



COMMONWEALTH OF AUSTRALIA

# Official Committee Hansard

## SENATE

COMMUNITY AFFAIRS LEGISLATION COMMITTEE

ESTIMATES

**(Supplementary Budget Estimates)**

FRIDAY, 22 OCTOBER 2010

CANBERRA

BY AUTHORITY OF THE SENATE

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**SENATE COMMUNITY AFFAIRS****LEGISLATION COMMITTEE****Friday, 22 October 2010**

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

**Participating members:** Senators Abetz, Back, Barnett, Bernardi, Bilyk, Birmingham, Mark Bishop, Boswell, Brandis, Bob Brown, Bushby, Cameron, Cash, Colbeck, Coonan, Cormann, Crossin, Eggleston, Faulkner, Ferguson, Fierravanti-Wells, Fielding, Fifield, Fisher, Forshaw, Hanson-Young, Heffernan, Humphries, Hurley, Hutchins, Johnston, Joyce, Kroger, Ludlam, Macdonald, McEwen, McGauran, Marshall, Mason, 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, Back, Carol Brown, Boyce, Cameron, Furner, Moore, Payne, Scullion and Siewert

**Committee met at 9.02 am**

**CROSS PORTFOLIO INDIGENOUS MATTERS****In Attendance**

Senator Arbib, Minister for Sport, Minister for Indigenous Employment and Economic Development and Minister for Social Housing and Homelessness

**Department of Families, Housing, Community Services and Indigenous Affairs**

Dr Jeff Harmer, Secretary

Ms Liza Carroll, Deputy Secretary

Mr Rob Heferen, Deputy Secretary

Mr Andrew Tongue, Deputy Secretary

Mr Bruce Hunter, Deputy Secretary, Chief Operating Officer

Ms Peta Winzar, Acting Deputy Secretary

Ms Cate McKenzie, Group Manager, Women and Children

Mr Anthony Field, Group Manager, Legal and Compliance

Mr Scott Dilley, Acting Group Manager, Business and Financial Services

Ms Donna Moody, Group Manager, Program Performance

Ms Cath Halbert, Group Manager, Office of Indigenous Policy Coordination

Ms Julia Burns, Group Manager, Corporate Support

Ms Kerrie Tim, Group Manager, Indigenous Leadership and Engagement

Ms Kate Gumley, Acting Group Manager, Office of Remote Indigenous Housing

Mr Bryan Palmer, Group Manager, Indigenous Programs and Economic Development

Mr Mark Warburton, Acting Group Manager, Families

Mr Matthew James, Branch Manager, Performance and Evaluation

Mr Philip Brown, Acting Branch Manager, Indigenous Policy

Mr Maurice Hermann, Section Manager, Indigenous Policy

Ms Frances Byers, Section Manager, Indigenous Policy  
Mr Simon Gordon, Section Manager, Indigenous Policy  
Mr Andrew Davitt, Branch Manager, Indigenous Budget and Coordination  
Ms Melissa Clode, Section Manager, Indigenous Budget and Coordination  
Mr David Fintan, Branch Manager, Commercial and Indigenous Law  
Mr Simon Crowther, Branch Manager, Compliance Branch  
Ms Megan Lees, Branch Manager, Indigenous Housing Policy  
Mr John Eldridge, Acting Branch Manager, Indigenous Programs  
Ms Yvonne Fetherstone, Section Manager, Indigenous Programs  
Ms Helen Board, Branch Manager, CDEP Policy and Program Management  
Ms Kari Ahmer, Branch Manager, Remote Service Delivery  
Mr John Sheldon, Section Manager, Remote Service Delivery  
Mr Geoff Richardson, Branch Manager, Governance and Community Strategies  
Ms Robyn Calder, Branch Manager, Leadership Delivery  
Ms Amanda Doherty, Branch Manager, Policy and Strategy  
Ms Lisa Foreman, Branch Manager, Engagement  
Ms Fiona Smart, Branch Manager, Safety Taskforce  
Mr Kurt Munro, Branch Manager, Budget Development  
Mr Andrew Cameron, Section Manager, Budget Development  
Ms Meg Hargreaves, Acting Branch Manager, Business Planning and Financial Governance  
Ms Lisa Croft, Branch Manager, Indigenous Housing Delivery  
Mr Gavin Matthews, Branch Manager, Indigenous Housing Programs and Services  
Mr John Litchfield, Acting Branch Manager, Land Reform  
Ms Carol Ey, Branch Manager, Research and Analysis  
Mr Robert Ryan, Branch Manager, Indigenous Economic Development  
Mr Ian Boyson, Acting Branch Manager, Remote Housing Northern Territory  
Mr Brian Quinlan, Acting Branch Manager, Communications and Media  
Ms Lynette MacLean, Branch Manager, People Branch  
Ms Liz Hefren-Webb, Acting Branch Manager, Welfare Payments Reform  
Ms Agnieszka Nelson, Section Manager, Performance Management and Modelling  
Ms Lee Emerson, Branch Manager, Family Support Program

**FaHCSIA Portfolio Agencies**

Mr Brian Gleeson, Coordinator General for Remote Indigenous Services  
Mr Anthony Beven, Registrar, Office of the Registrar of Indigenous Corporations  
Mr Bruce Gemmell, Chief Executive Officer, Indigenous Business Australia  
Ms Kaely Woods, Deputy Chief Executive Officer, Business, Indigenous Business Australia  
Ms Dianne Rimington, Deputy Chief Executive Officer, Commercial, Indigenous Business Australia  
Mr Satish Kumar, Chief Financial Officer, Indigenous Business Australia

**Department of Health and Ageing****Executive**

Mr David Learmonth, Deputy Secretary, Department of Health and Ageing  
Ms Fiona Nicholls, Assistant Secretary, Quality Policy and Programs

Ms Samantha Robertson, Assistant Secretary, Medicare Benefits Branch

Ms Lyn Murphy

**Office of Aboriginal and Torres Strait Islander Health (OATSIH)**

Ms Linda Powell, First Assistant Secretary, OATSIH

Ms Tarja Saastamoinen, Assistant Secretary, Policy Branch

Mr Garry Fisk, Assistant Secretary, Capacity Development Branch

Ms Joan Corbett, Assistant Secretary, Family Health and Wellbeing Branch

Ms Alison Killen, Assistant Secretary, Better Health Care Branch

Mr Craig Ritchie, Assistant Secretary, Remote Health Services Branch

Mr John Shevlin, Assistant Secretary, Program Support Branch

**Business Group**

Mr Adam Davey, Acting Assistant Secretary, Communications Branch

Ms Susan Parker, Director, Communications Branch

**Health Workforce Division**

Ms Mary McLarty, Acting Assistant Secretary, Nursing, Allied and Indigenous Workforce Branch

**Mental Health and Chronic Disease Division**

Mr Simon Cotterell, Assistant Secretary, Drug Strategies Branch

Mr Leo Kennedy, Assistant Secretary, Mental Health and Suicide Prevention Branch

Ms Lana Racic, Assistant Secretary, Mental Health Reform Branch

**Pharmaceutical Benefits Division**

Ms Andrea Kunca, Assistant Secretary, Community Pharmacy Branch

**Primary and Ambulatory Care Division**

Mr Lou Andreatta, Principal Advisor

**Medical Benefits Division**

Ms Angela Mikalauskas, Acting Assistant Secretary, Medicare Financing and Analysis Branch

