutes, Senator.

Senator BRANDIS—Thank you. Can you also tell me—and you might want to take this question on notice—whether any other transfer payments have been made either from the Central Land Council to Centrecorp or from Centrecorp to the Central Land Council in the way of administration fees, royalties, or payments of any other character? If so, what, how much and when?

Mr Ross—None to my knowledge, Senator.

Senator BRANDIS—Can you take that question on notice and check it? Finally, for completeness, is it the case that the capital that Centrecorp has used in order to acquire this large asset portfolio was seed funded from royalties paid by mining companies and other commercial entities with obligations to the central Australian Aboriginal people under the Aboriginal Land Rights (Northern Territory) Act or other relevant Commonwealth and Northern Territory statutes?

Senator Ludwig—Senator Brandis, for clarification purposes that seemed like a question that should be asked of Centrecorp. Was there a connection to the land council in the question that you asked? I am happy for your advice on this. It seemed to me to be a direct question which I thought we had dealt with earlier. I am happy to take that question on notice.

Senator BRANDIS—I think that is fair, Senator Ludwig. However, let me rejoin your observation. There is no dispute that the Central Land Council is the controlling entity of Centrecorp. I assert that one of the reasons I am entitled to ask the Central Land Council questions about the asset values and holdings of Centrecorp is that in the Central Land Council's own financial statements the justification given for treating the shares at nominal rather than real value is that distributions are made to Aboriginal people by Centrecorp under its trust deed. If that statement is false, there is a falsity in the accounts of the Central Land Council.

We have an extraordinary situation. A 60 per cent shareholding in a business, which is asserted by credible investigative journalists to hold in excess of \$100 million in assets and which would have a real value to the controlling shareholder of in excess of \$60 million, is written down in the books of the Central Land Council at only nominal value. The Central Land Council, which has to report to and give an account of itself to this committee, has to explain and justify the treatment of this asset in that way in note 6(b) of its own balance sheet.

Senator Ludwig—Thank you, Senator Brandis. I understood the question that you outlined earlier. It seemed to me that the formulation of your last question was related directly to Centrecorp in its capacity as Centrecorp rather than the earlier iterations of your questions

which tended to go to your assertion, although untested at this point. That is the only point I was making.

Senator BRANDIS—Thank you very much, Minister; that is helpful. I think I have run out of time, as indicated by the Chair.

CHAIR—You have, Senator Brandis.

Senator BRANDIS—I will leave it at that. Mr Ross, having regard to the link that I explained to you, will you take those questions on notice and provide answers to the committee?

Mr Ross—Madam Chair, not having been to one of these inquiries previously, I wish to ask a couple of questions. Do I get a copy of the transcript of what has been said?

CHAIR—Mr Ross, you will get a full copy of the transcript and you will also have a specific letter.

Mr Ross—When would you require the answers to these questions?

CHAIR—There is no time frame for that. Senator Brandis may indicate when he needs that in a letter he puts together and gives to the committee to send to you, but you do not have a time frame.

Senator BRANDIS—Has there not been a time limit for questions that are taken on notice?

CHAIR—It is 12 December.

Senator BRANDIS—Is it 12 December?

CHAIR—That is right. We have differing advice. Mr Ross, we will advise you whether there is a set time.

Mr Ross—You will advise us?

Senator BRANDIS—I am reasonably certain that I asked this question. However, just out of abundant caution and in case I did not, I would also like the trust deed of Centrecorp to be produced.

CHAIR—Yes, you asked that question in the beginning. Mr Ross, we will have a look at the *Hansard*, get the specific questions that Senator Brandis asked you on notice, put that together and forward it to you as well as a full copy of the *Hansard* transcript for your consideration.

Mr Ross—Thank you. It is very unusual for a land council to been called to this inquiry. To my knowledge it has not happened in the past 30 years. Generally, these sorts of questions or anything else to with a land council normally goes through the department.

CHAIR—Certainly, Mr Ross.

Senator BRANDIS—That might be so, Mr Ross, but it is pretty unusual that a \$60 million asset is written down—

CHAIR—Senator Brandis, the time for your section has expired.

Mr Ross—We do not know what is the value of the asset.

Senator BRANDIS—That is why I am asking you the questions.

CHAIR—Thank you very much. We will now return to FaHCSIA and we have some questions on child protection and housing.

Senator SIEWERT—I ask this question every time and I will ask it again: I am asking for an update because I know that things are moving. How many child protection workers are now employed through the intervention funding?

Dr Harmer—How many child protection workers are employed by the Northern Territory government?

Senator SIEWERT—How many additional child protection workers have been employed through the Northern Territory intervention funding?

Dr Harmer—I will get the right people at the table, Senator. As the officer comes to the table let me clarify that we do not employ any child protection officers but the Northern Territory does.

Senator SIEWERT—But you provide additional resources.

Ms Smart—Under the Northern Territory national emergency response we have funded the Northern Territory government to engage a mobile child protection team. We have funded 10 additional child protection workers and currently six are engaged.

Senator SIEWERT—Could you tell me in which communities they are? Has that total number of 10 workers ever been in place?

Ms Smart—The Northern Territory government has had recruitment issues. I think the most they got up to was eight at one point.

Senator SIEWERT—Is it because qualified staff are not available?

Ms Smart—That is typically the reason. Attracting qualified staff to the Northern Territory is an additional issue.

Senator SIEWERT—At the moment there are six?

Ms Smart—They have six.

Senator SIEWERT—Presumably they are trying to recruit the additional four?

Ms Smart—That is correct.

Senator SIEWERT—Is that outside the mobile team?

Ms Smart—That is the mobile team.

Senator SIEWERT—Are the additional staff supplied purely through the mobile team?

Ms Smart—That is correct.

Senator SIEWERT—No additional child protection workers are located in communities?

Ms Smart—The Commonwealth funded the mobile child protection team. The other arrangements relating to the engagement and operation of child protection workers are purely matters for the Northern Territory government.

Dr Harmer—We have augmented their resources for the intervention.

Senator SIEWERT—I understand that. At the moment no staff are available and they are not in place through the mobile teams. What is the specific budget for child protection workers as it stands now?

Ms Smart—The child protection workers form part of the overall family safety package. For 2008-09 it is \$9.5 million.

Senator SIEWERT—Is that the whole of the package?

Ms Smart—That is correct.

Senator SIEWERT—How much of that is for child protection workers?

Ms Smart—We are still negotiating that issue with the Northern Territory government. Referring to the operation of the safe houses, the mobile child protection workers are not the mobile child protection team. Aboriginal family and community workers form the full gamut of the package. We are still having those discussions with the Northern Territory to assess its financial contribution to that package.

Senator SIEWERT—Are all the safe houses now in place?

Ms Smart—Safe houses have been constructed in 13 of the 16 remote communities and they are still to be completed in three communities. On top of that there are the retrofits in Alice Springs and Darwin, which are not yet complete.

Senator SIEWERT—Is that in addition to the 16?

Ms Smart—That is correct.

Senator SIEWERT—So that is two additional safe houses?

Ms Smart—Yes.

Senator SIEWERT—There are safe houses in 16 communities plus those in Alice Springs and Darwin?

Ms Smart—Yes.

Senator SIEWERT—Are those all seainers?

Ms Smart—Those in Peppimenarti and Lajamanu are retrofits of existing buildings, as is the case in Alice Springs and Darwin. The remainder are seainers.

Senator SIEWERT—Are all the safe houses that are now in place appropriately staffed?

Ms Smart—Currently they are not operating. Work is still to be done while the construction is being completed. They have to do some work relating to air quality issues, so some remediation work is still under way for those safe houses.

Senator SIEWERT—How many are physically operating?

Ms Smart—None.

Senator SIEWERT—As I understand it some safe houses are operating for women and children and some are operating for men. At the moment what are the communities doing that have them in place but they are not operating?

Ms Smart—The safe houses are not operating. I do not have available to me the number of existing programs, for example, support, police and other programs, that operate on the ground in those communities.

Senator SIEWERT—Are the staff who will be operating those safe houses engaged and in the community?

Ms Smart—Those people are being engaged under the operating model of the Northern Territory government. I do not have available figures to show how many of those staff are currently engaged. I know that they have taken steps to recruit staff and a number of people have undertaken training, but I do not have the exact numbers available or the locations for those staff.

Senator SIEWERT—You do not have those figures available now but could you provide them on notice?

Ms Smart—We could seek that information.

Dr Harmer—We would need to get it from the Northern Territory government, and we will try to do that for you.

Senator SIEWERT—That would be appreciated, thank you. When do you anticipate those safe houses coming on line?

Ms Smart—The most recent advice I have had from the Northern Territory government, which is managing the construction and remediation work, is that it will not be before November. I do not know exactly when because clearly that government has contracted the supplier of the containers to do the remediation work. Once that remediation work has been done final testing will be done to ensure that it is okay.

Senator SIEWERT—Once we get into November, in particular at the Top End, we start running into the wet season.

Ms Smart—Yes.

Senator SIEWERT—Do you anticipate the ones in the north being even later than November?

Ms Smart—I am sorry, but I do not have an exact schedule from the Northern Territory government.

Senator SIEWERT—I refer, next, to children's services. Has any data been collected or have any programs been run to establish new playgroups and new creches? Ms Smart, I might ask you additional questions later.

Ms Essex—As I understand it you were asking about the extension of playgroups for indigenous families?

Senator SIEWERT—Yes.

Ms Essex—Could you repeat your question, Senator?

Senator SIEWERT—How many new creches and playgroups have been established?

Ms Essex—Seventeen facilitated playgroups are being implemented for indigenous families throughout 2008-09.

Senator SIEWERT—I would be happy for you to provide me with a list on notice. I would like the list, but I am happy for you to take that question on notice.

Ms Essex—We will provide that information to you on notice, Senator.

Dr Harmer—I think it would be better for us to take that question on notice.

Senator SIEWERT—Yes, that would be appreciated. Could you also tell me what amount of your budget has been spent specifically on staffing for those creches and playgroups?

Ms Essex—Yes, Senator. We will take that question on notice and provide you with those details.

Senator SIEWERT—That would be appreciated. In particular, what training program, if any, is in place for local community members to be engaged in staffing, playgroups and creches?

Ms Essex—That varies from site to site, Senator, but we will take that question on notice and provide you with that detail.

Senator SIEWERT—That would be appreciated. I am aware that the mums and bubs program is called something different now but I cannot remember what it is called. There are two programs in place. Ante-natal work is being done and there is also a mums and bubs program.

Dr Harmer—Senator, I think that is a Department of Health and Ageing program.

Senator SIEWERT—You are right. I think that I should ask FaHCSIA this next question, or I can ask it elsewhere. What links are there between the health and ageing programs and the playgroup and creche programs? Is an overall strategic approach being taken to link those programs?

Ms Essex—Senator, I wish to clarify one thing. The creche portion of the program is a Department of Education, Employment and Workplace Relations program. We are responsible for the playgroup program and, obviously, Health and Ageing is responsible for its programs. The agencies work closely together to ensure that there is integration in the rollout and delivery of those programs, that there are links on the ground between those programs and that there are linkages for families between those programs. The local arrangements depend on the location of those programs. We will take that question on notice and provide you with some further detail.

CHAIR—Senator Bilyk has a question on the same issue.

Dr Harmer—Senator, could I add to that question by referring to one of the key rationales behind the recruitment of the government business managers located in the town? They will remain but, over time, they will be a focal point or a coordination point to ensure that there are linkages at the local level. We are hopeful of having discussions not just with Commonwealth government departments but also with the Northern Territory government about using government business managers as a coordination point for their services, which would be a huge step forward in the coordination of activity locally.

Senator BILYK—What programs are available for parenting services? I understand that there are some programs in place.

Ms Essex—There are some indigenous parenting support services, Senator. I will just get you the details of them. Ten sites were identified for implementation in 2007-08 and a direct selection process was undertaken to engage suitable service providers. Eight of the 10 service providers who were approached to deliver the services submitted an application, and those eight recommended service providers are continuing. Not all of them are in the Northern Territory. In fact, none of them are in the Northern Territory, but the Northern Territory will be in the next round. That process is continuing.

Senator BILYK—What are we doing? As I understand it, the first step was stabilisation and the next step was development. In regard to children and parenting issues in general what sort of timeframe do we have for organising movement in those areas?

Dr Harmer—Senator, you are right in describing the stages. When announcing yesterday the government's initial response to the Northern Territory review report, the minister indicated that one of the key or overarching recommendations that the government accepts is the need to engage better with the community. We have a lot of specific measures in the Northern Territory, but now that the government has decided to continue the intervention we will need to bring to bear our mainstream programs more effectively through our government business managers. So we will be entering a phase where, first, we will be working with the community, and, second, we will be using our government business managers and bringing to bear our other programs in those communities.

Senator BILYK—Thank you. Earlier we were talking about children's health. Does that come under this outcome?

CHAIR—I imagine that children's health could well come under Health and Ageing, Senator.

Senator BILYK—That is Health and Ageing, yes. I will come back to that.

Senator SIEWERT—I wish to ask Ms Smart some additional questions about the safe houses, but before I do so I forgot to ask Ms Essex a question. What are the plans for rolling out 17 of the 73 prescribed communities? Is there a plan to roll out creches and playgroups in some of the other communities in 2008-09?

Ms Essex—Senator, there are plans to roll out additional playgroups over 2008-09 and into 2009-10. The detail of the exact locations for each of them has not yet been determined but we are going through a process to determine suitable locations.

Senator SIEWERT—How many do you anticipate rolling out?

Ms Essex—Across the country there will be 50, but at this stage I cannot advise you what will be the services in the Northern Territory.

Senator SIEWERT—Is that an addition of 50 playgroups?

Ms Essex—It is an extension of an additional 50 playgroups.

Senator SIEWERT—On top of what already exists?

Ms Essex—On top of what already exists, but it does include the initial 17.

Senator SIEWERT—It does?

Ms Essex—Yes.

Senator SIEWERT—So we are talking about the addition of 33?

Ms Essex—Yes.

Senator SIEWERT—Are we talking not just about the Northern Territory but also about communities outside the Northern Territory. Is that what you are saying?

Ms Essex—Yes, that is my understanding, Senator. It is an extension of playgroups for indigenous families, not just in the Northern Territory.

Senator SIEWERT—Thank you for that. Ms Smart, I am sorry to bounce between issues but I wish to go back to the safe houses. An additional 16 safe houses are planned. Is that the end of the construction of safe houses, or are you planning more for 2008-09?

Ms Smart—Last year and this year 16 were rolled out as part of the Northern Territory intervention. Any additional safe houses would be a decision for government.

Senator SIEWERT—Does that mean that there has been no budgetary allocation in this year's budget for additional safe houses?

Ms Smart—That is correct.

Senator SIEWERT—I forgot to ask you one question. It is all very well asking how many new safe houses are in place, but how many communities have safe houses?

Ms Smart—That is a difficult question to answer. Over the years both the Northern Territory government and the Commonwealth have funded a number of safe houses through a number of different processes. It is not a figure that I have; it is one that we can seek and put together, but we have some difficulty in identifying that.

CHAIR—Can we obtain that information on notice as it seems to be quite central?

Senator SIEWERT—You and I are well aware that one of the specific issues is safe houses operating in some places for quite a long period, but they always have to obtain grant money here or there to keep them going, which is the bane of their existence. My next question is: Do you have a commitment to the ongoing funding of safe houses?

Ms Smart—Funding has been appropriated for this financial year. Funding for further years would be a decision for government.

Senator SIEWERT—What funding has been allocated for the continued operation of safe houses this financial year?

Ms Smart—This year it is part of the \$9.5 million package for the Family Support Program.

Senator SIEWERT—Could you take on notice what proportion of activism—

Ms Smart—The proportion is under negotiation with the Northern Territory government. We have to finalise that negotiation because it is also making a contribution. Until we finalise that negotiation I am not able to give you an exact split.

Dr Harmer—We are in negotiations, Senator, and we want to maintain our position.

Senator SIEWERT—Thank you.

CHAIR—Can we move to housing, Dr Harmer?

Dr Harmer—Sure.

Senator SIEWERT—I have some other questions that I will put on notice.

CHAIR—We are moving to housing but Senator Scullion also has some general questions. As always, we are running out of time, Dr Harmer, but I want to go to housing for about 15 minutes.

Dr Harmer—Sure.

Senator SCULLION—Minister, I am not sure where this will go but you would be aware that all of the intervention area falls within my constituency. I have been travelling extensively in that area for some time and I commend the department for the evident changes throughout those prescribed areas. However, there is one exception, Minister. As I move around those areas I find that there is no alcohol, there does not appear to be any violence and, as a result, people's lives seem to be far better. Wherever I go and wherever I look I see the same mango trees, which are called casino trees, the same corner of a veranda with a blanket on it and 10 people sitting around it playing cards. I am not talking about matchsticks; sometimes thousands of dollars are in the pot.

As I move around, the issue of gambling—a fundamental part of the intervention—becomes evident. I see it everywhere I go. It appears as though no-one has made any efforts to curb that gambling. I understand that that occurred well before the intervention, but this convention also occurred well before it. Can you give me an assurance that police officers on the ground have not been instructed to ignore this unlawful activity? As General Chalmers is here he might be able to add something to that. I am greatly concerned about a fundamental part of the intervention, which clearly is to ensure that that activity is regulated in Australia. That has been done for good reasons. Much of that activity has to be regulated if it is to be of any benefit. That activity is completely unregulated in these communities and it appears to me that we have made no efforts whatsoever to curb it. I would like to hear from people on the ground why that might be the case.

Senator Ludwig—I appreciate your concern, Mr Scullion. Obviously that matter is led by Minister Macklin in the Indigenous portfolio. In that instance it might be worthwhile asking Mr Chalmers to provide information. I will also check with the minister to establish whether she can add anything further to that.

Major Gen. Chalmers—Senator, you are aware that this is a significant problem. From my perspective it would not be correct to say that no effort has been made. In fact, one of the effects of income management is to direct cash away not only from alcohol but also from gambling. Alison Anderson has told me that she has seen a significant decrease in the level of gambling in her electorate. Nonetheless, your observation is correct; gambling remains a difficult problem across communities.