**Population Health Division**

Mr Damian Coburn, Assistant Secretary, Population Health Strategy Branch

**Regulatory Policy and Governance Division**

Ms Teresa Ward, Assistant Secretary, Office of Hearing Services

**Australian Institute of Health and Welfare**

Dr Fadwa Al Yaman, AIHW

**Department of Human Services**

Mr Grant Tidswell, Deputy Chief Executive Officer, Customer Service

Ms Roxanne Ramsey, General Manager, Indigenous, Rural and Remote Servicing Division

Mr Shane Hoffman, DHS Portfolio Manager, Indigenous Strategies Branch

Ms Susan Cartwright, National Manager, Income Management Branch

**Centrelink**

Ms Kate Hay, National Manager, Education and Employment Programs

Ms Moya Drayton, General Manager, Education, Employment and Support Programs Division

**Department of Education, Employment and Workplace Relations**

Mr Robert Griew, Associate Secretary

Ms Jo Wood, Group Manager, Indigenous Economic Strategy

Ms Lynne Stevenson, Branch Manager, Indigenous Economic Strategy Group

Ms Katrina Fanning, Branch Manager, Indigenous Economic Strategy Group  
Ms Tania Rishniw, Branch Manager, Indigenous Economic Strategy Group  
Mr Derek Stiller, Acting Branch Manager, Income Support Group  
Ms Lynne Stevenson, Branch Manager, Indigenous Economic Strategy Group  
Ms Katrina Fanning, Branch Manager, Indigenous Economic Strategy Group  
Ms Tania Rishniw, Branch Manager, Indigenous Economic Strategy Group  
Mr Derek Stiller, Acting Branch Manager, Income Support Group

**CHAIR (Senator Moore)**—I declare open this Senate Community Affairs Legislation Committee hearing on cross-portfolio Indigenous matters. The committee is considering supplementary budget estimates on Indigenous issues which relate to families, housing, community services and Indigenous affairs; health and ageing; some employment; human services; and the Centrelink agency. The committee has before it a list of matters which senators have indicated that they wish to raise at this meeting.

Today's proceedings will be confined to those matters for which senators have given notice. Senators are reminded that written questions on notice in respect of the supplementary hearings must be lodged with the secretariat no later than 4 pm today, Friday, 22 October. The committee has set 10 December as the date for the return of answers to questions on notice.

I know that officers and senators are familiar with the rules of the Senate governing estimates hearings, but if you need assistance then the secretariat have full copies that they can provide you. I particularly draw attention to the Senate order of 13 May 2009 specifying the process by which a claim of public interest immunity should be raised.

*The extract read as follows—*

**Public interest immunity claims**

That the Senate—

- (a) notes that ministers and officers have continued to refuse to provide information to Senate committees without properly raising claims of public interest immunity as required by past resolutions of the Senate;
- (b) reaffirms the principles of past resolutions of the Senate by this order, to provide ministers and officers with guidance as to the proper process for raising public interest immunity claims and to consolidate those past resolutions of the Senate;
- (c) orders that the following operate as an order of continuing effect:
  - (1) If:
    - (a) a Senate committee, or a senator in the course of proceedings of a committee, requests information or a document from a Commonwealth department or agency; and
    - (b) an officer of the department or agency to whom the request is directed believes that it may not be in the public interest to disclose the information or document to the committee, the officer shall state to the committee the ground on which the officer believes that it may not be in the public interest to disclose the information or document to the committee, and specify the harm to the public interest that could result from the disclosure of the information or document.
  - (2) If, after receiving the officer's statement under paragraph (1), the committee or the senator requests the officer to refer the question of the disclosure of the information or document to a responsible minister, the officer shall refer that question to the minister.

- (3) If a minister, on a reference by an officer under paragraph (2), concludes that it would not be in the public interest to disclose the information or document to the committee, the minister shall provide to the committee a statement of the ground for that conclusion, specifying the harm to the public interest that could result from the disclosure of the information or document.
- (4) A minister, in a statement under paragraph (3), shall indicate whether the harm to the public interest that could result from the disclosure of the information or document to the committee could result only from the publication of the information or document by the committee, or could result, equally or in part, from the disclosure of the information or document to the committee as in camera evidence.
- (5) If, after considering a statement by a minister provided under paragraph (3), the committee concludes that the statement does not sufficiently justify the withholding of the information or document from the committee, the committee shall report the matter to the Senate.
- (6) A decision by a committee not to report a matter to the Senate under paragraph (5) does not prevent a senator from raising the matter in the Senate in accordance with other procedures of the Senate.
- (7) A statement that information or a document is not published, or is confidential, or consists of advice to, or internal deliberations of, government, in the absence of specification of the harm to the public interest that could result from the disclosure of the information or document, is not a statement that meets the requirements of paragraph (1) or (4).
- (8) If a minister concludes that a statement under paragraph (3) should more appropriately be made by the head of an agency, by reason of the independence of that agency from ministerial direction or control, the minister shall inform the committee of that conclusion and the reason for that conclusion, and shall refer the matter to the head of the agency, who shall then be required to provide a statement in accordance with paragraph (3).

(Extract, Senate Standing Orders, pp 124-125)

**CHAIR**—I welcome the minister, Senator the Hon. Mark Arbib, and thank him for his cooperation with the schedule for today. I also welcome Dr Harmer and the officers of the portfolio departments. I appreciate the department's cooperation in helping us put the program together and linking in with the various officers. We would not have been able to do it without that support, Dr Harmer. Minister, do you have an opening statement?

**Senator Arbib**—No, thank you.

**CHAIR**—Dr Harmer, do you have an opening statement?

**Dr Harmer**—No, thank you.

[9.04 am]

**CHAIR**—The committee will begin today's proceedings with matters relating to Closing the Gap and will then follow the order as set out in the circulated program. Because of the minister's cooperation, we will be here no later than four o'clock this afternoon.

**Senator SCULLION**—I thought I would kick off with a couple of general questions and observations. We are very lucky today, as against a few years ago, in that now every time at estimates we at least have a bunch of reports that are starting to really focus on where we are up to. It was always pretty vague; we all acknowledge that. I commend the officers concerned for getting all that work together. Generally I have a sense that things are getting better and we are able, in a general sense, to measure them in a better way. We are certainly doing better in that sense.

On reading a couple of the latest reports—both the *Closing the gap on Indigenous disadvantage* progress report from the Northern Territory and the progress reports of the Coordinator-General for Remote Indigenous Services—there are two themes there that concern me, and it may be because of an impotence to do otherwise. Wherever we look, we are still indicating how many dollars we spend. We are very proud to tell people we spend so many millions of dollars on school computers, but we still do not indicate how many people actually attended the school to have a look at the computer or to get access to it. We talk about how many houses we have built and are very excited about that. The motive, of course, is to ameliorate overcrowding. So in Wadeye we might say, ‘We built 20 houses here and 40 houses there.’ It is easy to measure, because it is an extra house, so we think that would be okay. But we do not have an indicator that will say how many people live in each house in one community or what the average overcrowding index is—because that is what we are trying to achieve. I acknowledge that perhaps this is a step on the way there. More houses, one would think, would equal less overcrowding, but that is not always the case, particularly if that policy motive is perverted by other issues. I can give a number of examples. School attendance is something that I think is absolutely fundamental. The real indicator of whether you have computers or attendance is in fact the NAPLAN results. We refer to them over there because the gap is simply so wide and so continuing that we are not sure what we can do about it.

The theme of spending money is a constant—this is how much we have spent; this is how many people we have working on it—and sometimes we refer to infrastructure. There are a few examples where that is not the case. For example, there are some measurements in specificity like the actual delivery of renal services, where we now know where there is a chair and where there is not, and that has a direct outcome. We now know how many times a week municipal services are delivered. We are able to measure some of those things, but it is the exception rather than the rule. Would you like to make a comment on your thoughts about that, Minister or Mr Harmer? This is an evolving process, and I acknowledge that. This is not so much a direct criticism as an observation and reflection of what many people who are commentators in this area are thinking.

**Dr Harmer**—First of all, let me thank you for your acknowledgement that we are getting better information and collecting better data about what is happening with Closing the Gap in the Northern Territory in particular. As you know, we are engaged in a really difficult but very important exercise in Closing the Gap and in trying to address Indigenous disadvantage. That exercise is going to take a long time. We are coming from a pretty low base in terms of the extent of difference between the outcomes for Indigenous Australians and average Australians right across the country. It is particularly stark in remote parts of Australia, which you know very well. It is not surprising, when the outcomes you are looking for are big long-term changes, that the early data focuses a little more on inputs, because big outcome measures such as improved school attendance, improved wellbeing, reduction in poverty and reduction in overcrowding are measures that will take a long time to achieve.

Very early in a process—which is where we are, relatively; this is generational stuff—you do not get much of a shift in the big outcome measures. So for you and me to monitor progress we would be heavily dependent on some input numbers—the numbers you have referred to. I hope, and I am sure you do as well, that as we go along the track of investing

resources in making a difference in these communities we will be able to move gradually from using more input based measures to more outcomes based measures, because they will start to show a difference. That is my comment on that, Senator.

I acknowledge that you are right: we do tend to focus on inputs and outputs at the moment rather than outcomes, but I can assure you that we have fixed in our minds the Closing the Gap targets. We know, for example, that we will not make a difference in Indigenous communities in Australia unless we can get kids to Year 10, with Year 10 achievement, right throughout the country. That is fundamental. It is one of the key platforms, but it is going to take a long time. You have to start with mum's maternal health et cetera. We are making progress in all of those areas. We certainly have a greater focus on that across government. I acknowledge your point about moving to outcomes measures and I think we will get there, but there are small differences early.

**Mr Heferen**—The observation about a lot of the measures being input measures, or dollar measures, is well taken. The National Indigenous Reform Agreement has its first baseline report from the COAG Reform Council, which was published earlier this year. That report is for 2008-09 and is the first concerted output that looks at the outcome measures. It is not about dollars spent. In fact, I had a quick flick through it while you were speaking and I do not think the reform council has spent much time looking at dollars spent. It spent a little bit of time on input measures but is overwhelmingly focused on determining the right outcome measures with regard to the Closing the Gap targets.

To get the baseline report up has been an enormous amount of work, as I understand it. A lot of the data that has gone into it comes from the Productivity Commission's *Review of Government Services*—you are probably familiar with it—which is produced every year and which places a lot of attention on Indigenous issues. A lot of the material in that review comes from states and territories as well as the Commonwealth government. It is a massive attempt to bring all that stuff together and then to make sure that it is comparing like with like. As you would be aware, across the country there are often different measures of different things, and one of the challenges for both the PC, doing the *ROGS*, and the COAG Reform Council, asking what is a sensible baseline to work from, has been to try to make sure that we are comparing like with like. Now we have this baseline measurement of outcomes and that, as you are no doubt aware, is going to be the thing from year to year that governments at all levels will be measured against in their outcomes for Aboriginal and Torres Strait Islander people.

**Senator PAYNE**—Mr Heferen, you say, 'Now we have this baseline measurement on outcomes'. What do you say in relation to the observations made in the CRC report:

The Agreement also establishes benchmarks by using trajectories to measure progress in achieving the Closing the Gap targets—introducing a stringent method of performance reporting. The council notes, however, these trajectories have not been agreed to at the time of writing ...

Are they now agreed?

**Mr Heferen**—As I understand it, some of the trajectories have been agreed. I think I am correct in saying that some of the education ones have been agreed and we are working towards getting the others agreed. Ms Halbert will no doubt correct me if I am wrong. It is a key issue for us because we want to try to get a trajectory done so that rather than waiting

until after the 10 or 25 years for a particular target and then looking at how we are going, we can map how we are going along the way.

**Senator PAYNE**—They are relatively short time frames in which you are working, particularly the five-year period, so not to have useful trajectories to be utilised in that process would seem to be unhelpful.

**Mr Heferen**—Of the six targets, I think one is a five-year target. That is the one about ensuring all Aboriginal and Torres Strait Islander four-year-olds have access to early childhood education. I think that is the one that the reform council has commented about the difficulty of the measure. But, as I understand it, that is the only five-year one. The others are either for 10 years or within a generation.

**Senator PAYNE**—What sort of priority is the Commonwealth placing on encouraging the states and territories to make sure this happens?

**Mr Heferen**—Very high.

**Dr Harmer**—Let me assure you there is absolutely no disagreement between the Commonwealth and my department. Even though FaHCSIA does not have responsibility for any of those six targets—they are in the other two big policy and service delivery departments—we are responsible for the coordination. We are pressing very hard to make sure that we get those trajectories towards that outcome measure—that target in Closing the Gap. We have been putting a lot of effort into working with the departments. The departments themselves, particularly DEEWR and health, have been working extremely hard because they know, as we and the COAG Reform Council know, that it will be very difficult for the people who are working on the ground to keep the states up to the mark unless we have some intermediate points where we can measure whether we are going to get there or not.

**Senator PAYNE**—Do you have a view that by February you will be able to say that we have got this agreed across the states and territories?

**Ms Halbert**—My understanding is, but I might refer to Mr James, that all of the trajectories will be agreed by the end of the year.

**Mr James**—One of the trajectories for literacy and numeracy, the NAPLAN target, has already been agreed by ministers.

**Senator PAYNE**—When was that agreement made?

**Mr James**—That was done on 10 April this year by MCEEDYA—Ministerial Council for Education, Early Childhood Development and Youth Affairs. With regard to all the other trajectories, all of the work has been done. We have sent out draft trajectories to the jurisdictions for comment. I chair a group named the NIRA Performance Information Management Group, which will meet on 9 November. The aim is to have all the trajectories agreed either just before that meeting or very shortly thereafter. The key deadline for us is the end of the year, because it is at the end of the year—23 December, to be precise—that the CRC gets all of the data for the next report, so they will need the trajectories by the end of the year.