I would not like to comment on whether or not the Northern Territory police have a direction that gambling is not to be addressed by them. I would not have thought that that was the case; it is just that it is a difficult issue to address. We need to be looking at gambling level symmetrics, at whether or not we are making a difference in reducing the incidence of

gambling, and at getting some empirical data on that issue. We will take that question on notice and attempt to do so.

Senator SCULLION—General Chalmers, the disposable income of many communities has been halved. I am quite sure empirical data will show that only half as much money is changing hands in the community. I am not a rocket scientist but I am able to work that out. It is embarrassing to see the gambling activities that are occurring in these communities. It is akin to someone setting up a casino wheel at the front of Parliament House and everybody pretending that it was not there. We all acknowledge that this activity is occurring but I am placing on notice that it is a matter of concern to everybody.

The Minister might be able to address my next question. I am assuming that the government has some plans to change its approach. I acknowledge that it is a difficult issue but it is simply because we have allowed it to take place. For some reason Aboriginal communities can gamble but in other places we cannot. Throughout history nobody has been able to work out why we have turned a blind eye to these things, and I acknowledge that that is part of the problem. Like every other aspect of the intervention we need to act in relation to gambling. I understand your concern about driving these issues underground and I know that these issues have been discussed. Do you plan to deal with this issue in any way other than from an income management perspective?

Dr Harmer—Senator, I will make a couple of comments about that. I refer, first, to your question about instructions to the police. As you would know, this is a matter for the Northern Territory government.

Senator SCULLION—We have Federal Police on the ground.

Dr Harmer—Indeed. Since coming to office Minister Macklin has rekindled the gambling ministers' conference and the Northern Territory government is part of that. I anticipate that the work, the research and the effort in that area, which also involves the Northern Territory government, will have an impact on what happens in these towns. As you have heard, Minister Macklin is very switched on to making a difference across the community and in working with the people. We agree—and I am sure Senator Macklin would also agree—that gambling is a major problem.

Senator Ludwig—Senator Scullion, I was going to add that I think this falls within Minister Macklin's portfolio, but I am happy to be corrected: there is a Productivity Commission review of problem gambling, which is a whole-of-government matter. This issue is not confined only to the Northern Territory; it stretches across the Northern Territory and into a number of different areas. I am sure that the Productivity Commission review of this area will also touch on those issues of concern in the Northern Territory that you have highlighted today.

Senator SCULLION—Thank you, Minister. I asked that question because I thought intervention was the way forward in dealing with compliance. Every other Australian would see this as a basic thing. You cannot gamble, you cannot gamble in public, and all those sorts of things. With card games I have seen up to and over \$10,000 in the pot. This is a fundamental problem in these communities. We need to start dealing with this issue. Rather than being offered a place in a card game, I want to see some action in this area. Mr

Chalmers, I put you on notice that I will want to hear some updates about this issue at the next set of estimates in February.

Senator PAYNE—I wish to ask some questions about the Strategic Indigenous Housing Infrastructure Program. As this is the first opportunity that I have had to pursue housing questions in the Indigenous area, I ask Dr Harmer to bear with me, which is what he and FaHCSIA in general are always kind enough to do. Am I in the right area?

Dr Harmer—Yes, you are.

Senator PAYNE—I understand that in September this year the minister and the Northern Territory minister announced the successful alliances, I think they are called, for the tender to deliver the program.

Dr Harmer—That is correct.

Senator PAYNE—Can the department indicate to the committee what the selection process was, what were the criteria for the selection process, and who was on the selection committee?

Mr Ryan—It has been an open process. Initially, there was an expression of interest which was open to all companies. That process concluded around the middle of this year and there was then a short list of five companies, or five consortiums, that were considered on a range of issues, including their ability to deliver housing and employment and engage with Indigenous communities. From that short list the Northern Territory government chose a panel of three consortiums. That announcement was made by the minister and the Northern Territory government and they will now proceed to deliver work under the Strategic Indigenous Housing and Infrastructure Program.

Senator PAYNE—What are the key criteria on which the decision was made?

Mr Ryan—The key criteria in general—I can give you the more specific detail on notice—are their ability to deliver housing works and other related infrastructure works; their ability to deliver employment and training outcomes for local Indigenous people; and their ability to engage with that. One of the things we are looking for is innovation in these companies so that as they are doing building they can learn better ways of building and improved methods that can bring down the price, and to continually engage with Indigenous communities in the process.

Senator PAYNE—How do you intend to measure that?

Mr Ryan—These consortiums are considered against a number of key result areas that are built into their contracts. They are assessed continually on that for each package. Under SIHIP there will be 12 packages of work which will involve a mix of major projects and a number of minor projects in smaller communities. For each of those packages both the Northern Territory and the Commonwealth governments will need to sign off on the key result areas and the benchmarks that are set for that. That will be assessed. Depending on their ability to deliver and depending on their performance against those key result areas, payments or penalties will be made.

Senator PAYNE—Without wasting time, I am confident that, if I ask for the agreements, you will tell me that they are commercial-in-confidence. Perhaps you could provide

information to the committee about the key result areas and, more specifically, about the benchmarks.

Mr Ryan—Yes, okay.

Senator PAYNE—Is that possible, Dr Harmer?

Dr Harmer—Yes.

Mr Ryan—I can take the detail of your question on notice but, generally, one of the key result areas involves the employment and training outcomes that they have to achieve. A target is set for each package and both government and the alliance consortium have to agree on what is an achievable target for the employment and training outcomes in that package. Once it is signed off, if they achieve that target there is no impact on costs, but if they fail to achieve that there is a penalty, and if they overachieve there is a bonus payment.

Senator PAYNE—Are the targets for the employment of only local people, or specifically local Indigenous people? What are the targets?

Mr Ryan—The targets are focused on local Indigenous people. It is possible that we might build in some general Indigenous targets, but the real priority here is local Indigenous employment.

Senator PAYNE—Have the alliances been required to indicate how many local Indigenous people they hope to employ and provide training to through the program in the process of winning the tender?

Mr Ryan—No. As part of their tender they have to indicate their ability to deliver Indigenous employment training outcomes, but the specific targets will be determined on a package-by-package basis and will take into account the capability of each community to reach particular employment outcomes. Where communities may have individuals with a high degree of training and an ability to enter the construction workforce, we set the targets higher. In other places we may have to lower the targets because there is not the same level of ability in those communities to engage in this work.

Senator PAYNE—What research or investigation has been undertaken by the department to ensure an adequate labour supply in the terms you have been discussing with me to meet the targets? It sounds to me as though the targets could be as low as one and as high as 101.

Mr Ryan—As part of the process, both the Northern Territory government and the Australian government will look at each community and do an audit of each community to establish its capability. That will inform what we believe to be a reasonable target for that area. That then has to be negotiated with the consortium. So both government and the consortium have to agree on what is a reasonable target. Clearly, the aim of government is to maximise the outcomes, but that has to be agreed with the consortium.

Senator PAYNE—As I understand it, the timeframe for the roll-out of this program is four years. How long do you expect to take in the development of the target process from here?

Mr Ryan—I think the timeframe is five years.

Senator PAYNE—Five years, I am sorry.

Mr Ryan—Sorry, what was your question?

Senator PAYNE—How long do you expect this part of the process to take—the development of targets and so on? I assume that that happens before a sod is turned, so to speak?

Mr Ryan—It does. However, to some degree we will have to transition the initial start because we are keen to get construction started.

Senator PAYNE—So construction might start without targets being established?

Mr Ryan—No. The targets will be established.

Senator PAYNE—So what do you mean by transition?

Mr Ryan—The targets will be established but not necessarily with the full process that we will use from this point on. Ideally, we would want to start that process 12 months out from construction. But for the first three packages we are working as quickly as we can to set up those targets.

Senator PAYNE—Mr Ryan, do you agree with my assessment? It sounds to me as though the targets could be as low as one or as high as 101, or more, depending on the area. I am not sure how consistent the approach will be.

Mr Ryan—The approach will be consistent to the capacity of the area. So, yes, it will vary, but probably not within that range.

Senator PAYNE—How can the committee obtain further information about the targets for each area? Is that something that you can make available to us?

Mr Ryan—The targets for each area are developed as part of developing that package.

Senator PAYNE—But can you make them available?

Mr Ryan—We can make them available once they are developed, yes.

Senator PAYNE—Sure. I do not expect you to make them available before they are developed.

Mr Ryan—There are some other areas which I can also talk about.

Senator PAYNE—Yes, I am sure that there, are but I have my eye on the clock. In the minister's joint statement with Mr Knight on 9 October there is also a reference to the negotiation of leases. What progress has been made in the negotiation of leases in the 16 communities?

Ms Edwards—I work in the same group as Mr Ryan and Ms Cattermole on housing, and land reform is our responsibility. Australian government officials and Northern Territory officials are working together to discuss with the Central Land Council and the Northern Land Council the required leases for the rollout of the SIHIP investment. The three packages, to which Mr Ryan has already referred to at Groote Island and in the Tennant Creek area have already had leases agreed to, or they will soon be entered into. We are working on the next lot of leases and priority communities have been selected. There are three in the central region—Yuendumu, Lajamanu and Hermannsburg—and we are working on all three to get housing leases there.

The Central Land Council has already held initial consultations with those communities and with Northern Territory officials, and the week after next officials from FaHCSIA will go out with them again to continue those discussions. In the north the initial communities that have been suggested by the Northern Land Council are Maningrida, Galiwinku and Waddar, which we think is a good selection as those are large communities with great housing needs. There have also been between one and two sets of initial discussions with the communities and those discussions are positive and on track. I note that other communities in the north—communities other than those initial three—were also open to talking if, for some reason or other, those communities should come on line more quickly.

Senator PAYNE—Thank you Ms Edwards. You referred earlier to Maningrida. There are concerns in the area about housing issues, which I think were reported on recently and which I wish to raise briefly. I also indicate that, given the time limitations, I have a number of questions that I will have to place on notice.

CHAIR—I would expect so, Senator.

Senator EGGLESTON—Madam Chair, could I ask some questions about the architecture?

CHAIR—Jump in, Senator Eggleston.

Senator EGGLESTON—Thank you. I would like to ask a question about the architecture of these proposed homes to establish whether they are more Indigenous sensitive, if you like. I remember visiting the Kalumburu community in the north of Western Australia where some new standard state housing commission homes were built. I remember going back two years later and finding that the Aborigines were living outside, cooking outside and using the toilets as trash cans because they preferred an open plan design. Are Indigenous requirements being taken into account in the design of the houses proposed to be built in the Northern Territory?

Mr Ryan—Yes, they are, Senator. All buildings must be compliant with the National Indigenous Housing Guide. Each of the consortiums will have to have the capacity to design houses and they will be required to consult with the Indigenous community and to put forward a design that is suitable for that community. A design library is also built into the SIHIP management structure which provides and shares information about what designs are appropriate for particular localities and climates. When government signs off before the project commences, design is one of the things at which it will look, before giving approval for construction of that project to commence.

Initially, once the lease has been signed, the government gives approval for that package to go to a design and a scope stage and the alliance company then comes back, at around 30 per cent of design, and that is then put up to the government for approval. It provides a budget, a scope of works, the employment targets, housing design types, and advice on what level of community consultation and engagement has occurred.

Senator EGGLESTON—Is it possible to access those designs on the net?

Mr Ryan—At the moment the designs have to be developed. However, there is a design library and we can provide information on that.

Senator EGGLESTON—I would be most grateful for that.

Senator PAYNE—I refer to the report on Maningrida. First, are you aware of the ABC report on concerns relating to housing and the state of the community in Maningrida?

Dr Harmer—I am not, but I see nodding at this end of the table, Senator.

Senator PAYNE—Mr Ryan, are you aware of the report?

Mr Ryan—Yes.

Senator PAYNE—Is there some confusion in the report between the activities of the SIHIP program and the community clean-up program?

Mr Ryan—There certainly is frustration in the community and there is a desire and an appetite to have housing commence as quickly as possible. To some degree, SIHIP is a new program and many communities probably do not fully understand what is involved. There may be some confusion also about the community clean-up program and the fact that it was a minor works program and not a program to address all of their substantial needs.

Senator PAYNE—I did not refer to confusion in the communities; I referred to confusion in the report. Has the clean-up program operated specifically in Maningrida?

Mr Ryan—Yes, it has.

Senator PAYNE—Can you give the committee some information about what it achieved in Maningrida?

Mr Ryan—Generally, the community clean-up program looked at all community housing and some designated community buildings, and it had a number of objectives. The first objective was to ensure that those buildings were safe, which was an obligation that the government had in those communities that had taken out a lease under the Northern Territory national emergency response. The second objective was to collect data on the houses and the buildings so that that data could be used to inform programs such as SIHIP and the territory government's repairs and maintenance program so there could be a better allocation and use of funds in the future. It also did some minor works to improve, as much as possible, the liveability of houses. Without giving the details of exactly what happened, that is the program that would have been rolled out at Maningrida.

Senator PAYNE—Obviously there are some ongoing concerns. What does the department do when faced with reports like this? Does it follow them up?

Mr Ryan—The report itself addressed the need for SIHIP to commence in Maningrida. We are negotiating a lease and we are trying to make that happen.

Senator PAYNE—I have some brief questions relating to the undertaking for the Anangu Pitjantjatjara Yankunytjatjara housing arrangements, the housing arrangements in Queensland, and the arrangements for Aboriginal Hostels Limited, but I am aware of the time problem. I seek your advice on that.

CHAIR—You will have to put those questions on notice, Senator.

Senator PAYNE—Dr Harmer, I will do that. I thank you and your officers.

CHAIR—Senator Boyce also has some questions that will have to be placed on notice. She wants to put at least one on the record.

Senator BOYCE—Is the department aware of six containers, each of which contains a kit that would transform into air-conditioned schoolroom accommodation suitable for three teachers? I have been informed that those six containers have been sitting on the wharf in Darwin since October 2006, and each of them is worth \$50,000. Is the department aware of these containers?

Mr Ryan—Are these the Eco-Villa kits?

Senator BOYCE—Yes.

Mr Ryan—Yes, we are aware of them. At present they are owned by IBA and we are negotiating with IBA to establish a worthwhile use of those components.

Senator BOYCE—From the questions that I put on notice I hope you will be able to advise why they have been sitting on a wharf for two years?

Mr Ryan—Yes.

Senator BOYCE—Thank you.

CHAIR—Dr Harmer, we have rapidly run out of time. I apologise to senators for having to cut short their questions. Senator Adams had a series of questions on permits and I have asked her to put them on notice. It is a really sensitive issue but I cannot see how we can deal with it now.

Senator ADAMS—Could I ask my question?

CHAIR—You can ask your question but witnesses will not have time to answer it.

Senator ADAMS—I refer to the government's plan to reinstate the permit system. Will the government be making provisions to allow communities like Hermannsburg and Papunya to be open towns? I have a number of questions relating to those issues.

Dr Harmer—Ms Edwards can give you a quick response.

Ms Edwards—I could quickly respond to that, Chair. Section 11 of the Aboriginal Land Rights (Northern Territory) Act already provides a mechanism whereby the administrator of the Northern Territory, on the request of a land council, can declare a town open.

Senator ADAMS—Thank you.

CHAIR—I thank officers from FaHCSIA, as always. We will be placing a number of questions on notice and we appreciate your cooperation. I now call officers from Human Services.

Dr Harmer—Senator, I have a response relating to safe houses. Earlier, Senator Siewert asked a question about the number of houses and where there had been training. I will hand that answer to the secretariat so that it can be provided to Senator Siewert. Ms Curran can quickly read an answer into *Hansard* relating to stores.

CHAIR—Ms Curran can do that as the Centrelink people come to the table.

Ms Curran—Senator Siewert, I will update you on the store survey. The first wave was conducted between February and May and we did 20 in that wave. The second wave was concluded in September and we did 21 in that wave—a total of 41 stores. We still have a

number to do, but the requirement is that they must have been licensed for at least 12 weeks before we do the survey.

Senator SIEWERT—Is the wave that has just been completed on the web? I have access only to the first wave.

Ms Curran—The second wave has not been put up on the web as yet.

Senator SIEWERT—Okay, thank you. All I could find is the first wave.

CHAIR—Thank you very much. We now move to the officers from human services. I advise officers that we will be breaking for lunch at 12.45 pm. I anticipate that that will conclude human services and senators will have many questions that will have to be placed on notice at that time.

Senator SIEWERT—Correct me if I am wrong, but I understand that there have been some changes to the structure of Centrelink and how it is dealing with the Northern Territory and with northern Australia. Is that correct?

Mr Tidswell—Yes, Senator. In recognition of the enormous amount of work involved in the NTNER we have created a new remote servicing and income management division led by Mr Peter Searston. That picks up the areas in which we operate in central north Queensland and in area north Australia, and it also takes in the Kimberley. We are working as a combined division and we are focusing our efforts on delivering the government's program of work across Northern Australia.

Senator SIEWERT—Are you focused specifically on Indigenous measures, or just on Northern Australia?

Mr Tidswell—We are focused on a combination of Indigenous measures and other measures across the Northern Territory, but also on the business as usual that we do across central and north Queensland and the northern part of Australia.

Senator SIEWERT—Mr Searston, where will you be based?

Mr Searston—I will be based in Townsville but working out of north Queensland and the Northern Territory.

Senator SIEWERT—Will anybody be based in Western Australia?

Mr Searston—Sorry, Senator, yes. I should have said that I will be working across north Queensland, the Northern Territory and Western Australia.

Senator SIEWERT—How many staff will be based in Western Australia, in particular in the Kimberley?

Mr Tidswell—We have about 424 staff across what we call area north Australia, which is the Northern Territory and the Kimberley area. I would have to take that question on notice to give you the breakdown of staff in the Kimberley versus the rest of what we call area north Australia. Administratively we deal with the Kimberley from Darwin, which is an easy place for us to get staff in and out and to connect with.