**Senator PAYNE**—Thank you, very much.

**Senator SCULLION**—If I could continue on those two thematics. That is one concern, and I acknowledge that these are difficult. I think there is a general expectation that we can look at all these reports—sadly, not everyone reads executive summaries. If you look at these reports it is very difficult to see how much better we are getting. Senator Payne has just touched on the trajectory issues. Again, either the trajectories or the trend lines should be able to be incorporated fairly simply, certainly in one of these reports. It is all right saying that we are going to close the gap on life expectancy by 2030, but what does that mean for next year? It is just a way of holding ourselves accountable. I know it is difficult, but in that particular case—I know people are doing work on it—there are some really clear gaps and a target that we know about.

Of course, as you know, the old acorn for me is attendance. What is the most popular day on the school calendar in the Northern Territory? It is not like mine, every Friday, or the day before school holidays; it is attendance day. Somehow on that one day we manage to get 50 per cent more people turning up than on any other day of the year. I know that everybody who works with you shares the same frustration. That is an indicator that we are out 'there' somewhere, but we should be able to measure that sort of attendance every day of a school year, and we are not there yet. As an observation or a criticism, as we come down to those critical indicators, the Australian public, I think, at this stage expect something that they can look at regarding the principles of the closing the gap measure in order to get some idea of where the trend lines are for the Indigenous community as against those for the mainstream community. They want to see where the Indigenous community is at and where it should be at in an outcome sense rather than in an investment sense. I acknowledge that this has been a difficult period. We have made some changes but I would say that we really need to start expecting more, particularly in those areas where we have those indicators.

The other reason that I think it is so important to start changing the way we report these things or add to the way we are reporting these things is the notion of some assumptions. We can read a report and say, 'We've now got 140 refurbished homes and so many new homes,' but unless we actually know what the overcrowding is or how many people there are per home in each community then we may be making the assumption that to ameliorate the overcrowding is by building more houses. Well, that isn't working, as you know. There are a lot of perverse movements in this area where that may not be happening. From a policy perspective, parliament needs to be able to check on those indicators to see whether they are working. I think that is becoming essential and, to be frank, that is still missing. I accept that this has been the case for a period of time and that we have to deal with many other jurisdictions, and I understand how difficult that is. But I would hope that we could all be looking at something rather than a whole bunch of reports. We have had one report from the Territory and one from the Commonwealth, and they are very useful. However, when we get something like the Bath report, it sort of falls down. It measures an outcome that is particularly unsavoury. Many people in the public and certainly in the media are asking, 'Is there an inconsistency here?'. This is principally because, if something falls out of the sky, it is going to be on an outcome basis. We are still looking at inputs, and so I think we really need to close that gap—I guess it is a reality gap, with respect—of where we are up to. We have to move from the input process, too. I would be looking for some change at the next

estimates or for you to be able to say to me, 'The movement we have made in the way that we report it is towards more outcome based reporting.'

**Dr Harmer**—Senator, most of that is a comment—but let me just make a comment. There is not much in what you just said that I would disagree with at all. I am quite confident that there is not much in what you said that Minister Macklin would disagree either. She is certainly one that is continuing to press us for better data, better information. The COAG Reform Council is also going to be publicly reporting on this. It is going to be their job to report on progress against the trajectories and against the targets. As you know, school attendance is something where we are going to have to continue to press the state and territory governments on to do their job of making sure that kids are going to school. There is quite a long lever from the Commonwealth on school attendance. We are using all the levers we have. Indeed, we are certainly working on it with ministerial councils et cetera. The COAG Reform Council reporting and the baseline mapping reporting which we are working on as well as the data we are collecting are all going to put additional pressure on state and territory education departments to ensure that they do better in monitoring and driving attendance. I agree with you that that is absolutely fundamental. We are not there yet, and we have got to do a lot better in that space.

**Senator SCULLION**—Just as an example in that area—and the minister may wish to answer this—I would have thought that it is staring us all in the face: if you want to lever a change of behaviour from the states, assistance in terms of education should be predicated on attendance, not enrolment. I do not know what they hand out at school that day, but it must be pretty good. They can get it right one day of the year. If we indexed against attendance and not enrolment then it would be a principal move forward, because it is a direct outcome based issue. Why aren't we moving in that direction in just one arena?

**Dr Harmer**—The minister might want to say something, but I think we probably are. However, the people here at the table are not the people with the detail on that. The people in the education department will be better able to do that. I am pretty confident that they have been working with the states and territories and pressing them about better information and a better link between attendance and funding et cetera. I understand the issue you are raising, certainly in the Northern Territory.

**Senator Arbib**—There is no doubt that school retention and education is the key. We talk about employment and that we should create more jobs for Indigenous people, but it is impossible to do that unless you are keeping kids in school and they are getting educated—it is impossible. That is why, before the campaign, we put in place one of the things which I was involved with—No School No Play. This initiative uses sport as a motivator to keep kids in school. I think you may have heard about it and are probably a supporter of it. It is based on the Clontarf model. There is a lot of work going on, especially in the sport area around that, and working with the states to try and drive up retention.

I go back to some of the things you said earlier to make a couple of observations because I did not get a chance then. There is no doubt reporting issues and improving reporting issues is a massive task and I do not think anyone should underestimate the amount of work that is going on by FaHCSIA, the other departments and state governments to try and make that happen. We all want the baseline so we can gauge improvements. There are a number of

targets and milestones, and quite strict reporting in place in the states and the territories to try and ensure that we meet milestones.

I might remind you of—and this was a discussion we had at the last estimates I think—in relation to the Strategic Indigenous Housing and Infrastructure Program, the amount of work that Minister Macklin did in intervening with FaHCSIA in the territory and in other jurisdictions that were not delivering. When we have seen targets slipping like that we have stepped in to work hard to turn it around. I think you have seen a turnaround in Indigenous housing. There is good progress being made, but it is going to take time.

You talked before about money and the amount of funds going in not being the issue. I agree with you—we as the government are spending record amounts on the Northern Territory Emergency Response and on Indigenous issues, and money alone should not be the determiner of success. The government accepts that, but at the same time we must not devalue the work that is going on in housing, in employment, in health, in education and in safety by saying, ‘There has been some progress there, but we’re not meeting targets yet.’ We fully expect it to take time to turn this around, but there is a whole-of-government effort on this issue and a great deal of work going on at the state and territory level as well.

**Senator SCULLION**—Could I finish off by responding briefly and perhaps asking another question?

**CHAIR**—That is your last question.

**Senator SCULLION**—The housing—SIHIP—debacle under your senior minister was an easy one, because it is a bloody great house, and it is easy to measure—there is one or two or there is none. It is a contractual arrangement for \$700 million to build these houses. Someone wasted \$45 million before a single brick was laid. It all blew up. We understand that. But we invested \$65.4 million in a family safety program and yet all we measure in that is: we have a family community safety program; we have invested \$64 million in it. But what we should be measuring at the same time is how many people were assaulted, how many kids were neglected, how many—all these other indicators of safety in a community that say we are not there yet. And those are the things we should be measuring. I am not being critical of the work that is being done, but at the moment all our investment appears, according to the reporting, to be at one end, about how much we spend, and not at the other, about how much actually gets done. Throughout these reports that is simply the case.