Senator SIEWERT—I appreciate that it is much easier to do that there than it is in Perth.

Mr Tidswell—Correct.

Senator SIEWERT—I wish to refer to the Kimberley but I want to come back to the Northern Territory. I refer to the new income management processes that will be run for the Kimberley. I understand that the areas in which that will occur have not yet been finalised with Western Australia. Are you involved in those negotiations, or is it direct government-to-government negotiations at the moment?

Mr Tidswell—Senator, I think you got those answers yesterday or last evening from FaHCSIA. Our job is to put in staff and to deploy them when we are asked to do work across the Kimberley.

Senator SIEWERT—I was not trying to be funny or to trip up anyone; I wanted to know whether you were engaged in those negotiations?

Mr Tidswell—We are not involved in negotiations but we are on standby to do the work.

Senator SIEWERT—As I understand it, people from Centrelink have been flying in and out of the Northern Territory. Will that process involve the same process that occurs in the Kimberley, or will people be permanently located in the Kimberley?

Mr Tidswell—It will be a combination of both. We have recruited people who live in the Kimberley area, so we have a combination of people who are supported by others. As we have done with the Northern Territory, the aim is to try to get as many local staff involved as possible. When we need other specialist staff we will ask people to do tours of duty in these remote locations.

Senator SIEWERT—How long is a tour of duty?

Mr Tidswell—On average, three months, but most people extend it for six months or more.

Senator SIEWERT—Is that process similar to the process that has been operating in the Northern Territory?

Mr Tidswell—Yes, Senator.

Senator SIEWERT—I refer to the new process for income management in Western Australia. How many additional staff will have financial management qualifications, or will you be delivering the sorts of financial counselling services that we have been talking about?

Mr Tidswell—We will have to take that question on notice as I do not have that information with me. I am told that that is a FaHCSIA-related issue.

Senator SIEWERT—I understood that Centrelink already provides financial counselling services in the Northern Territory through the Northern Territory national emergency response?

Mr Tidswell—Our staff go out to those communities and begin the income management interviews, which is the basic component of financial literacy. My understanding is that FaHCSIA is involved in negotiating with external providers to provide a financial literacy program. We do not have qualified financial advisers in those working teams as they go out to do the income management work.

Senator SIEWERT—Are your normal staff going out and doing this initial work?

Mr Tidswell—That is right—customer service advisers, or the staff that we use across the country, do the work every day.

Senator SIEWERT—Are they the ones who fill out the quarantine forms?

Mr Tidswell—That is right.

Senator SIEWERT—Will that same process apply when you are working in Cannington and in the Kimberley?

Mr Tidswell—Yes, Senator. We are using the learnings from the Northern Territory and we are applying them to the other measures.

Senator SIEWERT—What are those learnings?

Mr Tidswell—The learnings about how to conduct income management interviews, how to connect with communities, how to ensure people that understand what is needed, and how it all works.

Senator SIEWERT—Do many people come back and ask you to redo the process? As I understand it, somebody comes in, you sit down, you fill out the form, and you reach an agreement about how the money that is quarantined will be spent. Do many people come back and ask you to redo that?

Mr Tidswell—Senator, I do not have exact figures to show how many do that. After initially doing the income management interviews, we regularly go back into the communities and talk to people about their circumstances. They can also ring up the call centre and talk to call centre staff about where their payments are going and they change them accordingly. But we would not have data about how many individual customers have rung to change their income management circumstances.

Senator SIEWERT—How often are you going back to communities?

Mr Tidswell—That would vary depending on how long ago we had been there. But, on average, it is four weeks. I will check with my colleagues.

Mr Searston—Yes, Senator, we make three-weekly or four-weekly visits. If we are asked by our colleagues at FaHCSIA, or through the government business managers, we might also attend on an ad hoc basis if they need assistance with something.

Senator SIEWERT—I apologise for jumping around but I am aware of the time constraints and I am trying to ask my more urgent questions first. When you are rolling out the new process in the Kimberley and a decision is made about who will be quarantined, does the Western Australian department notify Centrelink? Are you working out protocols with the Western Australian department about how you are notified?

Ms Beath—Yes, we are working on protocols with the Western Australian government as to how it notifies us about someone to whom it would like us to apply income management.

Senator SIEWERT—I understand that the schools requirement process is separate, but how are you working out the information transfer when they have gone through the whole process of suspension? How is information from the schools notified to Centrelink?

Ms Beath—We are having a discussion jointly with FaHCSIA and with the relevant state departments. For Western Australia we would be talking to the Western Australian government about the way in which we exchange information for those sorts of purposes. When the program runs in the Northern Territory we will also be talking with the Northern Territory government.

Senator SIEWERT—How do you work out the privacy issues? I am troubled about privacy issues. How does a school know when to tell Centrelink that a child has been truanting?

Ms Beath—At the moment that forms part of the discussions between the departments. It may be that the state education authority tells Centrelink rather than an individual school.

Senator SIEWERT—I have just been told by the chair that I should leave this matter to the inquiry, so I will ask only one more question. That means that somebody has to tell the state department whether a family is on income support.

Ms Beath—The policy around this probably applies also to the Department of Education, Employment and Workplace Relations.

Senator SIEWERT—Does Centrelink have a broader general policy of telling people who is on income support?

Ms Beath—The Social Security Act governs what information we can exchange with people and there are clear guidelines within that act.

Senator SIEWERT—Thank you.

Senator ADAMS—Mr Tidswell, I refer to the training of your staff. At present are any of them undergoing cross-cultural training to deal with these issues?

Mr Tidswell—Before people visit communities in the Northern Territory we put them through a cross-cultural training awareness program. We also put them through first-day training and, in particular, we look at the environment into which they are going and at what they need to look out for. Nobody goes into the community without that training.

Senator ADAMS—Thank you; that is good. Currently, a number of Indigenous people are being income managed. Can you give me that figure?

Mr Tidswell—Yes.

Senator ADAMS—What is the figure at the moment?

Mr Tidswell—As we speak, 15,553 customers are being income-managed.

Senator ADAMS—Thank you.

CHAIR—Are they all Indigenous, Mr Tidswell?

Senator ADAMS—I asked specifically about Indigenous people.

CHAIR—What was the answer?

Mr Tidswell—Customers.

CHAIR—So the answer was not on Indigenous customers?

Mr Tidswell—I do not think I have a breakdown for non-Indigenous persons.

Senator ADAMS—Is that the overall figure?

Mr Tidswell—Yes.

Senator ADAMS—Is that for the financial year ending 30 June 2008? How many more have you had in the past three months?

Mr Tidswell—I would have to take that question on notice. I am giving you figures up until 10 October. I do not have a breakdown of those figures month by month.

Senator ADAMS—That is fine; I was not sure. To how many Indigenous communities, associated outstations and town camp regions is income management being applied at present?

Mr Tidswell—From my understanding, 70 prescribed communities and 10 town camps have signed on to income management.

Senator ADAMS—Earlier Senator Siewert asked questions about those Western Australian communities that were taking part in income management. How many other communities does the government plan to introduce to income management and could you tell me where they are located?

Mr Tidswell—I think that is a question for FaHCSIA; that is not a question to which I am privy.

Senator ADAMS—I do not have any other questions about that issue at the moment.

Senator SCULLION—I have a few brief questions relating to a couple of areas. I know that yesterday we dealt substantially with the BasicsCard, but I would like to pursue a couple of issues. Mr Tidswell, you would be aware that prior to the release of the BasicsCard there was some tension. Effectively, and without malice, it appeared as though the only cards that were being handed out by Centrelink were cards from those organisations that had the capacity to introduce some sort of gift card, or cards from those organisations that already had gift cards. It was convenient and there was no mischief in that.

I am sure you are aware that a number of merchants who have come to me have been able to demonstrate that over that period they did not have gift cards—all they had was the EFTPOS system. Their decision, unintentional or otherwise, to introduce these gift cards because of the nature of the products and their long-term relationships with Indigenous employees working in those shops meant that Indigenous patronage suddenly stopped. I have received correspondence which shows a turnover loss of more than \$120,000 a year. Having visited some of those institutions I can tell simply by walking into them that there has been a downturn in business. As the BasicsCard has not been outlined I suspect that we will not have an understanding about it to ameliorate that downturn. I suspect that the card will be successful as I have not heard too many comments to the contrary. Have you been approached generally about compensation relating to those matters?

Senator Ludwig—That matter has occasionally been raised by the media. We do not have any compensation plans. Let us go back to the issue that you raised. The income management process that was rolled out under the previous government was a complex process with significant red tape attached to it. I am sure that Centrelink can detail the steps that it went through to income manage people and to utilise store value cards across those communities.

When this government came into office it looked at this issue in a serious light and it responded to concerns that had been raised by small businesses right across the Northern Territory. When I went up there recently I was spoken to—that is one way of putting it—and it was brought to my attention that a number of small businesses could not participate in the store value card and they felt that they were not able to be part of the community in assisting with income management.

The department responded very quickly to that. I have people on my left who can add to this but within six to eight weeks we rolled out a BasicsCard—a pin-protected magnetic-strip card that could be used across the EFTPOS system. FaHCSIA, in unison with us, enrolled merchants into the system so that they could utilise the BasicsCard and small business could participate in it. This government responded very quickly, firstly, to ensure that Centrelink had sufficient capability to support the income management utilising the BasicsCard; secondly, to remove red tape that was tying up Centrelink; thirdly, to ensure that small business was part of the process in providing goods and services such as food, clothing and basic necessities for people on income management; and, fourthly, to provide choice for consumers so that they could adequately utilise income management across a range of stores. That is what we have done.

Senator SCULLION—I acknowledge that, Minister. In early November last year I attended a meeting at which the previous government brought all those matters to our attention. I understand that the department has been working on it since then. It is disappointing that it has taken so long. You said that it took only a short time, but clearly it was a long time in those organisations' financial years.

Senator Ludwig—I want to make it plain that when this government came into office no work had been undertaken to change the store card system or the income management system that was in place. It was the work of this government responding to the concerns of small business.

Senator SCULLION—Indeed, but my point was that the department was well aware of rising concerns relating to it.

Senator Ludwig—They may have been unable to convince the previous minister.

Senator SCULLION—The time line between the meeting and the election probably had a greater impact on that. I have acknowledged the technical difficulties in producing the card and I have received correspondence in regard to that. Last night I mentioned in your absence that there was a discussion and I thought that I would take this opportunity to talk about it briefly again. When a merchant applies for a—

Senator Ludwig—I am sorry—in my absence?

Senator SCULLION—Sorry, you were not absent; Senator Evans, another minister, was at the table.

Senator Ludwig—That would have been during families, which I do not represent—just so that it is clear in the transcript.

Senator SCULLION—Indeed.

Senator Ludwig—At the time I was in DEEWR, representing Ms Gillard.

Senator SCULLION—Indeed, Minister. Last night we dealt with the BasicsCard. For your benefit, because I know you have an interest in these matters, the merchants have to go through a process to obtain approval. Clearly, that is the most important thing for them. If they live in an area where there is a high percentage of the population on income management that is an essential part of doing business. It has come to the attention of this committee that a number of merchants, effectively within or adjacent to the prescribed area, have been associated with a parallel yet significant issue, that is, the sale of Opal fuel.

I put it to the department that when it is investigating the capacity of people to have this merchant card I would be pleased if it were subject to them selling Opal fuel. I understand that these are difficult matters to negotiate, but it is essential to and at the heart of the intervention. I mentioned this issue last night as I think it is important. I would like the government to give consideration to it. We talked earlier about roadhouses being part of this. The only roadhouses that should be part of it are those that are complying with the sale of non-sniffable petrol. I have one last issue.

Senator Ludwig—Did you want me to comment on that?

Senator SCULLION—If you could, Minister.

Senator Ludwig—Last night Senator Evans took on notice the point that you raised and he will talk to Minister Macklin. There are complex problems relating to the rolling out of the merchant agreement, how stores can adequately utilise that agreement, and how they can use the BasicsCard. This is one of those areas where we all have to turn our minds to establishing how we can do it to ensure that that type of fuel is used for income-management funds. However, there are some complex problems around it.

Senator SCULLION—I acknowledge that, Minister, but there are only a few problem children in that area. I refer, briefly, to a number of matters that come back to Centrelink, in particular, the area of breaching. I am not confused about this issue but people talk to me about it. For example, recently when I was in a Western Desert community I was speaking to the individual who ran the CDEP program. I was there early but only a few people turned up, the longest for 10 minutes, and then they went home.

He was a bit frustrated about it but he said, ‘This is the normal process.’ I am not making a commentary about those issues but I said, ‘What do you do now?’ He said, ‘I ring the boss.’ I asked, ‘What happens then?’ He said, ‘They get breached and then obviously they would go off the CDEP program because they have not complied. They would then be put on another program and that would then be quarantined.’ Advanced skills and a whole range of issues were a clear benefit of the community development and employment program.

Are you able to provide me with any numbers, program by program, where you have been informed by various departments that are responsible for running these programs whether there is any breaching or leverage? Can you take my question on notice and give me a run-down, department by department, of how many breaches have occurred and, generally, what the circumstances were? I recognise that there are privacy issues and I do not wish to go there, but I think that would be useful. Would you be able to do that for me?

Mr Tidswell—We will take that question on notice, Senator.

Senator SCULLION—Thank you very much.

Senator SIEWERT—I refer to an issue touched on earlier by Senator Adams, that is, how many Indigenous staff are employed by Centrelink in the new Northern Australian office?

Mr Tidswell—Senator, I do not think I have the figures across Northern Australia, but I can give you a bit of a sense. About 170 staff are working in the field across the Northern Territory on NTER measures, and about 22 identify themselves as Indigenous staff members. On my calculations that is just under 13 per cent. We also have our Indigenous call centres which operate out of Port Macquarie, Cairns, Palmerston, Darwin and Bunbury and, by and large, we have another 130 Indigenous staff. They are not all handling NTER related work but they are available to take calls relating to income management and to other factors. We would have to take that question on notice to give you the exact breakdown of staff across Northern Australia.

Senator SIEWERT—Thank you. Do you have an active program for recruiting and training Indigenous staff?

Mr Tidswell—We have a very active program. One of the important elements we have are our remote area service centres across northern Australia. We recruit local Indigenous staff to deliver services, admittedly an abridged form of service, to customers in a number of communities across Northern Australia.

Senator SIEWERT—Thank you. I refer, in particular, to the services that you will be undertaking in the Kimberley. What have you been doing about housing for any new staff that will be located there?

Mr Tidswell—Senator, I think you are well aware that housing is a critical issue.

Senator SIEWERT—That is exactly why I am asking this question.

Mr Tidswell—A month or so ago I was in Broome and I welcomed some new recruits to Centrelink that we have signed on to do a lot of the work through the Kimberley. The good part about it was that the majority of those people lived in the area, admittedly had housing, and if they were renting, they were paying high rents. We know that this is an issue but we do not have any simple answers. We will continue to work on finding solutions to these problems.

Senator SIEWERT—Is that evident in the whole of the Kimberley, just as housing is an issue for the whole of the Kimberley?

Mr Tidswell—Correct.

Senator SIEWERT—I think Kununurra is worse than Broome.

Mr Tidswell—I do not have any easy answer to that, but it is one of the logistical issues that we face in maintaining capability across the Kimberley and, more broadly, across the Northern Territory.

Senator SIEWERT—I refer to an issue that I raised earlier relating to financial management. Do you have any links, or how do you interact with the financial services that the government is putting in place as part of the new income management process?

Senator Ludwig—FaHCSIA runs a program called money matters. We could have asked FaHCSIA about that under Family, Housing and Community.

Senator SIEWERT—I did. Yesterday the issue was referred to at length. I understood, perhaps incorrectly but I was led that way because of previous discussions about these issues, that Centrelink provided financial services to its clients. However, that is not the case. I am now trying to find out how you link your clients to financial services?

Ms Beath—Senator, as part of the process we will be referring customers to the services that are made available in those locations when we are doing income management with those customers.

Senator SIEWERT—What is the name of the program about which we were told yesterday—the new program that is starting in the Kimberley? I think it is called money matters. Have you had any involvement with that process?

Ms Beath—As Mr Tidswell said earlier, what we will get from FaHCSIA will be the services to which we can refer people. That will form part of the discussions that are underway as we develop the implementation.

Senator SIEWERT—Do you refer them before you sit down with them to work out how they will spend their money, or is that done first and they then go to the financial counsellors? Could you walk me through the process?

Ms Beath—The process is probably still under some development but, in general, we would be referring people at the time that best suits them. For most people that might be after their first income management interview.

Senator SIEWERT—Do they sit down after their first interview and work out what will be allocated to them? You have some experience of this because it is happening in the Northern Territory.

Ms Beath—Certainly. As happens in the Northern Territory we will be going through with people what they might need to have the money to allocate their budget.

Mr Tidswell—Senator, it is a difficult thing to do. A lot of customers have never done this before.

Senator SIEWERT—I know.

Mr Tidswell—We are breaking new ground with them to work out how much they would spend on food each day for the family. If anything, the initial phase of an income management interview is the first step of some degree of financial literacy. Increasingly, as the money matters program kicks in, we will refer people to that program. I suspect that there will be a considerable number of referrals across the Northern Territory and the Kimberley.

Senator SIEWERT—How are remote communities in the Northern Territory obtaining access to financial services if you are not providing them?

Mr Tidswell—Senator, I think we have said a few times that you would have to ask FaHCSIA how it is planning to roll that out. I do not have that information with me and I do not know. It is a question for FaHCSIA.

Senator SIEWERT—What has been your experience in the past 18 months in the roll out of income quarantining in remote communities? Have you or your staff seen any increase in financial literacy through interaction with your staff? I suspect that your staff are the only people with any financial expertise that some of these communities see.

Mr Tidswell—Anecdotally, I have sat in on interviews, been in and out of and lived in Alice Springs and Darwin for the last part of last year, and I have increasingly seen people getting their financial matters in shape so they are better able to know what to spend it on, where the rent money is going, what is allocated for food, clothing and all sorts of stuff. But it is not pure financial literacy in a programmatic sense; these are the first steps to running a household and a budget.

Senator EGGLESTON—Housing is a huge problem in the north of western Australia and it is incredibly expensive. It affects a lot of services, from medical to all sorts of other services. It is hard to see a solution to that problem.

Senator SIEWERT—I refer to Cannington, which I appreciate borders on Indigenous and non-Indigenous people. As a large number of people are living in Cannington I think this question is relevant. Are you putting extra resources into the Cannington district as part of the new trial? Two trials are going on with which Centrelink will be involved: income quarantining and the suspension. Are you putting additional resources into that area?

Ms Beath—Senator, specific staff will be running the projects in that area.

Senator SIEWERT—Will they be put into offices in that region?

Ms Beath—Some of the details about where they will be located are still being worked out.

Senator SIEWERT—How many additional resources are you putting in? This question could also be directed to Mr Tidswell: Are the additional resources that you are putting in part of the \$18.3 million that has been allocated for this process?

Mr Tidswell—Yes. My figure is \$15 million, but in a sense it is part of the measure of getting people on the ground and doing the systems work that we need to do. We are in the process of awaiting advice about where to go and what to do. As I said before, we are getting people from the Northern Territory to train up some of the staff in a Western Australian context so that they can get some of the learning about how to do that.

Senator SIEWERT—What additional resources from Centrelink are specifically going into Cannington?

Mr Tidswell—I am not sure of that offhand.

Ms Beath—I think we will have to take that question on notice because we are still developing the implementation model.

Senator SIEWERT—With whom are you consulting in implementing that model?

Ms Beath—Specifically for the child protection trial?

Senator SIEWERT—Yes.

Ms Beath—We are working with the Western Australian Department of Child Protection and FaHCSIA in developing the model of implementation.

Senator SIEWERT—Has there been any consultation with community based organisations in the area?

Ms Beath—We have done community advice sessions with organisations to explain how it is likely to roll out.

Senator SIEWERT—If it is appropriate could you take my next question on notice? With which organisations have you been consulting in the Cannington area and in the Kimberleys about this?

Ms Beath—We can take on notice which ones have attended our information sessions.

Senator SIEWERT—My question focuses particularly on Cannington but I presume that you have been undertaking similar consultation in relation to the Kimberley issue.

Ms Beath—That is correct.

Senator SIEWERT—And also with Kimberley based non-government organisations?

Ms Beath—Yes.

Mr Tidswell—Senator, other community groups might also have been consulted by FaHCSIA. We may not have the full list of all the consultations that have been taking place.

Senator SIEWERT—I am interested in those with whom you have been consulting.

CHAIR—I thank the Minister and officers from Human Services.

Proceedings suspended from 12.28 pm to 1.30 pm

CHAIR—We will reconvene with questions relating to the Health and Ageing portfolio. I welcome Ms Podesta and welcome back the minister. Do either of you want to make any comments?

Senator Ludwig—No, thank you, Chair.

Senator ADAMS—What evidence is there that the government is succeeding in meeting the challenges in Indigenous health, oral health, mental health and maternity services?

Ms Podesta—Would you like me to answer each one in turn, Senator?

Senator ADAMS—If you could. Would you deal, first, with Indigenous health and then with oral health, but as it refers to Indigenous people?

Ms Podesta—Before I start with Indigenous health, oral health, mental health and maternal and child health, I stress that the Department of Health and Ageing is listed under a number of outcomes. This committee requested outcome 7 and outcome 8 to appear. Outcome 7 and outcome 8 do not have responsibility for oral or mental health, so we will have to take specific questions on those outcomes on notice, Senator. But we can certainly answer questions about what evidence we have relating to progress in Indigenous health and, specifically, Indigenous maternal and child health. Under this outcome we cannot answer generally about maternal and child health.

CHAIR—Ms Podesta, we asked your unit to appear because that is the program that focuses on Aboriginal health across the country. In other areas we are interested in what liaison is done with your unit in specialist program areas to reflect the needs of Aboriginal people in Australia. We take your point completely but we are by no means saying that only your unit looks after Aboriginal health. Senator Adams's question—and I am sure other questions—relate to the role that your unit plays in ensuring that Aboriginal health service needs are met.

Ms Podesta—Thank you for clarifying that. I will ask Mr de Carvalho to start with some of the work that has been undertaken under the health performance framework and the evidence base relating to Indigenous health.

Mr de Carvalho—Senator, thank you for your question. Referring to Indigenous health generally, and to the government's and COAG's high-level commitments about life expectancy and child mortality rates in particular, the evidence suggests—and this is published in the health performance framework—that infant mortality rates currently are three times higher than the rates for the non-Indigenous population when last measured for the 2006 reported health performance framework. But in 1991 the Indigenous infant mortality rate was four times higher than the infant mortality rate in the general population. So there has been some progress in the area of child mortality in particular. The rate of mortality is coming down, not just in absolute terms but also in relative terms, when measured against the infant mortality rate for the general population. I think it is fair to say that there has been a noticeable closing of the gap there. That is not to say that three times the general infant mortality rate is acceptable. The government is continuing its efforts to address that issue. One of the key interventions that is generally accepted as having contributed substantially to that drop in the child mortality rate is the Indigenous immunisation program and initiatives that took place.

As a result of those initiatives, Indigenous immunisation rates have increased substantially to the point where at one year old, or really at two years old, the immunisation rates for Indigenous children and for non-Indigenous children are almost identical—in the early 90 per cents. Overall that reflects a change in the kinds of conditions that are affecting Indigenous life expectancy generally away from communicable diseases—because we are addressing those through programs like immunisation and better primary health care—and towards a greater burden of disease being assumed by chronic conditions. It is in the area of chronic conditions in particular that current policy development concerns are focusing.

Senator ADAMS—Could you expand on the chronic issues?

Mr de Carvalho—Yes, certainly. If I had a graph I could show you that the excess mortality rates in chronic diseases for the Indigenous population, in particular in the middle years between the ages of 35 and 55, are far in excess of the mortality rates for the non-Indigenous population. In fact, some studies done by the Menzies Health Research Institute in the Northern Territory, which looked at the changes in life expectancy of the Northern Territory Indigenous population, concluded that if mortality rates across the ages from 35 to 55 in the Indigenous population were equalised to the mortality rates of the general population, that would lead to an increase in the life expectancy of the Indigenous population of around 10 years. In other words, most of that mortality in those years—from 35 to 54—is

as a result of chronic conditions. If we can address the serious burden of disease suffered by Indigenous people in chronic disease, we would have a better chance—I was going to say better than even but that would not be true—than we currently do of hitting the COAG target, that is, getting life expectancy up to something comparable for the Indigenous population.

Senator ADAMS—You referred to chronic diseases. Would you like to expand.

Mr de Carvalho—Yes. If you would just bear with me I might be able to find you a more detailed breakdown of the contribution of particular chronic conditions to the life expectancy gap.

Ms Podesta—Senator, do you want information in particular about risk factors and prevalence rates of early mortality relating to renal disease, or do you want information about initiatives and programs?

Senator ADAMS—Absolutely.

Ms Podesta—I will ask Ms Balmanno, who looks after the Family Health and Wellbeing Branch, to talk a bit about renal disease programs.

Senator ADAMS—Just before we start, would we be able to have tabled the graph showing the growth that was mentioned?

Mr de Carvalho—Yes, certainly. I can get that for you. The mortality graph for the Indigenous population shows a huge bulge in the middle years. It goes out to a certain extent and it then comes back. This represents age here and a percentage of the population that is dying at that age. The Indigenous population has a bulge at the bottom, because the infant mortality rates are high, and it then starts bulging out much higher than the non-Indigenous population from about the age of 15 or 25. There is a big bulge and once you hit 65 it comes back and the mortality rates are quite low. That is because most of the Indigenous people are dying before they get to the age of 55. On the other side of the graph you will see the mortality pattern for the non-Indigenous population, which basically is a parabola. It starts small at the infant age and each year it gets bigger and bigger until it is quite large. Most non-Indigenous people are dying after they turn 70. It is quite a stark visual representation of the problem.

Ms Podesta—The primary responsibility in our program relates to health care. The most up-to-date data that we have at a service level shows that nearly three-quarters of all Aboriginal health services funded by the Commonwealth are engaged in preventative treatment and diagnostic work that relates to some type of renal or kidney disease. That is one of the major factors of chronic disease. In addition, we have spoken in some detail previously about the Healthy For Life program. The prevention and management of chronic disease is a critical component of that program. Nearly 83 of the primary healthcare services are currently operating Healthy For Life initiatives. In addition, the office has initiated and supported a number of initiatives relating to renal disease. Ms Balmanno will give you some of the details.

Ms Balmanno—Over the past few years we have developed some initiatives with stakeholders in the Northern Territory. There was also an announcement of an additional \$5.3 million to improve renal services in the Northern Territory, as part of the follow-up from the Northern Territory emergency response. I will refer, first, to some of the initiatives that we

have had in place for some time. We are funding four renal nurse positions in four of the key Aboriginal medical services in the Northern Territory. These positions will specifically assist patients with renal disease who are not yet necessarily receiving dialysis services to prolong the period that they are able to manage that disease effectively prior to moving into renal dialysis services and obviously to promote early detection, management and prevention of renal disease.

Senator ADAMS—In which areas are they located?

Ms Balmanno—There is one in Darwin, Katherine, Tennant and Alice Springs—the four main regional centres.

Ms Podesta—We have been working closely with the Northern Territory government, which has overall responsibility for end-stage renal disease. We have also been working closely with our primary healthcare providers to try to find an intermediate response so that people who have been diagnosed early are maintained as long as possible within their communities and they can self-manage as much as possible with the support of a case management renal nurse.

Ms Balmanno—I am sure you appreciate that we will be evaluating the effectiveness of that initiative. Getting specialist nurses such as renal nurses into remote areas and even into the regional centres in those areas is quite a challenge. We do not seem to have a surplus of renal nurses in Australia. That is one of the issues that we will be looking at when evaluating whether the resources would be better spent in a more generalised, chronic disease focused nurse or whether there is sufficient demand for particular renal skills—whether this is a model that is making a difference in these communities.

We are also working with the Northern Territory to put relocatable dialysis rooms—these are relocatable facilities but with dialysis chairs—into communities. When patients have been trained in self-dialysis and they have demonstrated that they are ready, with their carers, to return home and to maintain their own dialysis in their home community, we put in those facilities.

For non-Indigenous patients in urban areas, this would be facilitated by putting the dialysis chairs in their own homes. As you would know, many of these houses would not have the water or the continuity of electricity supply that is needed to operate dialysis machines in the way that they are needed and in some cases they do not have the sheer physical space. With the support of the Northern Territory government we are putting in these demountables for the dialysis services and for the training of these patients to do home dialysis. We are also assisting with the provision of the physical space in which they can dialyse.

Ms Podesta—This is an extraordinary innovation because patients are trained for self-dialysis in relocatables that are exactly duplicated in their home community. Even those who have relatively low literacy levels can be trained in these procedures because these relocatables are exactly duplicated. All the equipment is the same size and shape and in the same position. Patients are assessed to establish whether they are in a position to self-manage before the relocatables are moved to their community and are set in place to enable them to use them.

It is potentially a great innovation, if it is able to be managed properly, enabling people to stay at home and within their own communities longer. There is high demand from a great many people and communities because of the high number of patients who have been forced to relocate in the end stage of their renal disease when they need regular dialysis.

Senator ADAMS—I note that Kintore has been given \$140,000 to build a two-chair unit. Kintore had one before though, didn't it? I am sure that it did.

Ms Balmanno—Yes. I understand that Kintore already has dialysis facilities.

Senator ADAMS—I noticed that \$140,000 of the \$1.5 million for remote community projects has been provided to renovate a home to be used as a two-bed renal dialysis unit. Maybe they are renovating what they already had?

Ms Balmanno—Yes.

Senator ADAMS—In Western Australia we have quite a problem with people from the Kimberley not being able to relocate back home after going to Perth for their dialysis treatment. Do you know how many people from remote areas are in the same situation in Darwin?

Ms Balmanno—We do not keep the numbers, because the Northern Territory government runs its renal services. We can certainly take that question on notice and seek that information from our colleagues, but it is not information that we collect.

Senator ADAMS—How many self-dialysis centres have been established and are operating?

Ms Podesta—We have just commenced this process. The intention is to have six.

Senator ADAMS—But there are some centres, like the Kintore centre, that are already functioning?

Ms Balmanno—The Kintore centre is not a self-dialysis service; it has a renal nurse supporting the dialysis. There is supported dialysis in a number of places in the Northern Territory—mostly in the regional centres, but I think there is one in Arnhem Land as well as Kintore. So there are other supported dialysis services. The Northern Territory is only just starting to make a concerted effort to train people in self-dialysis.

Ms Podesta—The rate-limiting issue on all of this is finding trained and available renal nurses to oversee initiatives. As you will appreciate, the safety of the patient is uppermost. All these initiatives are being undertaken in really close cooperation, in this case with the Northern Territory government, the primary healthcare service and the community. We do not want to set up something that will not work and that will fail. From a patient's point of view it is critical that it is done well. That is one of the reasons we are pretty excited about the potential of the self-dialysis units, if they work. We will go slowly because they seem to offer some sense of patient control and we know people have a strong desire to stay home as long as possible; however, it is very early days.

Senator ADAMS—Do you have statistics that indicate whether the incidence of diabetes is rising or lowering?

Mr de Carvalho—The next addition of the health performance framework, which will give us a more up-to-date picture, is due out in November 2008. However, this is related to end-stage renal disease. The statistics there show that in recent years there has been a marked increase in admissions for end-stage renal disease. That could be a combination of an increased incidence and also the somewhat positive aspect of more people being diagnosed and deciding to seek treatment. But it is difficult to separate out those two impacts. One of the things that we know about the incidence of diabetes is that it is generally regarded, if you forgive the jargon, as an ambulatory, care-sensitive hospital admission. In other words, if there is access to timely and effective ambulatory or good primary health care, people with diabetes should never make it into hospital. Their condition should be diagnosed and treated effectively before it gets so bad that they find themselves being hospitalised. But when we compare hospital admissions for ambulatory, care-sensitive conditions in Indigenous and non-Indigenous people we find that the rate of admission for diabetes in the Indigenous population is around 12 times higher. It is almost off the scale. I am using graphical terms again.

In fact, when we try to represent this on a graph, there is a discontinuity of the graph. We have to show that the graph goes up to 15 per cent and all of a sudden there is a little squiggle in the graph and you go to 105 per cent, compared to a rate of about 10 or 11 per cent of admissions for the non-Indigenous people. In terms of the increase, I do not have immediate data that can show whether it is growing or declining. That will be available in the next health performance framework in November. Certainly there is plenty of room for improvement because it is coming off a very high base, if you like, of hospital admission for diabetes.

Senator ADAMS—As far as primary health care teams go, I guess with child health checks going forward at least we are going to be starting with that age group as a preventive measure for later on. But for this particular group that you are discussing, as far as programs for making the more middle-aged people aware go, has the department got anything new that they have started?

Mr de Carvalho—Senator, I will jump in. One of the measures that we think is currently underutilised as a tool for the early detection of chronic conditions—in particular ones like diabetes whose symptoms often do not manifest themselves to the extent that the patients become aware that something is wrong—is item 710 on the Medicare benefit schedule, which is the Indigenous specific adult health check. It is a tool available for primary healthcare providers. You will recall that in 1999 the older persons health check item was introduced. It was a comprehensive health check for older people. The non-Indigenous population became eligible when they turned 75, but in recognition of the higher burden of disease and the higher mortality rates for the Indigenous population the eligibility was set at 55.

But as stated at about that time by Dr Puggy Hunter, the former Chair of the National Aboriginal Community Control Health Organisation: ‘By 55 most of us are dead.’ There was a strong lobby to introduce another health check. Subsequently, in May 2004, a new MBS item, item 710, was introduced and aimed at Indigenous people aged 15 to 54. Again it was a comprehensive health check that was designed specifically to pick up and diagnose chronic conditions, such as diabetes, early. Unfortunately, since the introduction of that measure over four years ago now—I do not have the exact figures to date; I could find them for you—the take-up rate has been disappointing. The take-up rate is around 10 per cent.

There are a number of reasons for that, which we are investigating further. Given that 60 per cent of the Indigenous population, according to the National indigenous Health Survey, attend mainstream general practice as their usual source of healthcare, the question that arises is: What is happening in general practice that leads to a fairly low take-up of this MBS item? One of the issues that we are currently looking at is the issue of the identification of Indigenous patients in general practice. It is a concern for us that there does not seem to be much evidence of widespread systematic processes in place to identify whether a patient is Indigenous or not when they walk in to get treatment. Of course the first step in being able to offer an Indigenous specific health check is to be able to say, 'I know that that person is Indigenous.'

We are currently seeing advice from an expert reference group of the newly established National Indigenous Health Equality Council, which has set up a reference group precisely to look into this issue of how we can increase the identification of Indigenous patients in mainstream general practice. Once we are able to do that, we would imagine that the ability of general practice to offer those Indigenous specific interventions, such as item 710, the comprehensive health check, will increase.

Senator ADAMS—Is there any way we can find the take-up rate of checks?

Mr de Carvalho—I am sure we have it in the room, Senator. I just have to go and find it. It is not in the brief I have, but I know whose brief it is in.

Senator ADAMS—Thank you for that. I know my colleagues would like to ask questions as well. I would like to continue with the chronic diseases and go to Indigenous youth and early childhood health. I really want to ask some questions about rheumatic heart disease.

Mr de Carvalho—Senator, just before you do, I have that figure now.

Senator ADAMS—Good.

Mr de Carvalho—According to our brief here, for the two-yearly adult health check from August 2006 to August 2007—they are eligible every two years—30,565 such assessments were provided. That is equivalent to 10.78 per cent of the eligible population. The take-up rate is around 10 per cent. We would have liked to have seen that increase quite substantially.