**Senator Arbib**—We agree with that, and the NTER report shows measurement of assault rates; it does talk about that. But, at the same time, when you put extra police into communities—and we are talking about over 60 extra police—and 80 extra night patrols, you are going to see an increase, a spike, in reporting—it is just common sense—and that is what the NTER report shows. There has been an increase in assault rates and we believe that is largely because of reporting, because you have more police and more patrols in those communities. At the same time as that, look at the employment levels—and we had this discussion yesterday—where there is a 46 per cent increase in employment in the NTER report in those areas. Most of those jobs will come through government service delivery and I know that is your next point.

**Senator SCULLION**—Yes.

**Senator Arbib**—But nevertheless that is still important. Those Indigenous people probably would not be employed otherwise.

**Senator SIEWERT**—Minister, you commented about attendance et cetera. I accept that the sporting program helps a lot of people, but it is not the only issue and I am very concerned that we are still not dealing with the underlying causes of kids not going to school. I will keep banging on about this until we make some progress on the problem of hearing, and screening all Aboriginal kids as they start school, because I am convinced that the evidence shows that is a significant barrier to education, and we are not doing enough. What is being done in that space to close the gap?

**Dr Harmer**—We would need the Department of Health and Ageing here to answer that specifically.

**Senator SIEWERT**—No—sorry to interrupt. I keep getting told it is health—and you are right; it is. But it is also a big picture investment through closing the gap. We keep hearing about the sports program, but it does not help everybody, and particularly girls. It is also after the fact. It is coming in after kids have started school. This is about kids as they go to school. We are doing some mums and bubs programs, and I will come to the levels of that and the other programs in a minute. But this is a key barrier to education, so it is not just about health—it is about where we are investing and the big picture.

**Dr Harmer**—Sure. I do not think there is any disagreement that hearing problems in young children are one factor. There are a lot of factors. I am involved in this and obviously have been for a long time. I am in the education department and, with respect to the Cape York welfare reform trials, I am on the Families Responsibilities Commission. I am regularly talking with states and territories about the issue of attendance. We are not doing well enough there, for a range of reasons. You are right about health, you are right about hearing, but there are a whole stack of other reasons—

**Senator SIEWERT**—Sure.

**Dr Harmer**—that lead to lack of attendance. We are trying to work with the states and territories to do all that. I can assure you that there is no disagreement amongst the senior people in government and the senior people in the bureaucracies, Commonwealth and state, that the key is: getting those kids to school, getting them educated et cetera. We all know—and the research shows—that if we can do that, we will make a difference to all of those outcomes.

**Senator SIEWERT**—Dr Harmer, you did not answer my specific question: what are we doing around screening kids as they go into the classroom, as they start school?

**CHAIR**—Senator, Dr Harmer said that would be answered under the health portfolio.

**Dr Harmer**—Senator, I am not from the health department and I do not deal with the Northern Territory health department. You will have to ask the health people, when they are here, about that.

**CHAIR**—It was a two-part question, Senator; Dr Harmer responded to the general point about how it fitted into closing the gap.

**Senator SIEWERT**—No, he did not.

**CHAIR**—The specific question about health screening is for the health portfolio. I propose now to go to the coordinator general.

**Senator SIEWERT**—I have not finished.

**CHAIR**—How many more questions do you have, Senator? I am watching the time, so how many more general questions do you have?

**Senator SIEWERT**—I have a specific one about funding.

**CHAIR**—We will go to funding, and then we will go to the coordinator general.

**Dr Harmer**—There is something I can add to that. Mr Warburton, who has just come to the table, reminds me that one of the levers Minister Macklin will be able to use in achieving the sorts of things that you want achieved is in our income support system.

**Mr Warburton**—I just thought it would be useful to draw the committee's attention to one of the election commitments that the government made during the election campaign. That was essentially to introduce a health check, around the age of four, into the family tax benefit system and to require families receiving family tax benefit to get that sort of a health check. Unfortunately, I did not bring further details on it because that was in the estimates hearings yesterday, and I did not think it would come up today. But we are still obviously working on the details of that and putting it through the government's various approval processes now that we have a new government. So there will be further details announced down the track.

**Senator SIEWERT**—Thank you. I am not exactly sure whether this fits into closing the gap—the way funding for services is delivered through the national partnership agreement to the states?

**Dr Harmer**—Are you talking about the health partnership agreement?

**Senator SIEWERT**—Yes. Let us start there. Should I ask them?

**Dr Harmer**—Yes.

**Senator SIEWERT**—All right. I have some specific questions around the *Closing the gap* report; do we do that now?

**Dr Harmer**—Yes.

**Senator SIEWERT**—Thank you. I am particularly interested in the comments around the youth diversion program and the comments that you made about locations of new projects—I am in part 1.

**Dr Harmer**—Maybe I can help you. As you would appreciate, the closing gap report covers the activities of a lot of departments. As you go to a specific program either it will be in FaHCSIA, in which case we will answer now—we are not trying to be unhelpful; we just do not know the detail—or we will point you to the department, and they are all here, which can answer it when they come to the table.

**Senator SIEWERT**—Yes. I have tried to sort through it, because I have some employment questions which I am leaving until then. I am happy to leave the question about the youth diversionary programs but I am interested in the process you used to determine where the new youth diversionary projects will be located in terms of talking to the Northern Territory

government, shire councils and peak services. I am following up on how you consulted those organisations, what process was used and how many you ended up funding.

**Dr Harmer**—I am hoping that the DEEWR people who are here have listened to that and, when they come to the table after 10.15 am, will be able to quickly answer the question.

**Senator SIEWERT**—Thank you. I have other questions about signs and things. Do we do that here?

**CHAIR**—Yes.

**Senator SIEWERT**—I would like to turn now to the issue of signs in communities. There were some changes to that process, weren't there, if I recollect correctly?

**Mr Heferen**—I think the legislation that the parliament passed earlier this year about reinstating the Racial Discrimination Act to the intervention and splitting out income management to be its own separate non-discriminatory regime had some implications for signs, both the alcohol and the pornography signs. There is a fair degree of liberalisation in that, after going through the process of consultation with communities. I will turn to Ms Halbert to deal with the precise details of that.

**Ms Halbert**—In relation to the changes earlier this year, are you specifically interested in the measures or in the signs?

**Senator SIEWERT**—I am specifically interested in the signs, at this stage.

**Ms Halbert**—I will have to get some assistance on that. There were some changes.

**Mr Hermann**—What specifically do you want to know, Senator, about the signs?

**Senator SIEWERT**—What approach is the department taking now in working with communities about signage?

**Mr Hermann**—Through the Northern Territory state office of FaHCSIA, we have gone out to all the government business managers, the GBMs, in each of the communities. We have said that, specifically for the signs that are right at the edge of communities, which are often the ones that the communities are most concerned about, there is now total flexibility under the legislation to look at the wording and placement of those signs and to start talking to communities. There are two parts to the signs: there is the alcohol part of the sign and there is the pornography or prohibited material part of the sign. Both of those are open. What was announced in the policy statement at the end of last year, and which we are looking at, is to make them more friendly, so that maybe we will go back to something that existed prior to the NT legislation, where they are more a welcome to country where, rather than saying that this is predominantly a government program, the community elders can say: 'We want to have a safe community. We think, to have that, we don't want alcohol here and we don't want pornography.' So those discussions have started.