Senator ADAMS—At the end of next year we should have some more figures on that if it is every two years. Is that right?

Mr de Carvalho—We can collect the data at any point. The health check is able to be taken every two years. We could go into the Medicare database today and say, between now and 24 October 2010, how many members of the eligible population had health checks. We could check the take-up rate in that period.

Senator ADAMS—Thank you.

Ms Podesta—Senator, in regard to the question about rheumatic heart disease—I am going to sound like a broken record—we can answer some of the questions. It is not specifically under this outcome, but we have some information about that.

Ms Balmanno—I will just give what I understand to be the situation. There was additional funding provided as part of the new directions election commitment, the mothers' and

children's services component, that included funding for \$11.2 million over five years for rheumatic fever. The Northern Territory government has been offered funding under the Rheumatic Fever Strategy to continue their existing register and control program which has been supported by the Australian government for some time. Queensland and Western Australia are continuing to work on their acute rheumatic fever and rheumatic heart disease register and control program proposals, and it is expected that those proposals will be submitted later this calendar year. An invitation to apply for the establishment of the national coordination unit component of the Rheumatic Fever Strategy, which is obviously to coordinate across those different jurisdictions, was opened on 11 September. It is anticipated that the national coordination unit will be established by early 2009.

Senator ADAMS—With the programs that you have mentioned, what progress has been made to date to reduce rheumatic heart disease in Indigenous communities? Is there any data on that?

Dr Isaac-Toua—We have a Northern Territory register which keeps track of people with rheumatic heart fever and rheumatic heart disease, and they are able to monitor the treatment and keep track of the progress and betterment of those people. That is what is going to be rolled out further with the rheumatic national strategy and establishment of registers, whether in Queensland, Western Australia or the Northern Territory. One of the things that the national coordination unit also will do is look at developing guidelines to ensure consistent identification, diagnosis and treatment of people with rheumatic heart fever and rheumatic heart disease as well as to ensure consistent monitoring and data collection so we are able to manage people with rheumatic heart fever and rheumatic heart disease consistently and progressively.

Ms Podesta—We have a small amount of data from the Northern Territory register, Senator. I will ask Ms Balmanno to give you that information.

Ms Balmanno—As at June 2008, there were 1,572 people on the register in the Top End of the Northern Territory and an additional 558 people on the register in Central Australia. Almost all of those cases are Aboriginal and Torres Strait people.

Senator ADAMS—The rheumatic heart disease working group was established to provide advice to government on a nationally coordinated approach to rheumatic fever. Why has the report of this group not been finalised and released for consultation with key health and medical stakeholders?

Ms Podesta—We will have to take this one on notice. It is handled through another outcome and we do not have the information in regard to their working group.

Senator ADAMS—Is there a planned release date for the report that you know of?

Ms Podesta—Once again, I cannot tell you today. We will take it on notice and we will give the answer as soon as we can.

Senator ADAMS—This is getting really difficult for us because we are trying to cover an enormous area. We really felt that as far as Indigenous health went, you would be able to help us with these questions.

Ms Podesta—We can answer everything that we have direct responsibility for. I apologise that we do not have people here from all parts of the department today. The staff came from outcome 7 and 8.

CHAIR—We understand your position, but as we explained we are after the Indigenous perspective on these various processes. You are going to provide a report, and we note that. If the senators have questions on it, they can follow up with you. We do understand your position.

Senator ADAMS—This is really under outcome 8. COAG has agreed to a \$56 million national partnership initiative to address Indigenous early childhood development. This initiative includes funding on health specific services and programs, including funding to increase access to antenatal care, teenage reproductive and sexual health services and child and maternal health services. Can you answer questions on that?

Ms Podesta—We certainly can.

Senator ADAMS—First, how much of the \$546 million national partnership funding will be allocated to health service provision to be managed through this portfolio?

Ms Podesta—There is \$107 million over five years in facilitation payments to states and territories for antenatal care and pre-pregnancy, teenage, sexual and reproductive health. It is a national partnership agreement and included facilitation payments for the states.

Ms Balmanno—That is money that is allocated to this portfolio but provided to the states and territories as a facilitation payment. In addition, the \$564 million includes approximately \$90 million from the New Directions: Mothers and Babies Services component, which is included as part of the total package in the national partnership agreement. That is directly managed by our portfolio.

Ms Podesta—In addition to that, state and territory governments are asked to identify an additional \$75 million. That will not be administered by us, but they are required to be accountable for the additional investment that they will put into maternal and child health services.

Senator ADAMS—Of the proposed total health funding, what is the breakdown for each program or activity? For the sake of saving time, could you take that on notice?

Ms Balmanno—It is fairly straightforward because it those three. It is the \$107 million that Ms Podesta mentioned first, which covers both the antenatal care component, and the teenage sexual and reproductive health components. How that is used within different jurisdictions varies. Some have put a greater emphasis on one component over another. There is flexibility in the agreement to do that.

Ms Podesta—There is a bilateral process between the Commonwealth and each state, and there have been decisions around what priorities they will allocate within that broad objective.

Ms Balmanno—The \$90 million from the New Directions component is specifically for improving antenatal, child and maternal health services. That is Commonwealth funding directly to services. There is the additional \$75 million state and territory contribution, again for maternal and child health services. The remainder, which is about \$293 million, is managed by the—

Ms Podesta—Department of Employment, Education and Workplace Relations.

Ms Balmanno—I was trying to remember what DEEWR stood for. That is for the establishment of new integrated children and family centres that would look across a whole range of programs and draw them together into one location. That would have a health component potentially in service delivery but the funding is managed by another portfolio. Once again, that component is also being provided to states and territories as a facilitation payment.

Senator ADAMS—What are the time lines for implementation of the different activities that you have described?

Ms Balmanno—The New Directions components commenced last financial year and there are already six services funded under New Directions. There will be a second wave of services. There was a call for applications in September and we are currently assessing those applications. There will be a second wave of services funded, hopefully before the end of the calendar year.

Ms Podesta—That is the \$90 million administered through Department of Health and Ageing, which is essentially grants that are made eligible to states and territory governments, if they apply, but also to community controlled or community organisations. Ms Balmanno can talk about the facilitation payments to the states.

Ms Balmanno—For the children and family centres, those facilitation payments will commence from 1 January 2009. For the antenatal care and teenage and sexual reproductive health components, the facilitation payments, which is the \$107 million, commence on 1 July 2009. For the \$75 million contribution from the states and territories, the time lines for that in negotiating the national partnership allowed states and territories to include new money that had been announced during the negotiation and during the COAG process. The start dates for those activities vary but they are within the last six months or so, and some of the activities are yet to begin.

Senator ADAMS—Thank you. How many and what services will be located in urban areas, compared to rural and remote locations?

Ms Balmanno—In terms of the health components, there is no benchmark specifying urban versus rural and remote. It will depend on the eligibility and the quality of applications from particular services. The money that the states and territories are allocating represents judgements they have made about their highest levels of need. That varies quite a lot from one jurisdiction to another. Victoria obviously has a much more urban focus than you would see in some of the states with much larger proportions of their population in remote areas.

Senator BOYCE—I have a more general question that might involve some more musical chairs. It has been put to me by a number of people from the Torres Strait Islands area that they have concerns about their specific health issues getting buried in the averages when we talk about the Indigenous population. Could I have an overview of health in the Torres Strait Islands and some comparisons with Indigenous health issues?

Ms Podesta—We might have to take that on notice but we certainly can produce that.

Senator BOYCE—Does the fact that you have to take it on notice demonstrate that they might have some concerns?

Ms Podesta—No, only that it is detailed. I would dispute the assumption. We have a long-term and genuine commitment to a regional planning framework where we draw upon the appropriate data and we identify priorities and needs by regions. We also use our planning framework to identify areas that require additional investment, in particular services. Torres Strait for some time has been an area of underinvestment, and there has been a very significant increase in targeted investment into Torres Strait over the last three years. That will continue because we recognise that there are particular health needs and requirements in Torres Strait. For example, we are acutely conscious of the burden of type 2 diabetes in Torres Strait. We are very aware of that. We are aware of the issues to do with the nature of difficult service delivery mechanisms within Torres Strait. It is a hard place to service, with one major island. We are also acutely aware of the issues to do with STIs, sexually transmitted infections, and communicable disease between Papua New Guinea and Torres Strait. All of those have had significant Commonwealth and Queensland government attention for some time. There is a health issues committee which particularly focuses on the Torres Strait that has been identifying that.

There is additional money put into the Australian Health Care Agreement, which recognises the additional burden in regard to high levels of communicable diseases across that area. There has been particular work done on TB and drug resistant TB in Torres Strait. While I cannot give you the complete picture, I can tell you absolutely we are very aware of the particular health needs in the Torres. We are also aware of the need to build up the capacity of the health workforce. In this regard, this is where we have needed to work very closely with the Queensland government, which is the provider of healthcare services in Torres Strait, to build up who they attract and retain to work in Torres Strait. You will be aware that there have been issues to do with safety, security and nursing in Torres Strait. We have worked very closely with the Queensland government to address that. We have put targeted investments into those areas around safety and security for the staff.

Senator BOYCE—The federal health department contributed towards the cost of some of the security measures that were put in place?

Ms Podesta—In the same way we deal with all of our health services, Senator—

Senator BOYCE—It was not specific funding, or it was?

Ms Podesta—There has been funding provided in Torres Strait around security in the same way that there has through a very large capital works program in Aboriginal health around security. Occupational health and safety for staff is always a critical issue for us.

Senator BOYCE—How much would have been contributed to security by the federal Department of Health and Ageing?

Ms Podesta—I will need to take that one specifically on notice.

Senator BOYCE—Okay, that is fine.

Ms Podesta—It is a genuine issue for people working in remote communities and we are very conscious of that.

Senator BOYCE—Perhaps just to clarify the comments that have been made to me are more about people in Torres Strait not so much feeling neglected I would think by the federal Department of Health and Ageing but by feeling that the spotlight that is put on statistics, which is an average of course for the Indigenous population, can lead to people being ignorant of specific issues for Torres Strait. It was not meant as a criticism of the department in any way. It was just some people who were feeling that the focus particularly on the Northern Territory may have meant that their issues were not as known as they might have been.

Ms Podesta—I would say, Senator, genuinely that is an issue that nearly every other organisation outside the Northern Territory has expressed to me in the last year.

Senator BOYCE—Well, good; they need to be squeaky wheels.

Ms Podesta—We would never doubt squeaky wheels in this portfolio.

Senator BOYCE—I think FaHCSIA might want to have a competition with you on that one. The other question is the involvement of the federal Department of Health and Ageing with the issue of Papua New Guinea nationals using health facilities in Torres Strait. Quite legitimately, as you have pointed out, there are some extraordinary logistics problems in that area, but also apparently sometimes in preference to their own medical facilities.

Ms Podesta—It is a difficult issue, Senator, and one we are very aware of. We have put a very significant investment into an upgrade of clinic facilities on Saibai Island, which is the main meeting point for nationals. You will appreciate that there is a free trade zone between PNG and Torres Strait. PNG nationals absolutely have the right to visit. There are a number of people who have familial friendships, girlfriend-boyfriend relationships, as well as trading relationships. There is a high crossover. There are a number of people who live in Torres Strait who have relationships with people in PNG and people certainly come from PNG to Saibai. There is a recognition of the health services capacity there.

I know that our colleagues in AusAID have been working on this as well as our colleagues in the Department of Health and Ageing, and I know the Prime Minister went to PNG earlier this year. There is a strong commitment to continue to increase the capacity in PNG for primary and acute health care, but there is a recognition that PNG nationals continue to move backwards and forwards at the very top end of Australia, and we need to have the capacity to support people who turn up if they are ill. Also from Australia's point of view, we need to be able to contain those people who may have acute infectious or communicable diseases and to be able to treat them in a secure way for their sake and that of others around them.

Senator SIEWERT—I want to ask general questions and some specific intervention questions, so which is best first?

Ms Podesta—We are more general, but we can bring the intervention expert up as well, Senator.

Senator SIEWERT—Okay, thank you. And then I want to ask some general questions.

CHAIR—I think they are calling her Nurse Betty today.

Senator SIEWERT—This morning we went through the number of children who have been seen in the health checks, so I am not going to ask you to repeat that, but what I want to go on to is teasing the data out a little bit. You will be aware there have been a lot of claims

that it is duplicating what has already been going on and that we have not picked up a whole lot of new issues; that they are the issues we already knew about. How accurate is that claim?

Ms Savage—Yes, there have been claims of duplication. The child health check is on a number of existing programs within the Northern Territory, namely the Healthy School-Age Kids Program and the GAA program. I also have my colleague, Dr Geetha, who is able to give any further technical details, but in general terms, both programs have been screening programs and have been operating for some time in the Northern Territory. The child health check has a number of health processes, and certainly did not repeat anything that was done under those two programs when the child health check teams provided their services into communities. Essentially, by arrangement we had the medical records and when a child had had a screening, that was transferred to the child health check form so the procedure or health intervention was not repeated.

Ms Podesta—We had an arrangement in the local community. If a child had recently had a general school age or a health kids check, that information was provided to the health check team. Those parts of the child health check were not duplicated so that, if the child had had that within three months, we did not do it again. It was silly to do that. That was an arrangement to make sure we did not duplicate.

Dr Isaac-Toua—I could add to that. The GAA is a growth assessment and action check and it is done for a certain age group, zero to five years old, and the health school age kids check is done every year, but there are certain components that are done at five, 10 and 15. The child health check is a much more comprehensive check and it includes an in-depth history taking, it looks at psychosocial factors, wellbeing and other family history and risk factors that could potentially affect the child and affect outcomes for the child that are not picked up in the GAA or the Healthy School-Age Kids Program. So it is a much more comprehensive check. It is also conducted by a team that includes a doctor if there is any need for immediate treatment or diagnosis. There is also a plan at the end of the child health check to provide services as necessary, and referrals.

Senator SIEWERT—For each child?

Dr Isaac-Toua—Yes. So it really complements what the GAA and the HSAK do and provides an avenue for immediate treatment and care and development of a plan for follow-up of the child.

Senator SIEWERT—Okay. As I understand, two-thirds of the children checked required follow-up. Is that right? In fact, I am sure I read it in one of your reports.

Dr Isaac-Toua—Yes, out of the child health checks done, there were about 60 per cent who were identified to have either some sort of a primary health care follow-up or a specialist referral, mainly being ENT or dental.

Senator SIEWERT—How many of the 60 per cent have now been followed up?

Dr Isaac-Toua—Out of the 60 per cent, when follow-up teams went out, it was really good to see after the child health checks were done and they were put down to have some follow-up, 74 per cent of that 60 per cent who required follow-up had already had their primary health care follow-up done. That was very heartening that it was done pretty soon after the

initial child health check. There were about 28 per cent who were referred to have ENT and a further 30 per cent for dental checks. It was really good to see that 74 per cent had already had their primary health care follow-up.

Senator SIEWERT—So 74 per cent, 28 per cent and 30 per cent do not add up.

Ms Podesta—That is because some children were referred to more than one team.

Ms Savage—Some had both.

Senator SIEWERT—Right, had more than one or both referrals.

Dr Isaac-Toua—Yes. Sorry. I should have given clarification.

Senator SIEWERT—If they needed further follow-up in the third round, have they had that?

Ms Podesta—It depends. Each child has a different clinical pathway. Depending on the nature of the conditions identified through the child health check, they have gone through a range of different ways to be supported in the next part. But through a process called chart review we are carefully monitoring what has happened to each child and the next stage, where they have gone and what has been put in place to support them.

Senator SIEWERT—I will just interrupt for two seconds; I am sorry. So I do not lose track, is this of the 60 per cent that were identified for follow-up? This is for that 60 per cent, not for every child?

Ms Podesta—No, the chart review is a review of every child.

Senator SIEWERT—Thank you. That is what I wanted to clarify.

Ms Podesta—In fact, we made a commitment at the beginning of this that we would be very transparent about this process. I want to be really clear about this because I think that it is important for this to be on the public record. When we commenced this process, we entered into a memorandum of understanding with the Northern Territory government and with AMSANT, the community controlled peak body. We entered into a contract with the Australian Institute of Health and Welfare. All the data is provided to the AIHW and it is published on our website. There are regular reports. With the first report, which was the progress of the Northern Territory Emergency Response Child Health Check Initiative, all of the health conditions and referrals that came from the first part of the process were published in early June, I believe. There will be another report that will be published, which will be the first report on the follow-ups et cetera. We want everyone to see where it is going. We do not want to hide any of this. We also recognise that some parts of it will take a while. Some of the clinical pathways were very underdeveloped in the Northern Territory.

Senator SIEWERT—What I am particularly interested in is that follow-up. It is good that so many kids have been looked at, but unless we can do something about it we will just mark 2007-08 as the period when we knew there were these poor health outcomes.

Ms Podesta—Absolutely. We made a commitment from the beginning that we would not check the child without treating the child. We also made a very strong commitment that to walk in and do episodic care and one-off treatment without leaving a legacy of building a better system, so that we did not get to this at the end, was also not what we wanted to do.

That is why the two efforts that we have directed from the Northern Territory intervention have been equally important from our point of view: (1) it was to undertake the child health checks ethically and appropriately; (2) it was to make sure that the resources and capacity were put in place for the referral and follow-up of those children; (3) it was that we would equally put an effort into a significant reform of primary health care services for remote Northern Territory communities. That is also taking place in parallel, so there is the \$100 million of investment, which is about putting in place comprehensive, well-resourced primary health care services. In three years time the clinics will not look the way they looked prior to the intervention. They will be staffed differently and they will be able to provide a much broader range of services. That is the legacy that we hope to leave from the work that we put into the intervention.

Senator SIEWERT—Does that include working with the community and training up local community healthcare workers?

Ms Podesta—Absolutely.

Senator SIEWERT—How much money is being put into that? Is that part of the \$100 million?

Ms Podesta—Some of the money is part of that, but a significant part of the money that goes from the Department of Health and Ageing is in workforce measures. National registration of Aboriginal health workers is part of one of the priorities, as you know, in other parts of the portfolio. But the \$100 million includes significant investment for primary health care, which includes training for Aboriginal health workers. Already—and we have probably said this to you before—health is the greatest single employer of Aboriginal people in Australia. It continues to be, and this growth will continue to do that. What we are committed to is building a workforce capacity, so we are focusing on increasing the number of doctors. You have seen a big increase in undergraduate medicine for Indigenous people, and that will continue.

We are committed to increasing the number of specialists, to increasing the number of nurses and absolutely to increasing the number of Aboriginal health workers and supporting people to move forward, starting as an Aboriginal health worker. The feature of these services absolutely will be continuing to increase that. We have also, as you probably are aware, done the first range of conversions of CDEP in our aged care program and in health services—I think nearly three years ago—for exactly the same reason: we did not want to have pretend jobs in health services. They are fully paid, fully salaried jobs. We put a really big effort into supporting Aboriginal people, including as managers of healthcare services. Increasingly what you see in the Northern Territory, obviously, and in all parts of Australia is more and more Aboriginal people as the managers of multimillion dollar businesses, which is what some of our health services are.

CHAIR—Senator Adams, I know you have some age care questions, and I have a feeling about what the answer is going to be, but at least put them on record.

Senator ADAMS—This is outcome 8, Indigenous age care. Do you deal with them?

Ms Podesta—No, we do not.

Senator ADAMS—Can I do one more?

CHAIR—Absolutely. You have until half past two.

Senator ADAMS—Coming back to maternity services—

Ms Podesta—In the Northern Territory or in Australia as a whole?

Senator ADAMS—What is worrying me is rural obstetric units or the ability to do deliveries in the smaller hospitals. People cannot access those anymore. I am wondering how our Indigenous people who are living out in the communities are coping with all these closures and how they are being accommodated. It is about practical things this time.

Ms Podesta—You know that I will not be able to answer this in detail, Senator. I feel a little as though it is Groundhog Day. I promise I will not keep repeating myself, but the Chief Nursing and Midwifery Officer is conducting—

CHAIR—Ms Podesta, instead of coming through with that, just take it on notice.

Ms Podesta—Okay, we will take it on notice. There is a review into maternity services that the Chief Nursing and Midwifery Officer is undertaking, and one of the streams has a particular focus on Indigenous women. In fact, we spent a day last week with Indigenous consumers and practitioners, talking about some of the challenges around maternity services, particularly in regional and remote areas. That review is certainly looking at what practical steps can be taken to increase the range of maternity options for all people, including Aboriginal women.

Senator ADAMS—When will that be completed?

Ms Balmanno—We would have to take that on notice.

Ms Savage—I was just going to add that in the Northern Territory, whilst it is not a consultation or a review led by the Australian government, certainly the Northern Territory government is also looking into maternity services, particularly birthing services in remote and rural communities. We do not have any details here but we can certainly take their advice on what is happening on that front.

Senator BOYCE—I have just one quick question, which I suspect you will have to take on notice. Are there any specific issues relating to the development of programs for the ageing in a community where there are very few aged people in communities?

Ms Podesta—It is relative because of the demographics. Younger people are regarded as older people in communities.

Senator BOYCE—I am happy for you to give me an answer on notice.

Ms Podesta—We will take that on notice.

Senator BOYCE—It seems to me that, when you have a population where being aged is unusual, there would be specific issues that you would need to be addressing.

Senator SIEWERT—I have a couple of general questions. One is: does your department or unit have a role of ensuring that Indigenous issues are taken into account across all health matters—for example, rural and regional health and all the different health areas. What is your role?

Ms Podesta—The secretary has an absolute commitment, and it is a very clear statement in all of the business plans of all divisions—on how each division takes responsibility for ensuring that the health needs are taken into account. A number of particular programs and activities are driven by mainstream areas. OATSI takes a role in conjunction with our portfolio strategy division to encourage our colleagues to identify opportunities and policy challenges, and we work very regularly. It is equally a part of our work that we do not just deliver the Aboriginal health programs which are our responsibility but that we work very closely with our colleagues in mainstream divisions—for example, with the population health division on smoking and population health programs. We deal with our primary care division.

Senator SIEWERT—Acute care?

Ms Podesta—Acute care division. We have pharmaceutical benefits and Medicare. We have close working relationships. We have a number of working parties and activities that go across the department. But our secretary is very clear that Aboriginal and Torres Strait Islander health is everyone's responsibility, not—

Senator SIEWERT—Just yours.

Ms Podesta—Our division primarily takes responsibility for financing of primary health care for Aboriginal and Torres Strait Islander people. That is a big challenge in itself. But not everything that is an Aboriginal health issue is the office's responsibility, and that is as it should be. Everyone takes responsibility.

Senator SIEWERT—Okay. I have other questions that I will put on notice, but I have one that specifically relates to the other area we were talking about earlier, the workforce. I have had this raised with me countless times. It is the wage disparity between doctors that work for AMSs and doctors who are working in general health. As I understand it, AMSs are finding it particularly difficult to keep up, not only in my home state of Western Australia and not only in terms of wages, but because they are in remote areas. For example, in Kununurra, it is very difficult to get housing. It involves huge expenditure to deal with, particularly in remote areas. Is there anything you can do about it or is anything being done about it?

Ms Podesta—I would have been disappointed if a Western Australian senator had not raised that question. We are aware of that issue. We have some work being undertaken on what is the cost of delivering care in different environments to inform us. We are very flexible in the program. Health services get given a global budget, and, truly, they make their own decisions. As I always say, if only I had the power to direct them to spend it on what I think they should spend it on, but it is a little facetious. Boards make their own decisions around how they allocate their global budget. They also have an exemption in most cases to be able to bill Medicare for Medicare items and those funds are retained by the health service, as long as those funds are spent for the purpose of primary health care for Aboriginal and Torres Strait Islander people.

Health services have an enormous capacity to be flexible. However, we recognise that there are some, in some cases, local conditions and local issues that affect health services. We have an ongoing commitment to examine for each individual health service, if they put that case to us on a case by case basis—their cost structure, how they are expending the Commonwealth's funding and whether it is the most effective and efficient way to be able to produce good

health services—and if we find that they are in a position where they are unable to deliver good quality health care services, we look on a case-by-case basis if we need to put a case for additional funding on that service.

I do not want to pretend we have an unlimited bucket; we do not. But we do take a lot of care to make sure that we are very efficient within the program so that we recognise that there are some cases where there are particular cost structures and cost pressures. We recently did this exercise in the Northern Territory, completely independently of the intervention, where the cutting was made by a number of health services. It was found to be somewhat conflated, but there were some places where there were particular conditions that required some additional funding, and we did that. We have made the same offer to Western Australian health services. We recognise it is a bit difficult in some areas, and particularly the impact of the mining boom, which has put really significant pressures on some services.

CHAIR—I know Senator Adams has some questions to be taken on notice. What was the issue, Senator Adams?

Senator ADAMS—My questions were on hearing services pertaining to Indigenous children. They will go on notice because we have run out of time.

CHAIR—Ms Podesta and officers from Health and Ageing, thank you very much for your time. We appreciate it. We will send you the notice questions fairly soon.

Ms Podesta—Thank you, Senator.

Senator SIEWERT—We should put on the record that the only reason we have not asked about petrol sniffing is because we are doing that next week.

CHAIR—Correct.

Ms Podesta—Oh, are you?

CHAIR—Yes. The committee is going to the Northern Territory next week. We now call officers from the Department of Education, Employment and Workplace Relations. Good afternoon, and thank you for your patience.

Senator MASON—In February, the Prime Minister made his apology speech. He made the commitment that, over the next five years, every Indigenous four-year-old in remote communities will be enrolled in and attending a proper early childhood education centre or opportunity, and engaged in proper pre-literacy and pre-numeracy programs. I have asked some questions about this in the past, and it was fair enough that not much time had elapsed since that speech. I was just wondering whether you had anything to report, particularly in relation to facilities and, secondly, in relation to appropriate teachers. How are we going?

Mr Carters—Senator, unfortunately we do not have somebody who can cover that.

Senator MASON—Oh, really?

Mr Carters—Can we take it on notice?

Senator MASON—Well, it is very disappointing, Mr Carters, because that was one of the headline promises of the Prime Minister's apology speech to the Aboriginal people, and perhaps among the most important commitments he made was in relation to early childhood education. It is fair enough for this parliamentary committee to ask how the Commonwealth is

going in pursuing those outcomes, and you have no-one here who can answer this committee's questions.

Mr Carters—Not in terms of the progress that has been made, Senator.

Ms Smith—I could perhaps add something.

Senator MASON—Can you throw some light on this for the committee?

Ms Smith—It is not directly in my area of responsibility but I could give you some detail. As you may know, Senator, on 3 October 2008, COAG committed \$564 million in joint funding over six years to address the needs of Indigenous children in their early years, through the Indigenous Early Childhood Development National Partnership Agreement. This was the first NP signed by COAG. It comprised joint funding over six years, \$489 million of which is provided by the Commonwealth, and it will establish 35 children and family centres to deliver integrated services that offered early learning, child care and family support programs, and would also be directed to increase access to antenatal care, teenage, reproductive and sexual health services and child and maternal health services. That meeting also agreed to the development of a broad national strategy for early childhood development, which will include a focus on disadvantaged children, families, communities and those that will include Indigenous issues.

Senator MASON—What are the outcomes that the government is seeking? It is for more facilities, and I understand that and it is fair enough, but what are the outcomes that the government is seeking?

Mr Harvey—Basically, the outcomes are as you specified: that all four-year-olds in remote communities would have access to early childhood education within five years.

Senator MASON—Okay, enrolled in and attending. Do you have procedures set up and enrol these children and to ensure that they attend? It is enrol and attend.

Mr Harvey—Again, I can only talk in general terms. The department has put in place activities to ensure that we are moving towards achieving that target and are working very closely with the states. We are working towards that, but it is only very early days in regard to that initiative.

Senator MASON—Since February, how many months is that? Is it eight or nine months?

Senator PAYNE—Eight.

Senator MASON—I expected a bit more and I suspect the committee did because this is a headline commitment of the government's. I was going to ask questions about the particular Indigenous pre-literacy and pre-numeracy programs, but I suppose I cannot do with either. Is that right?

Ms Smith—No. We do not have them.

Mr Harvey—No, we do not have the people here who can answer that.

Ms Smith—I am sorry.

Senator MASON—Given that it is such an important commitment of the government, and I think it is a worthwhile one, Minister. I am not in any sense saying the commitment is not

more than worthwhile. It is more that the committee is interested in what is going on, what the government hopes to do and achieve, what are the time lines and what are the programs.

Mr Harvey—Senator, this is being worked through, through the whole process of COAG. As you may appreciate from the evidence given over the last couple of days, this is being worked through with the COAG initiatives. It is basically about providing universal access and the key COAG meetings that will occur in November. But, as I said and as Mr Carters said, the people who are involved in this initiative are not here to provide information.

CHAIR—Mr Carters, it is really important to know how best to do this. Was there an error in some way that we contacted your department in terms of clarification of whom we required?

Mr Carters—Yes.

Ms Smith—Yes.

CHAIR—My understanding was that our request was for people who were working in Indigenous programs within the department. That was what my understanding was. Where have we gone wrong here?

Ms Smith—Senator, I believe you specified the outcome groups that were required. Early childhood is outcome 1.

CHAIR—Right. It is important for us to know.

Ms Smith—Outcome 1 was not required.

CHAIR—Even the programs we are talking about specifically relate to Indigenous program delivery. We need to get this right. I do not want to have any confusion. The request is that we needed to specify outcome 1.

Mr Carters—Yes. Our apologies, Senator. We had only outcome 2, outcome 7 and outcome 8 listed.

CHAIR—Right. There has been some confusion by the committee. I apologise.

Senator MASON—No, Madam Chair.

CHAIR—We just thought that when we said we were looking at all issues to do with Indigenous services, we would cover it. Perhaps if there is anything you can do to help Senator Mason, so be it, but we take the responsibility ourselves.

Ms Smith—We would be very happy to take the questions on notice. I am happy to do that.

Senator MASON—Madam Chair, thank you for your assistance. Can I just flag that, given that this is a very important promise and a very important initiative of the Commonwealth government's and is worth over \$560 million for COAG and that the parliament will be expected to vote money for that purpose—and it may be a very worthwhile purpose—the questions associated with how that money is expended on the facilities, the programs, the time lines and the monitoring of the outcomes are, I think we would all agree, very important. Can I just say to the Minister and the officers at the table that next time we will be asking more detailed questions about the programs in February. What is happening with school attendance

and educational outcomes since the Northern Territory intervention commenced? Who is monitoring those outcomes?

Mr Harvey—I will speak in very general terms. Basically, there is a national assessment program for literacy and numeracy and there are NAPLAN statistics that are available. Those statistics are available on the NAPLAN website. We, together with the Northern Territory government, obviously are very interested in the outcomes. Recently those outcomes have been available for 2007. With regard to those outcomes in terms of reading, writing and numeracy, they have been reported and they are available publicly on the website. In terms of how we work together, as you would appreciate—

Senator MASON—That is great, but what do the results on the websites indicate?

Mr Harvey—What the results for 2007 indicate are that, if you look from 2006 over to 2007, basically four of the indicators went up and three went down. There are indicators for reading for years 3, 5 and 7; indicators for writing for years 3, 5 and 7; and indicators for numeracy for years 3, 5 and 7. How we compare those is in regard to all students compared to Indigenous students. As I said, when I look at them, I can see four going up and five going down.

Senator ADAMS—That is very helpful.

Senator MASON—Gee, I would not call that a great success, would you?

Mr Harvey—We could provide the committee with more data. If we look back over a number of years, we have seen a progressive trending up. Obviously there is a significant gap between Indigenous and non-Indigenous.

Senator MASON—I accept that, Mr Harvey, sure.

Mr Harvey—In terms of the intervention, that is a period of just over a year.

Senator MASON—Yes, sure.

Mr Harvey—And you will have a whole range of different issues impacting on children's performance over that period of time. If you look at a snapshot of a year—and as I indicated, some were going up and some were going down—it does not really give a clear indication of what the impact will be.

Senator MASON—What is going down, Mr Harvey?

Mr Harvey—What is going down is writing for three-year-olds, writing for year 7.

CHAIR—Year 3, I hope Mr Harvey.

Mr Harvey—Yes.

CHAIR—Unless they have been going very early. So it is grade 3 and grade 7. Is that right?

Mr Harvey—Yes. I apologise.

CHAIR—That is okay.

Mr Harvey—Writing for year 3 and writing for year 7, reading for year 7, numeracy for year 3, and numeracy for year 7. You can access this from the website or we can provide you with a table, which basically shows that.

Senator MASON—I will not hold the committee up too much. What has happened since the intervention in terms of primary school attendance?

Mr Harvey—I do not have complete figures, but generally we know that there is something like 10,000 students in the NTER communities and about 8,000 of those participate, but there are about 2,500 of that 8,000 that do not regularly participate. We have seen some increase in participation, but they tend to be more disadvantaged students because they have not basically been participating. Through the various incentives that are operating, they are participating. You are generally going to see a decrease in achievement levels if you are getting a cohort coming through that has not participated for a while. The encouraging signs are—

Senator MASON—I understand what you are saying, because you are getting people who have not been involved in the past coming through. That is fair enough and I understand that. But the question I asked was: has attendance been increasing?

Mr Harvey—I understand that attendance has been increasing. I do not have the exact figures.

Senator MASON—You have not got the figures. All right.

Ms Smith—We will need to take that on notice.

Senator MASON—It is very frustrating for the committee, Mr Harvey and Mr Carters. These are very important questions. I know that the Australian people are interested in it. I am disappointed, but perhaps I should have flagged this in the past. I might put some questions on notice, Madam Chair, and I thank you for your indulgence. Thank you, gentlemen.

Senator ADAMS—The enhancing education measure, which involves additional classrooms, the Accelerated Literacy Program which you mentioned, the School Nutrition Program, the Volunteer Teacher Initiative and the Quality Teaching Package. Can you tell me how many additional classrooms have been put in situ since this package became available?

Mr Carters—Yes.

CHAIR—You got the program right this time.

Senator ADAMS—Have I got the program right? I have not been told I did not, so I am hopeful.

Mr Carters—In terms of the classrooms, the funding was provided to construct a total of 25 new classrooms in priority locations in remote schools. Thirteen of the classrooms for the government schools are due to be completed by the end of this month. Another eight will be in place by early 2009 and four classrooms in non-government schools in Wadeye will be completed by the end of this calendar year. That is the 25.

Senator ADAMS—How are we going with the Accelerated Literacy Program?

Mr Carters—The funding for the Accelerated Literacy Program is being provided to the NT government and they are establishing regionally based specialist teams to basically

provide accelerated literacy in 45 of the targeted remote schools. We have provided the funding to them. I do not have the progress on what they have achieved, but certainly they have made commitments to meet that target. We do not have any update on that.

Senator ADAMS—Have they had to employ any extra teachers to carry out this program?

Ms Smith—It would my understanding they have, Senator.

Senator ADAMS—And they have been able to accommodate all the schools that are involved?

Ms Smith—I am not sure that they have been able to recruit in every case that they have sought to, but I do not have precise numbers for you.

Senator ADAMS—Would you be able to take that on notice and let us know just where that program is?

Ms Smith—Certainly.

Senator ADAMS—The School Nutrition Program has obviously been a very popular program in the emergency response area. Could you give me an update on that?

Mr Carters—The School Nutrition Program is providing funding to operate in 55 communities in eight town camp regions. In addition to that, this program has created 54 part-time and 15-full time new jobs.

Senator ADAMS—I will stop you there for a minute. Are they Indigenous employees? Do you know who has the jobs? Do you know who has been appointed?