**Dr Harmer**—I would add that this is a good example of one of the measures the government is taking to try to maintain the effectiveness of the measures that we believe need to be put in place to protect kids and to make communities safer but at the same time acknowledge and respect the communities in the way that we do it. That is one of the measures. There are a range of other things that we are doing to try to achieve that, but that is a good example of what we are doing.

**Senator SIEWERT**—But the signs are still required, though?

**Mr Hermann**—They are not required under legislation now.

**Senator SIEWERT**—So in relation to this point about consulting the community about the signs, the bottom line is that communities do not have to have the signs anymore.

**Mr Hermann**—Under the legislation. What we are concerned about is that once you have a sign there if you remove it without a good communications program—and we are also looking at that—then people may think that the restrictions have changed, whereas they have not. So we do not want to have a situation where you remove the sign, you have not told the community that the alcohol restrictions or the pornography restrictions still apply, and people think that it is—to use the colloquial—open slather, that you can bring alcohol in. So we have to do it in a coordinated way with the community and get those messages out. That is why it is taking a bit of time, and the GBM is working with the communities on those sorts of issues.

**Senator SIEWERT**—Was any work done on the effectiveness on the signs themselves in terms of restricting pornography?

**Mr Hermann**—I cannot answer on the pornography side, but I do not believe there was any measure because it was wrapped up with the whole NTER, and which particular part of it made any difference it is hard to tell. Certainly some communities are actually saying that they do not mind the signs. I know they are in the minority.

**Senator SIEWERT**—There are a hell of a lot that are not saying that. I am sorry.

**Mr Hermann**—I know. I did admit they were in the minority.

**Dr Harmer**—It would be enormously methodologically difficult to separate the individual effect of the signs compared to many of the other things. In the Northern Territory evaluation, I have no doubt that we will be something which we will be collecting information on and looking at. But I think it is very difficult to separate out precisely the impact that the signs had compared to the various other measures.

**Ms Halbert**—As Dr Harmer said, individual measures under the Northern Territory intervention will be evaluated and will feed into the overarching evaluation. I would have to take on notice whether that particular measure is one of the evaluations.

**Senator SIEWERT**—The evaluation process will not be evaluating the past signs anywhere. It will be evaluating the new process.

**Mr Heferen**—Can I just add what we are going to aim to do in the evaluation. With the change of government in 2007, a lot of people would say that the NTER remained, but what happened was the Closing the Gap national partnership agreement with the Northern Territory. As part of that there was a commitment to do the evaluation in 2011-12. So that evaluation is part of the agreement between the Commonwealth and the Northern Territory government. What we are aiming for there is, as Senator Scullion raised concerns about earlier, actually getting a handle on decent outcome measurements. Whilst all these individual things look at inputs and what might have happened, these outcome measurements are about—and are subject to pretty rigorous and systematic work—how people's wellbeing increased, how they felt about these things. So that includes issues about safety; reduced amounts of alcohol, if that has occurred; and self-esteem, dignity and so forth, which a lot of

people have complained about. So we are aiming for all that to be in an overarching evaluation. Just how successfully that can be done remains to be seen, because obviously there is an issue about benchmarking data, people's recollections and all that sort of stuff. But we are going to strive to make sure that what is provided in that overall evaluation takes as many of those things into account so that someone looking at the measure would say, 'Well, actually, this is an important thing to consider and to use to think about its overall effectiveness.'

[9.44 am]

**CHAIR**—We will now move to the Coordinator General for Remote Indigenous Services. Mr Gleeson, do you have any comment you want to start with, or will we just go into questions? You can be assured we have read your report.

**Mr Gleeson**—No, thank you. I am happy to answer questions.

**Senator SCULLION**—As last time, Mr Gleeson, I commend you for the report. You no doubt heard some of my comments to both the minister and Dr Harmer. I guess they were a reflection that I would have had an expectation greater than the process was that some of the indicators you put down in the report would be a clearer indicator of actually closing the gap than they were. There are a number of issues that we have touched on. A fundamental issue in the NTR communities is the attendance issue, and both the minister and Dr Harmer have touched on that. It is an issue that is not dealt with in any detail apart from you referring to COAG and a few things. Would you be able to expand on what you think should happen in those communities in that regard?

**Mr Gleeson**—First of all I would like to indicate a bit of a balance in terms of your first point. I think my report actually does give you a bit of a scorecard in regard to services, so it does not just talk about investments, it does not talk about funding initiatives, it does talk across the 29 communities in the national partnership agreements, different aspects of service delivery in a range of areas. This follows my earlier report and this has been based on the baseline mapping as well as in regard to community feedback. I want first of all to respond to that point. On pages 88 and 108 of the report there are quite a good scorecard regarding services.

In regard to the schooling issue, I think we all acknowledge that education is a base that needs to be improved with regard to Indigenous communities. It leads to employment and leads to a range of other things, health et cetera. This is an issue that is at the forefront of all the local implementation plans on the 29 communities. It is being addressed by the communities and by government as a priority. There are some good examples in places like Coen, where the attendance rate is around 96 per cent. So we have to learn from the good examples in terms of where it is not occurring so well.

There are a range of measures that are being put in place through the Department of Education, Employment and Workplace Relations. I am sorry, it is a new acronym. They are looking into a number of issues. We have got a recommendation in the report which talks a bit about the role of teachers and the bit about an education continuum. It also highlights that school attendance should be addressed as a particular priority. In that regard, just to finish, my office is trying to identify some good practices, as I mentioned, in different communities: why are they successful in getting attendance at schools in those places compared to others? There

are a range of reasons why that is taking place. But it is, I think, good to see that this partnership between government and communities has now put this as the number one priority.

**Senator SCULLION**—Thank you. One of the areas that I think we spoke about at the last estimates was governance in communities. In the Northern Territory I am particularly aware that when the Northern Territory emergency response was implemented at the identical time, which I would see probably somewhat more cynically than perhaps you do, the Northern Territory government rolled out the amalgamation of the shires. It was particularly difficult at the time. What that led to was the emasculation of community leadership. We had a community council and when anyone who went into a community first of all you went to see the council chair, found out what was going on in the community and you went about your business. To a large degree that does not exist in those communities. In your report I notice that you touch, importantly, on the governance arrangements and empowering those things. I note that you have a lot of leadership and governance programs to reimplement that. I know you have not made any specific recommendations in regard to governance structures, perhaps you think it is outside of your purview, but given that the councils are located a fair way away from many of those areas, the actual council itself, and given that I know you would have received information from a number of people about that sort of disempowerment, have you had any thoughts as to how you may in perhaps another report consider recommendations dealing specifically with some other sort of a leadership group that may be reflective in the same way it used to be? I know that is not specifically dealt with in here, but you touch so much around that that I wonder whether you would be able to give me your views about another sort of structure in that area.

**Mr Gleeson**—Can I say first of all that there are actually two recommendations in the report, recommendations 1 and 2, that do specifically touch on and make reference to what you are talking about. It is quite clear that in terms of setting up, building and restoring relationships Minister Macklin has put this as a high priority. Community governance is at the forefront of having an effective partnership with communities. In that regard, all of the 29 communities have recently finalised a local implementation, and that could not have been done without at least an element of a good community governance structure or mechanism in place.

There is a definitional issue in terms of what is good. In some it is very, very effective. In Western Australia we have the Fitzroy Futures Forum, a very good working model, and others could be a local reference group. In my report I talk about Wilcannia and the community working reference group. So there are some established mechanisms which are decision making and planning and they are there for, if you like, a democratic mechanism through which we can engage with communities.

Having said that, they still need a bit more work. We should not ignore that every community has different leadership in place already. It is a question of what government can do to support those communities in having their own, tailored, model. My recommendations 1 and 2 touch on two points. One is that we have to look at the government governance and whether that is right, and I think we are starting to get that in communities with the single government interface—having a government business manager et cetera and a local Indigenous engagement officer. That is one side of the coin and, again, the recommendation

talks about some suggestions around building up the capacity of government officers—have we got the right profiles in place in every community?

On the community governance side there are a range of suggestions in the report, building on, again, good practice and on how we can enhance and develop the community governance systems working with the communities. Unless you get that right, I do not feel we will be able to get significant traction. The feedback that I have had in all the community visits is that the communities, all of them, want to enhance this. They have actually reached out on some occasions and said, ‘Can we please have help in regard to building our community governance mechanisms.’

Lastly, I should mention that FaHCSIA has a number of initiatives and programs in place and my recommendation 1 basically says: let’s try to build on that success model but let’s do it through one agency rather than having everybody try to put a finger in the pie.

**Senator SCULLION**—In your first report you said that COAG actually agreed to recognise the role of local government in implementation. Right across the board—certainly in Queensland and the Northern Territory—the rationalisation of local government in the context of regional and remote Australia means that the seat of local government has moved away, as I have indicated. Whilst we talk about the sorts of things that you have done in the Northern Territory specifically—that it is about having a GBM with some officers—we had the situation where it was simply closed on a certain day, 30 June or whatever. It just stopped. We had 10 people, who were generally elected people, who came from groups with specific language expertise and had been there, in effect, since the community was there. I know you have not reflected specifically on this, but do you think rebuilding something of that ilk would be useful?

**CHAIR**—Allowing for the opinion aspect.

**Senator SCULLION**—I think his opinion is very valuable. It provides a—

**CHAIR**—Officers cannot be asked opinions, Senator, as you well know. Mr Gleeson, in terms of any of the work you have done, if you want to make a comment that is fine but you are not required to express an opinion in answer to a question from the senator.

**Mr Gleeson**—Thank you. As the senator mentioned, in my first report there was a recommendation to indicate that local government should be a formal partner to the RSD arrangements, and that was agreed to by government and has now been put in place. As a result of that recommendation, a lot of the jurisdictions, local boards and management now have local government sitting and being a partner to this process. You mentioned the Territory. I know that for the NT government and the communities the partnership with local government was key with regard to developing the local implementation plans. Another specific thing for the Territory is that in my report I talk about a project with regard to the role of shires in the Northern Territory. Again, I looked at a range of different things—how they worked, how they were funded—to see whether or not there are improvements we can look into with regard to the role of shires. Clearly the role of local government in all the jurisdictions has been a crucial one, because in each community they tend to be the main service hub providing a range of different things. It is a question of how we utilise those hubs and how we ensure that they are working effectively. As you know, again in the Territory, there are some that are working exceedingly well and there are others that maybe could

benefit from some improvement. That is why I initiated this project around a review of the role of shires and local government with a view to seeing how we can come up with some suggestions on improving them.

**Senator FURNER**—Mr Gleeson, you commented on the success rate of Coen as an example, given that there is a 96 per cent attendance rate. In August 2009 I had the privilege to travel to Far North Queensland and attend Kowanyama, Weipa, Bamaga and Hope Vale with the Far North Queensland regional director, Clive Dixon, and others in the department. Certainly I experienced firsthand a number of successes in the attendance rate in some of those schools. Can you expand on your examples. Given that that was last year, do you have any contemporary figures on attendance rates in some of those areas up on the cape?

**Mr Gleeson**—Regrettably, I have not got the specific attendance rates. I can say that, in most of the Cape York welfare reform communities, the attendance rate is certainly a bit higher. If I could use the current example as to why that is, I think that if you have a dedicated person working in the community specifically looking at the school attendance, working on the skills of communities, the leadership et cetera then you build up a rapport with parents. It is not just the school bus and it is not just having free breakfasts; it is a matter of trying to build up, again, a relationship. It is not a truant officer; it is more a community development worker. In the case of Coen, they have a person doing that and I think that has been very effective. But I do not have specific attendance figures. It is something that we—

**Senator FURNER**—Mr James might be able to provide me with something.

**Dr Harmer**—I could make a comment on that, because I have just come back from our Family Responsibilities Commission board meeting. I am on the board with Noel Pearson and Ken Smith, the head of the Department of the Premier and Cabinet in Queensland, on that trial. In Coen, as Mr Gleeson said, the attendance has been really good; it has gone right up to, I think, over 90 percent. In the other three communities it is not as good, but it has improved. The issue there is that, with the trial itself and the intervention of Commissioner Glasgow and his commissioners driving income quarantine around the school attendance et cetera, there is a culture now in those communities that you have got to send your kids to school. I genuinely expect that as time goes on that will improve.

**Senator BOYCE**—That has been driven by community leaders, hasn't it?

**Dr Harmer**—Yes, it has.

**Mr James**—I was going to add that the Queensland government publishes a quarterly report that covers the indigenous communities in Queensland, and it has historical school attendance data for the Cape York communities in the trial, but it also has other communities as well. They have historical data and they cover a range of indicators. I will get a link to those reports sent to the secretariat when I get back to the office.

**CHAIR**—Senator, I would like to move on to income management. I will just check whether there is anything you really want to get on record.

**Senator SCULLION**—I have one last question, Mr Gleeson. I recall when the COAG trials first started one of the motives for starting the COAG trials was to coordinate the visits to ensure that we did not have a stream aeroplanes and cars and different people arriving and saying, 'We'd like to have a meeting,' as if you were the very first person who has ever to

arrived to have a meeting in the community. Much of the feedback I am getting right across Australia is the white car brigade and these sorts of things. Have you had much feedback in that regard? I know we are all very keen on helping, so we have got to be there, but in terms of coordinating some of those visits, what sort of feedback have you had?

**Mr Gleeson**—Is this the dorothy dixer—I'm not too sure? It sounds like it is.

**CHAIR**—It is exactly that.

**Mr Gleeson**—Recommendation 10 in my report actually covers this in specifics. It actually talks about the role of the regional operations centres in all the jurisdictions. I think they play very clear role. It recommends there that the regional operations centres and the government business managers in the communities should be respected in regard to community visits. To be very frank, I talk to the charter pilots, like you probably do, and they tell stories about three or four visits from the same department in the one day. We cannot afford to continue that. It is embarrassing for the community people—we are putting too many demands on them.