Mr Harvey—Generally, in the case of the school nutrition programs, they are Indigenous people. In regard to broader job strategies, they have been Indigenous people. I have been advised that 10 of the 69 are non-Indigenous—

Mr Carters—so 59 are.

Senator ADAMS—It is very positive to see that there are job opportunities there. Continue.

Mr Carters—Just in terms of progress, we have had about 2,500 parents who are contributing to the program through their income management, and that is servicing an estimated 4,200 children.

Senator ADAMS—That is good. How is the Volunteer Teacher Initiative going?

Mr Goodwin—The Volunteer Teacher Initiative was an early initiative in the NTER and FaHCSIA managed the program. We had a number of people who volunteered for the volunteer program. It is important to clarify here that, when we say ‘volunteer’, the people who volunteered to be volunteer teachers were volunteering to be paid employees of the education providers. They were not what you might expect—the grey nomads going up to do three-month stints, or that sort of thing. These were people looking for full-time jobs.

We provided the names of the people who had volunteered to be posted to the Northern Territory Teacher Registration Board. The Northern Territory Teacher Registration Board undertook its due diligence checks of those people. A number of them were found to be suitable for employment because the Northern Territory Teacher Registration Board has

certain criteria, including things like applicants must be four-year qualified to teach in that territory.

Our advice from senior officers of the Northern Territory education department was that the majority of those people who had volunteered to be employed through the initiative were known to the Northern Territory Department of Education and they resolved not to follow through with employing the people who had volunteered, either because they had worked there previously and they did not feel that they did not need to re-employ those people, for reasons known best to them, or for other reasons. The Volunteer Teacher Program basically did not result in any teachers being employed through that initiative.

Senator ADAMS—That seems very strange when you have teachers who are prepared to go and work in those areas, and they do not want them.

Mr Goodwin—Because it was an initiative that was initiated by FaHCSIA through the NTER, the main problem or the main issue is that the Commonwealth does not employ those teachers. All we can do is offer up the people who have volunteered to become teachers in the Northern Territory through that initiative and then it is up to the Northern Territory Teacher Registration Board to say whether or not it is prepared to accept those people as employees. In the case of the relatively few people who did meet the criteria and went through the selection process, as I say the Teacher Registration Board decided not to employ those people.

Senator ADAMS—Thank you. Has the quality teaching package moved on or has it been successful? Where are we at with that?

Mr Goodwin—The Quality Teaching Package is one of the enhancing education measures. What we decided to do in consultation with the Northern Territory education providers was, in implementation, to combine the Quality Teaching Package with the accelerated literacy package because the two obviously go hand in hand. People who are going to work in remote Indigenous schools in the Northern Territory clearly need to have the ability to teach accelerated literacy as one of their key skills. So the Northern Territory government advised, and we accepted their advice, that the best thing to do would be to run those two initiatives concurrently.

We are doing that at the moment in conjunction with the Northern Territory. The Quality Teacher Program has a strong emphasis on up-skilling particularly Indigenous education workers in schools and providing pathways for those people to both formalise and increase their skills with a view to assisting at least a number of those people—we cannot forecast those numbers yet—to become fully qualified teachers and return to their communities to teach as fully-fledged teachers.

Senator ADAMS—What is the current situation as far as the overall teaching situation is concerned across the top of northern Australia, the top of Western Australia, the Northern Territory and northern Queensland?

Mr Goodwin—In terms of teacher availability?

Senator ADAMS—Yes, teacher availability and those on the ground.

Mr Goodwin—Teacher availability in remote Australia is probably the worst-case scenario for teacher availability anywhere in Australia, at the moment, as you would probably be aware, Senator.

Senator ADAMS—I am fully aware of that.

Mr Goodwin—There is a chronic shortage of teachers in Australia. As recently as today, the chief executive of the Australian College of Education had an article in the newspaper talking about the need for quality teachers and that there was not necessarily a particularly strong correlation between, for example, initiatives like that which the Western Australia government put in place to substantially increase salaries for teachers based on retention in remote communities and their actual retention—that teachers have other needs besides money, which may come as a surprise to some of us, that need to be met for them to be retained, especially in remote communities.

I must say that one of the really positive initiatives that has come out of our involvement in the Enhancing Education package in the Northern Territory Emergency Response has been the work done around providing the 200 extra teachers in the Northern Territory, which was an election commitment. The Northern Territory government in particular implemented a very successful nine-week induction program for those teachers, 19 of whom are in place as we speak, and we expect to have the full 50 expected for 2008 in place by the end of this year. But that nine-week induction program has been so successful that there is discussion within the Northern Territory of extending that outside of this 200 teachers measure and doing something similar for all teachers who are being sent to remote communities.

Senator ADAMS—That certainly makes a lot of sense.

Mr Goodwin—It is a very positive initiative. It includes things like a full two-week program on cultural awareness, accelerated literacy training, and other positive initiatives that basically assist teachers to survive and thrive in a remote community setting.

Mr Carters—Senator, just to add to that regarding that special training, there are 23 teachers who are due to start another lot of that on 10 November. That will be a big boost.

Senator ADAMS—As members of this committee are involved with the rural and remote Indigenous communities committee, we have been travelling around a number of the remote areas and have noticed that within the schools there are quite a number of mature age people who are relieving or just doing a short time in these communities. Is there any program that is now attracting people who perhaps were going to retire but have decided they cannot retire, or have retired and have decided they want to go back into the workforce? These would be, as I said, the mature age teachers that may, if there is a shortage, be able to be attracted back for those short periods. Is there any program there? Is the department looking at anything like that?

Mr Harvey—Senator, again this is an Northern Territory government responsibility, but working with the NT government and putting in place these sorts of initiatives, what they are starting to look at with those more mature teachers who have retired and want to come back if they could have short periods, is that they could be the key people to mentor the younger teachers coming through. We are looking pretty closely at that with the NT government and how that sort of model might work—at how you might have the mentors go in for three to

four months at a time—but also in regard to special needs, whether you have in the case of the NT a number of major locations and you have specialist teachers located in those locations who can go into a number of different communities to assist in special learning but also to assist in growing the teachers.

The other thing that both the NT government and the Catholic Education Office are looking at is how we can grow local Indigenous teachers. Basically we are looking at taking the para-professionals, putting them through a course and looking at the mentoring approach we referred to before and growing them, but also having that external mentoring and assistance from people who want to participate only for two, three or six months in a location. A number of innovative things are being looked at. We are most familiar through the NTER with the NT government, and a number of initiatives are being looked at to deal more innovatively with that and see how they can retain teachers as well.

Senator JOYCE—Does that take them back to train them in the remote communities?

CHAIR—Welcome, Senator Joyce.

Mr Harvey—Yes, to train in the community, yes, and to then work within that community,

Senator EGGLESTON—Have you put them in there as short-term rotations and stepped them up to stay for two years?

Mr Harvey—Senator, there is a significant problem with the retention of teachers in remote communities. I think the average is somewhere around seven months. If we could get to two years, that would be fantastic, but the main challenge is for the NT government to get them. Most education departments have a challenge in getting them to stay there for a year. I think some of the initiatives that are being run by people like Chris Sara out of Cherbourg are to use this approach to mentoring, leadership and growing local Indigenous people within the communities, so you actually grow local teachers and they stay within that community. That is part of the agenda definitely of the NT government but of other governments in the north of Australia as well. But, yes, I think the rotation approach is the way that we are going to solve the chronic shortage of teachers in the NT. If we could get to two years, that would be tremendous. This is what this approach is looking at—more innovative approaches.

Mr Goodwin—Can I add to that briefly, Senator? A number of jurisdictions have had over many years, and some continue to have, a reward system for teachers who are prepared to go and teach in remote or rural communities. After a two or three year stint in those communities, those teachers have, if not the pick of the plum locations then certainly access to what are considered to be the more desirable locations in the larger centres, and that seems to have been a very positive program over many years. Perhaps that is something that needs to be looked at more widely by the jurisdictions themselves.

Senator EGGLESTON—It is very similar to the problem of getting doctors into the country.

Mr Harvey—Yes.

Senator EGGLESTON—I think people have come to realise that if you can get them there for five years, that is a great success, and you probably can only expect them to stay for two, but they are not going to stay for 20.

Mr Harvey—No.

Mr Goodwin—The biggest challenge for any school in Australia is to attract and retain quality teachers. Everybody by now knows that quality teaching is the key to better student outcomes, and we need to get more quality teachers in front of more Indigenous students. If we could do that, we would be well on the way. Of course, attracting quality teachers to remote locations means that you have to have a certain set of conditions in place. We need to be investigating more with the states and territories what those conditions are, and how we can satisfy them.

Ms Smith—Senator, I will add to that too that the government has announced a very significant Improving Teacher Quality National Partnership Agreement as part of the COAG process. It anticipates a whole range of the sorts of themes about attracting new entrants, encouraging local employees, encouraging the Indigenous workforce to grow to provide incentives and a range of other strategies to attract, retain and develop people in the areas in which they are needed. That is the teacher quality national partnership agreement that is being developed with each of the states and territories, and clearly the Northern Territory will be a party to that. That will be considered at the November COAG meeting.

Senator EGGLESTON—Thank you.

Senator BOYCE—Are we on general questions, or where are we?

CHAIR—We are on general questions because it is easier to do it that way for the departments. Does anyone have questions on Abstudy that have not been asked yet? Or if there are any other questions generally, go for it. We have 20 minutes.

Senator BOYCE—That should more than suffice. It has been put to me by some Indigenous communities that the CDEP program is subsidising state government positions in that there might be a job that would be put up by the state government saying, 'We can fund three days. See if you can get CDEP for the other two,' so that people remain in what are ostensibly training positions sometimes for years and years. What can you tell me about that?

Mr Harvey—Senator, this portfolio does not manage CDEP, but what has been put in place by government is a program to transition people out of jobs—

Senator BOYCE—Or out of CDEP and into jobs, one hopes.

Mr Harvey—Out of CDEP type jobs into what we might describe as government jobs. That has operated quite successfully within both the federal government and the NT government, but prior to that there were also initiatives associated with when jobs were transitioned associated with the movement of CDEP out of urban and major regional centres. But in regard to the NT, it has been quite successful and something like 1,914 jobs have been created off CDEP.

Senator BOYCE—These are full-time jobs?

Mr Harvey—They vary between full time and part time.

Senator BOYCE—Can you break them up for me?

Mr Harvey—Yes. If I give you the numbers first, there are 1,506 federal government jobs and they are in the areas of education, community care, child care, night patrols and municipal

support, and sport and recreation and broadcasting. Then, in local government, 408 jobs that have been created. I know I am giving you a lot of figures, but as at 1 June this year, 88 per cent of the jobs, or 940, were part time, so there are a large number of part-time jobs. But you may appreciate, Senator, that under CDEP people were working a couple of days of work in a job.

Senator BOYCE—Yes.

Mr Harvey—A large proportion of them are part time, but the important part is that that is a transition into what we might call a real job where people are getting training, superannuation and support, and the objective is to create those real jobs off CDEP.

Senator BOYCE—Would you know if some of those people were being paid to do a particular job by the Northern Territory government for some period of time and then being paid via CDEP to do the same job for the rest of the week, say?

Mr Harvey—Those jobs that I am talking about are off CDEP. In respect of those jobs that I am talking about, the people who have come off them—

Senator BOYCE—Are people who have transitioned out of CDEP.

Mr Harvey—Yes.

Senator BOYCE—To get back to my earlier question, do you know about people who were being paid for part of their job by the NT government and were being paid for another period of time in that job from federal government funds?

Ms Wood—The short answer is, no. That is very difficult to get a picture of. As Mr Harvey said, this portfolio does not manage CDEP but previously did. In the CDEP system and reporting, you have information about CDEP participation but it is quite complex to try to match that with other sources of funding that the CDEP organisation might have that is providing the other part of wages for people.

Senator BOYCE—Okay. I will have to think of another way of tackling that issue. Thank you.

Mr Harvey—Thank you.

Senator EGGLESTON—Even though you are not managing CDEP any more, one of the problems with CDEP was that often people were not really doing anything. It was sit-down money and they got paid for it when the object of it all was training. I hope in the resurrected form of CDEP there really is a structured training program that leads to something. Surely, one of the great problems with Indigenous people is that they have this sense of hopelessness because they do not have a skill or a job which gives them any place in the world that means anything.

Ms Cattermole—We now are looking after the CDEP program. We are remaining today because of the work that we have been jointly doing with DEEWR around reforms to employment services, including the UES work that DEEWR does and the CDEP work that we are doing. One of the express focuses of the reform to CDEP is on ensuring that it is restructured into two key streams, one of which is a work readiness stream. And, of the key components of that, one of them is a renewed and strengthened focus on training in particular

to ensure that people are job ready. That training is all the way from foundational skills, should they be needed, through to more vocational training and then into on-the-job work placements designed expressly to tackle that issue.

Senator EGGLESTON—Very good.

Senator SIEWERT—I may need to put this question on notice. You may not be able to answer it. I have noticed with the new program that it says here in the briefing paper that people will remain on the relevant income support payments rather than be paid CDEP wages. Can you tell me how it is proposed that that will work?

Ms Cattermole—There will actually be two elements. There will be people who are on CDEP wages at 30 June of next year, so they will remain on CDEP wages for a period of time. That will be a transition. Then new entrants after that time will be on income support, engaging in a CDEP program.

Senator SIEWERT—Can I go back to the first lot of people you are talking about. When you say ‘transition’, do you mean transition to work?

Ms Cattermole—No. I mean that to ensure that people who are currently on CDEP wages have an opportunity to move into the new arrangements, there will be a period of time when they will be grandfathered, remaining on CDEP wages for nine months, and then there will be a three-month period in which they will be on a community-by-community basis moved onto income support.

Senator SIEWERT—Okay. So they have been on income support, they have gone back to CDEP, and now they are going back to income support. The previous government, under the intervention, got rid of CDEP and moved them onto income support. This government came in and put them back onto CDEP. Now we are going to move them back onto income support.

Ms Cattermole—With a transition period over a period of time. The reason for putting them back on wages was to ensure that everyone started from the same base. Then when we did the consultation process. One of the discussions that we had and the considerations the government made was around the incentives and disincentives that are created by the current situation with CDEP wages and other people who are engaging in similar activities but who are on income support. The proposal in the current paper is that, over time, CDEP participants would be on income support, but to enable there to be a transition period for people who are on CDEP wages, they will be retained for a period and then there will be a transition phase after that.

Senator SIEWERT—The cynical side of me says that is just the same as the previous government did so that their income can be quarantined. Is it not true that if they are on income support, their incomes will be quarantined?

Ms Cattermole—That is correct.

Senator SIEWERT—And that is the sole reason for putting them on income support?

Ms Cattermole—The main discussion around the retention or non-retention of CDEP wages was focused on the incentives and disincentives that have been built into that system where, in many cases, people are doing very similar activities but some people are on wages

and some people are on income support. The system is designed to assist people moving into jobs.

Senator SIEWERT—Can you tell me what the people who are on income support are doing that match activities on CDEP?

Ms Cattermole—Obviously, there is quite a range of activities. It will depend, in different communities and different cases, but there are a number of activities that CDEP participants might be involved in that are quite similar to those of people who are on income support.

Senator SIEWERT—That is what I am asking. If you cannot tell me now, could you please take that on notice?

Ms Cattermole—I can certainly take that on notice.

Senator SIEWERT—I would like to know what activities people on income support are doing that are similar.

Ms Cattermole—I can certainly provide a number of examples.

Senator SIEWERT—Anybody who starts CDEP from now on will be—

Ms Cattermole—From 1 July next year.

Senator SIEWERT—Sorry, I meant from when the new program commences.

Ms Cattermole—Yes.

Senator SIEWERT—From then on, they will go straight into CDEP. There will not be a change in terms of income. They will be on whatever income support they are on.

Ms Cattermole—That is correct.

Senator SIEWERT—What process will be used to ensure that they are then part of the CDEP program? What will be different, particularly for those who are already on similar programs to CDEP? What will be the change?

Ms Cattermole—All job seekers will be registered with the universal employment services. That will be the primary focus for job seekers as the program is universal, and there will be service delivery opportunities through CDEP, which will be into two key streams: the work readiness stream and the community development stream. The UES provider and the CDEP providers are being required to work together to ensure that they set up the best service delivery options for people in those particular communities. They will sit down and the employment pathway program through the UES will be the primary vehicle for that, but they will be required to work together to ensure that they are drawing on services across the board from the different providers to offer the best opportunities for those individuals.

Senator SIEWERT—I understand that CDEP providers are being encouraged to become universal employment services. Is that understanding correct?

Ms Cattermole—Certainly they are being offered the opportunity to tender for the UES—both at this point because there is a UES tender currently underway. But, in addition, for the future tenders we are certainly going to be working with providers, should they wish to move into that space, to ensure that we help them build business support and expertise, should they wish to tender for that, or the IEP or other services.

Senator SIEWERT—Okay. You may have said this before and I missed it but into the future, after the transition period, will CDEP providers still exist, or is the intention to move solely to the universal?

Ms Cattermole—No. CDEP providers will still exist, offering the reformed CDEP in the two structured streams that I was describing.

Senator SIEWERT—Okay. So you will have universal employment services and CDEP both providing services.

Ms Cattermole—And CDEP providing services in the remote space, with UES being the sole service provider in non-remote. In the remote areas there would be in some cases parallel service streams, recognising that people are facing an acute disadvantage so they may need that extra servicing.

Senator SIEWERT—I am sorry to be pedantic about this, but universal employment services will be able to provide services into remote communities?

Ms Cattermole—Correct.

Senator SIEWERT—But they will be the sole service providers in non-remote.

Ms Cattermole—In non-remote, yes.

Senator SIEWERT—I am sorry. I have it now. I am sorry I am so slow.

Ms Cattermole—No, not at all.

Mr Carters—Senator, can I just add to that? There will in fact be a requirement that there is a service level agreement between the UES providers and the CDEP providers. In fact, the proposed new model will be all about them working together at the local level instead of competing for their participants. Anybody who is on CDEP will also be required to register with the universal employment services.

Senator SIEWERT—If they are providing services in their area?

Mr Carters—Yes.

Senator SIEWERT—Because some of them may not for some of the more remote areas. Some of the universal employment services providers may not be providing in that area. Is that it?

Mr Carters—We will have to wait and see the outcome from the tender bids.

Senator SIEWERT—Okay.

Mr Carters—But certainly we would hope that there would be universal coverage, yes.

Senator SIEWERT—So what you are hoping will happen is that in remote areas you have both—CDEP and the universal service providers. Is that it?

Mr Carters—Or a CDEP provider could choose to put in a bid to become a universal employment service provider in a particular location as well.

Senator SIEWERT—Can you be both? Can you keep your CDEP hat and your universal hat?

Mr Carters—Technically, yes, you can do that.

Senator SIEWERT—You can technically, or you may choose to convert totally to being a universal employment service?

Mr Carters—Yes. There is also the Indigenous Employment Program. The consultations that are being conducted at the moment are on CDEP and the Indigenous Employment Program. As we said, the universal employment services tenders are already open, so that is finished with in terms of the request for tender documentation, but the consultations are happening now.

Senator SIEWERT—Does this replace STEP?

Mr Carters—The Indigenous Employment Program, STEP, is a key part of that.

Senator SIEWERT—That will continue as well?

Mr Carters—Yes. That will continue to be a key part of the Indigenous Employment Program, absolutely.

Senator SIEWERT—Thank you. I think I have it straight.

CHAIR—Senator Adams, is workplace relations where you want to go?

Senator ADAMS—Yes. I still have some workplace relations questions on two programs that have been announced by the minister. Am I in the wrong place again?

CHAIR—Correct. We have not asked for that program.

Mr Carters—We do not have any experts here, I am sorry, Senator.

Senator ADAMS—These are about employment participation, which Mr O'Connor mentioned in a media release in the last fortnight or so.

CHAIR—Would that be No. 8, workplace participation relating to indigenous employment?

Mr Carters—Participation?

CHAIR—Yes.

Mr Carters—Yes. That is us. Sorry.

CHAIR—Go for it, Senator Adams.

Senator ADAMS—Thank you. Minister O'Connor's media release of 7 October stated that a new training and employment program to help Indigenous job seekers in Darwin will include placement in McDonald's restaurants. In relation to this program, I am wondering what plan there is to follow up the success rates of the Indigenous job seekers.

Mr Harvey—Mr Carters was talking before about the Indigenous Employment Program. Under the Indigenous Employment Program. There is a range of strategies that you can put in place, such as the structured training and employment program. We track participation in those programs, how successful they are and what the outcomes are. My colleague Jo Caldwell might want to add to that.

Ms Caldwell—Mr Harvey has possibly covered it all, but when we enter into Indigenous Employment Program STEP projects, each project specifies expected outcomes, the number of participants, the goals in terms of jobs, and is subject to ongoing reporting to the

department and monitoring to see whether we achieve the number of jobs that we want to out of each, project by project. Then, on a periodic basis, we also look at evaluations across the entirety of the more than 500 STEP projects we have going at any one time.

Senator ADAMS—I have another question on the new pre-employment program for long-term unemployed Indigenous Australians. Mr O'Connor has said, 'Since its introduction 600 job seekers have registered and many have gained employment'. Could you give me the breakdown of the actual number of job seekers who have been employed and whether this was in full-time, part-time or casual work?

Ms Caldwell—For that particular project, I would need to take that on notice and give you the detail on that one, Senator.

Senator ADAMS—The other thing you could take on notice too is whether you have feedback as to whether those who were successful in finding work are still currently employed.

Ms Caldwell—Again, on notice for that particular project. Overall we achieve approximately 80 per cent of our Structured Training and Employment Project, the STEP project. Participants are in employment or education outcome three months after completion of their placement, so we have quite a high retention rate across the board in the projects. I can take on notice that particular project that you refer to, Senator.

Senator BOYCE—Do you check subsequently to three months at all?

Ms Caldwell—In the long-term evaluations, we do. We report in our annual report on three-month outcomes three months after completion of placement. We also collect data on a periodic basis and release evaluation reports at six months, 12 months and two years after completion.

Senator BOYCE—And what is the success rate of that?

Ms Caldwell—I do not have rates for those longer run outcomes, but again they are quite strong for participation in the IEP.

Senator BOYCE—Would you be able to provide those on notice?

Ms Caldwell—We can take on notice what information we have on that.

CHAIR—Do you have one more, Senator Adams?

Senator ADAMS—I will let Senator Eggleston go.

CHAIR—Senator Eggleston has a question.

Senator EGGLESTON—Thank you very much, Chair. I am interested in Indigenous employment in the mining industry. About three years, the Minerals Council of Australia announced it was going to have an active Indigenous employment program, and I know Rio has been very active in that regard, especially about Argyle, but are you involved in the mining industry's Indigenous employment program at all?

Mr Harvey—Yes, we are. As you probably know, Senator, there is a memorandum of understanding with the Australian government. We participate in a steering committee along with FaHCSIA and the mining industry. As you probably know, the mining industry tends to

be the leader in employment of Indigenous people, largely or partly because of its proactive approach, but also because there are large Indigenous populations near where they operate. In the case of Argyle mine, I think there is over 20 per cent Indigenous employment. If you look at other places in the Pilbara, with both Rio and BHP, they are around 12 per cent, so they have been very successful. The major corporations participating in that MOU are Rio Tinto, BHP, Fortescue Metals and Newmont across a number of sites across Australia—about eight sites—which include Port Hedland and Ashburton, Wiluna, Boddington and East Kimberley, the Tanamai and the Western Cape.

So there is a range of miners we are working with. It is being driven largely by the mining industry and they are continuing to provide leadership in terms of being examples to other organisations more broadly, and also being in a position to offer advice and assistance to other industries. We are working closely with them. I think they are also important in that they look more broadly, not only at jobs; I am aware that in some locations they are very interested in education and early childhood, so they take an active interest in education and early childhood as well.

Senator EGGLESTON—Do the jobs include formal apprenticeship training?

Mr Harvey—Senator, it can take on a range of various approaches. In the case of Roeburn and Ashburton, Rio Tinto have an Indigenous apprenticeship school that they run very successfully, and the same applies to BHP. It depends what job you are going into. They have a range of intakes, and the same applies in Port Hedland. BHP has a facility that offers traineeships and apprenticeships for Indigenous people. In regard to Fortescue Metals, they recently kicked off an in-house training process within their new facilities in the Pilbara. So most of these companies have quite built up and sophisticated training facilities designed around the intake of Indigenous trainees and apprentices.

Senator EGGLESTON—Do we have any figures on outcomes? Are we seeing boilermakers, welders and plumbers produced from this sort of scheme, for example?

Mr Harvey—From across the board, you are seeing Indigenous people in a whole range of occupations. For example, not only do you have the major miners, you have a company by the name of Ngarda Civil and Mining that is an Indigenous-owned earthmoving company that has been very successful in growing the Indigenous workforce. They have a range of people in traineeships and apprenticeships. One of their challenges is that they tend to be a major player in the marketplace but they are also an organisation that grows an Indigenous workforce, which then flows into the other mining companies, such as BHP and Rio Tinto. You are seeing Indigenous people across the full spectrum of servicing. A number of the catering companies that service the mining companies also have large Indigenous populations, particularly in catering and servicing. In that industry, and around and supporting that industry, you are seeing significant opportunities for Indigenous people.

Senator EGGLESTON—Thank you. One of the things that I feel a little concerned about sometimes is that is an awful lot of focus on Indigenous people living in remote areas when they are in fact only about 30 per cent or less of the total Indigenous population. Do we have other programs for Indigenous people living in urban areas, or are they fitted into other programs?

Mr Harvey—We do, Senator—the job network or the universal employment service and the Indigenous Employment Program. Last year the job network placed about 49,000 Indigenous people into jobs, and the Indigenous Employment Program placed about 15,000. Both of those programs operate across the whole of Australia. The Indigenous Employment Program is particularly attractive because it is designing strategies to meet the individual needs of employers. We started to talk about the mining industry but there are some very innovative things happening in the construction industry. We have talked about catering and hospitality. There is a range of programs working in business services. So there are those broader programs and we are very conscious of that.

Also the employment covenant that has been talked about is looking a lot more broadly across the whole spectrum of industries to look at the growth. We work with probably four major industries that are looking to grow, even though we are challenged at the moment—industries like retail, construction, health services, and business and property services which, it seems, will be growing over the next few years. These are the industries that we tried to target and we worked with those industries to target growth of Indigenous employment.

Ms Caldwell—Senator, if I could just briefly add to what Mr Harvey said. I think Mr Harvey referred to a figure of 14,000 persons participating in Indigenous employment programs that are spread across Australia, not only remote Australia. In fact, Bob was referring to the previous year's total, and in the financial year 2007-08 it was more than 24,000 compared to 14,000 in the year preceding. That reflects the comments that Mr Harvey was mentioning in terms of the commitment to look at a very coordinated response to picking up the opportunities that are there, not only in the remote areas.

I can also answer an earlier question, Senator, on the outcomes and the split between full and part-time work for persons participating under the STEP program. I mentioned approximately 80 per cent positive outcomes, but the actual breakdown is that 22.3 per cent of STEP participants were in education or training. That does not distinguish between full and part time. A further 67.5 per cent were in employment, 51 per cent of whom were full time.

CHAIR—Thank you very much, Ms Caldwell. We will have to call this session to an end. I thank the officers from Education, Employment and Workplace Relations, and apologise again for the confusion about the programs for which you were called. We will move into the last session, but before doing that, Ms Podesta from the Department of Health and Ageing wishes to put something on the record. I apologise before we even start with the Department of Prime Minister and Cabinet that it is a very tight time frame for you and your evidence. Before the Minister runs away—someone hold that minister!—Ms Podesta, you wish to add something?

[3.39 pm]

Department of Health and Ageing

Ms Podesta—Yes. Thank you, Senator. I wish to make a clarification and a correction. One of the officers from the Department of Health and Ageing inadvertently read the wrong figure, so I would like to clarify that. It was in regard to the number of children who had had child health checks and who required follow-up. The percentage of those children from the first

review was that 86 per cent of children required a follow-up and 60 per cent of those children at the first point of review had received their follow-up.

CHAIR—Thank you very much, Ms Podesta.

[3.39 pm]

Department of Prime Minister and Cabinet

CHAIR—Welcome, Ms Wilson and Mr Hoffman. We just have a couple of questions, and we appreciate your patience in staying with us today.

Senator BOYCE—Thank you, Chair. My first questions revolve around the social inclusion unit which is in PM&C. Am I asking the right questions at the right place?

Ms Wilson—It is not actually within the social policy division. I am from output group 2.1, social policy division.

Senator BOYCE—Perhaps you may be able to answer my question anyway.

Ms Wilson—I will see if I can. If not, I will certainly take it on notice.

Senator BOYCE—I did ask earlier this week of the social inclusion division its relationship with Indigenous policy issues in that, if you are looking at socially disadvantaged people, it struck me as a little odd not to be looking at issues affecting Indigenous people as part of that package. Perhaps you could just tell me a little bit about your interaction at least with the social inclusion unit.

Ms Wilson—Certainly. We are in the same output group in PM&C, so there are three components of that group: the social policy division, which covers the Indigenous policy branch; the education, employment and skills branch; and the health and ageing branch. The social inclusion unit has its own output group but is in the same group of divisions, and then there is also the Office of Work and Family. We work very closely together within the domestic policy group of PM&C, so there is quite a lot of connectivity between our activity. So, in an organisational sense, we try to interact and make sure we develop a whole of PM&C view that canvasses Indigenous issues and their links to social inclusion and addressing outcomes for disadvantaged people.

Senator BOYCE—Is that a formal process for interaction, or is it ad hoc?

Ms Wilson—It is both. We are required when doing things—for example, a briefing on cabinet submissions—to have formal protocols about consultation that ensure that all the various interests in the department get to provide their views in a whole of PM&C briefing.

Senator BOYCE—Does that mean you go and check what social inclusion thinks or would you both separately inquire?

Ms Wilson—We would talk to each other. What happens is that there is a lead area in the department identified for pulling together the coordinated views and for brokering those views for sign-off at a more senior level. As well as that, we quite clearly have personal and day-to-day interaction and relationships because we are in the same organisational group.

Senator BOYCE—The same physical space.

Ms Wilson—We are actually not in the same physical space. We are two floors apart these days but we know each other well. It is a small department and we manage to go down a couple of floors and talk to each other or pick up the phone or send an email.

Senator BOYCE—My only concern is that if the only interaction is ad hoc it is then at the mercy of personalities and interests. It does need a formal process around it, presumably, for it to work. I am still a bit bemused about why social inclusion would sit beside Indigenous rather than being inclusive of it.

Ms Wilson—Maybe the way you can conceptualise it is that you could not possibly achieve social inclusion as a set of outcomes for Australians without addressing Indigenous disadvantage, but the character of Indigenous disadvantage means that you need some dedicated strategies for Indigenous people as well as mainstream strategies that focus on outcomes for Indigenous people. I would not say that they are completely separate streams of work. They are quite closely related, but there is a particular set of targets that the government has adopted—and which are now COAG targets for closing the gap on Indigenous disadvantage—which need a focus in their own right.

Senator BOYCE—But you do not function as a subset of social inclusion. You function beside the social inclusion unit. Am I correct?

Ms Wilson—In an organisational sense, we are discrete organisational units. When pulling together a PM&C view on a set of issues that would affect disadvantaged Australians generally and would also affect Indigenous Australians, we would work together to develop a joint view.

Senator BOYCE—In the area of social policy, there has recently been a disability investment group established by Minister Shorten to look at ways of getting private capital into the disability community. Has any similar work been done with the Indigenous community?

Ms Wilson—There is a lot of work underway in terms of private capital and the Indigenous community. Mr Harvey's evidence about the memorandum of understanding with the Minerals Council of Australia reflected on the fact that a range of companies make direct investments in communities and areas which perhaps do not relate to their own operations as a corporate entity.

Senator BOYCE—Most of those would primarily be in workforce training and jobs. I am thinking more about the actual business development, which involves Indigenous-owned businesses.

Ms Wilson—He mentioned the Ngarda mining services company, which is an Indigenous company. Perhaps if you could just repeat your question, Senator, as I am not quite sure what you are asking me as a PM&C officer.

Senator BOYCE—I am sorry. It is this. There has been a focus put by Minister Shorten on the establishment of a group called the Disability Investment Group, which consists primarily of senior business people of Australia, to look at ways of getting private, side-by-side entities within the disability community so that not all training and everything is coming from

government. Has there been any work in that type of area relating to Indigenous communities?

Ms Wilson—There is a range of activities that have had government engagement and support.

Senator BOYCE—I guess we are not talking about a range of activities but about an overarching policy idea and an overarching driving force.

Ms Wilson—There certainly is a lot of interest in government and I think you could say policy is continuing to evolve that seeks corporate sector engagement as to Indigenous disadvantage. There is a range of initiatives already in place, but it would be important to note that the Prime Minister, in the press conference following the recent COAG meeting, talked about the COAG meeting next year that will be dedicated to closing the gap, and one of the things that it is going to focus on is ways of maximising the contribution that the corporate sector and the not-for-profit sector can make in addressing Indigenous disadvantage and the target. There are some things already in place—a range of initiatives that departments that have been represented here today sponsor. The Prime Minister has reflected an interest in, if you like, building on those.

Senator BOYCE—You talk about the COAG meeting next year, and I think that would be the beginning point for this. Will there be a body of work from your area or from someone else's that would be already there to prompt further discussion?

Ms Wilson—There is a range of work, in terms of policy development on closing the gap, underway in government, but because it is still in development I am not really able to talk about the details of it.

Senator BOYCE—All right; thank you.

CHAIR—Senator Siewert has a question, and then we might have to finish. We will put anything else on notice.

Senator SIEWERT—Has the unit been involved in looking at any of the recommendations that have been made in the NTER review around increasing community engagement and improvement? The report makes a series of comments and recommendations around the federal government re-engaging with Aboriginal communities. To me, that is part of social inclusion. I am wondering whether you have been asked to comment on those or have been engaged in any of that work.

Ms Wilson—Senator, if you are asking if the social inclusion unit has been, I should point out that I do not work in the social inclusion unit. I do not lead the social inclusion unit. In terms of providing advice to government on the NTER review board report and any response from government that will follow, the social inclusion unit would be one of the participants in providing a PM&C view in a brief for the government.

Senator SIEWERT—Thanks.

Senator BOYCE—If I may just ask this. You were involved in follow-up from the 2020 summit in areas of Indigenous matters. Is that correct?

Ms Wilson—There is a range of processes that are following up the ideas. Many of the ideas have been given to other departments as lead departments on those ideas. PM&C has been asked to provide advice also on those ideas. Did you have a specific question?

Senator BOYCE—No. It is just that there were a lot of ideas around Indigenous development issues and future plans that were in the 2020 summit. I do not have any specific one in mind. I am almost asking this: what did you do about it? What have you done since?

Ms Wilson—There is work underway that will build into a government response by the end of this year to the 2020 summit, which includes the ideas that came up in the Indigenous stream of work.

CHAIR—Is that through PM&C, Ms Wilson?

Ms Wilson—PM&C will be coordinating that response, yes. That is correct.

CHAIR—I am sorry, Senators, but we have to conclude. I gave a commitment to the minister that we would end by 10 to 4 and it is 10 to 4. At this point I thank all the officers from all the departments who gave us their time and their efforts today. It was deeply appreciated. I thank also the senators for their patience and their ability to stick within fairly good time frames. I also thank the secretariat, and I know this has been stressful. I thank in particular Hansard staff.

Senator Ludwig—Madam Chair, I want to state for the record the appreciation of the portfolio departments for being able to come along and talk to the committee. We appreciate your work. Thank you.

CHAIR—Thank you, Minister.

Committee adjourned at 3.51 pm