The short of all that is that there are a number of protocols now being established. I know one example in South Australia where there is a specific protocol that has to be signed off by every government agency before they visit a community. So we do have coordinated visits, we have them prioritised, we have them linked to specific things rather than just having people going in and wanting to have a tourist visit.

**Senator SCULLION**—Given that that is more than just a pain, there are some efficiencies there, next time I ask you the question you will be able to say, 'Listen, I've measured that, Senator. They have taken into consideration my recommendation.' And I then will have a way of knowing how all these agencies have actually been able to demonstrate to you that is the case, because that is actually an outcome, not an input. So when I ask you that next time, you will be able to somehow demonstrate that rather than referring me to your recommendation, which I read carefully?

**Mr Gleeson**—I am happy to report on the next time, Senator.

**Senator SCULLION**—Thanks very much.

**Mr Tongue**—Partly as a result of the coordinators work and also as a result of the COAG trials and the work in the Northern Territory, one of the things we have been working on is effectively a diary and a booking system for putting in the hands of the GBMs and the regional operations centres. It is on a system affectionately called ROC Face. The idea there is that we will work with agencies so that they start to book in so that we can maximise trips in and that government business managers are aware of what is going on. As community governance evolves, we will start to work with the communities about their view ahead of time about the appropriateness of people coming in.

Certainly from my perspective as somebody trying to roll programs out across the RSD communities, it does feel a bit like we are dammed if we do and dammed if we don't. We are rolling out a massive amount of money and a lot of new programs. We are trying to engage with communities and you kinda got to do that face to face. At the same time we are acutely aware that every other government department in Canberra—certainly in the social policy area, among others—is trying to roll programs out. The best I think we can do is try and do a

better job at coordinating that. But we do feel the pressure from this committee and others about getting out there and making it happen. It is a tough area for us.

**Senator SCULLION**—Indeed. The sorts of comments I am talking about nine individual Toyotas with one person in each one. The country is broke. Some of these efficiencies are really important. I guess that is some of the feedback.

**Mr Tongue**—Sure. Hence the new system that we will be rolling out with agencies.

**CHAIR**—Thank you, Mr Tongue. Thank you, Mr Gleeson. Can you just clarify when your next report is due?

**Mr Gleeson**—It is coming out in March next year.

**CHAIR**—Okay. So we will have to link estimates to that, Mr Gleeson.

**Mr Gleeson**—Thank you.

**Dr Harmer**—Senator Siewert asked about a youth diversion program before. Youth responsibilities are spread across DEEWR and FaHCSIA. We have information on a program here, I think, so could you ask the question. We may be able to deal with it now.

**Senator SIEWERT**—I have moved on from that place in the report, so I will have to go back to it. With the new programs that have been rolled out, it is reported in here that there is \$28.4 million for the three years 2009 to 2012.

**Mr Heferen**—Yes.

**Senator SIEWERT**—Then it talks about there being four new projects that have been funded, as I understand it, this financial year. Is that correct?

**Mr Heferen**—My understanding is that that is correct. One of the reasons why I am a little bit at arm's length about it is that the process was coordinated through our Northern Territory office. That is one of the reasons I was a little unsure to start with.

**Dr Harmer**—Senator, perhaps you could ask some questions and we will take them on notice.

**Senator SIEWERT**—It actually says that the four projects that were previously funded have been continued and talks about new locations for projects.

**Mr Heferen**—Yes.

**Senator SIEWERT**—I would like to know the new locations and also how many applications there were for other locations. What was funded—

**Mr Heferen**—So what was funded, the new locations and—

**Senator SIEWERT**—Were all the applications for programs funded in locations and, if not, which locations that applied for funding were not funded?

**Dr Harmer**—We will try and get that during the day.

**Senator SIEWERT**—On notice is fine.

**Dr Harmer**—We will contact our Northern Territory office and try and get that for you today.

[10.06 am]

**CHAIR**—Thank you. We are now moving on to Income management. Can we get the responsible officers to the table? This session will go until 10.30 am and will include the BasicsCard, so it is all linked together.

**Senator SIEWERT**—First off, I will table the letters we were talking about last night. I was remiss and did not table them then. Where we left off last night, I understand, was that you were going to look overnight for any other letters that had been sent by Centrelink to current recipients.

**CHAIR**—Mr Tidswell, you had to give us all the letters you had sent during that period—a full suite of the correspondence. Have you got that with you?

**Mr Tidswell**—We supplied the two letters—

**CHAIR**—There were just two?

**Mr Tidswell**—Just two. They are the only two letters that we have sent out about the changes to income management. We provided to you the proper, clean copies that we have and overnight made sure they are the two letters in play.

**Senator SIEWERT**—Okay. So that means that they were sent to people who are no longer covered by income management under the new legislation, including age pensioners and disability support pensioners. I am correct in that, am I not?

**Mr Tidswell**—Could we go through the two letters in question.

**Senator SIEWERT**—Yes.

**Mr Tidswell**—The letter dated 11 October 2010 was sent to customers who were being income managed under NTER and then were subject to income management under the new rules. We sent 9,209 of those letters. The second letter, dated 13 August 2010, was sent to customers who were not current on NTER on the day the area where they live was declared. These are new customers—customers who were not on NTER at the time. We sent 1,300 of those letters. As I understand it, those letters will keep rolling on as we move and progress through the rollout.

**Senator SIEWERT**—Can I come back to that issue about new customers? I realise that I am again walking into the space between what should be here and what is not. I want to go back to the 11 October letter. If I understand you correctly, this letter was sent to people who were going to be rolled over into the new system. What happened to the messages? Where is the letter that went to those people who will no longer be covered by income management?

**Mr Tidswell**—We did not send a letter out. As we went to communities—here are the other things you asked us to bring: the fact sheets and brochures that we supplied—we sat down with people and talked to them about the new arrangements and the options for people exiting the previous NTER scheme.

**Senator SIEWERT**—So those exiting did not get a letter?

**Mr Tidswell**—Those customers who under the new rules were not part of the scheme, but were under the old rules part of the NTER scheme, we did not send letters to.

**Senator SIEWERT**—If they did not get covered with the visits—

**Mr Tidswell**—No, they were—

**Dr Harmer**—They were covered in the visits, I think. What Mr Tidswell is saying is they were not sent a separate letter. They were covered in the visits. As you would probably know, people on the age pension or DSP get a lot of letters. If people from Centrelink are going to be in the community, it is much more effective to talk with them than to have them read through a letter. That was the thinking, and it would have been something that we, the policy department, would have worked with Centrelink on about the most effective way of getting the message across without confusing people further but making sure they had the information. I think that is how it worked.

**Senator SIEWERT**—Where I was going with my question was: are you sure that you have spoken to everybody who is on an age pension or DSP in community?

**Mr Tidswell**—I cannot give an absolute guarantee that we have spoken to every person, but the data that we have had and the number of people on the new scheme suggests that we have the conversations and people are opting in or opting out, as they are able to do.

**Senator SIEWERT**—How many have you spoken to?

**Mr Tidswell**—The figure I have before me here for customers who are on NTER going to voluntary income management is 3,282, and 499 of those were age pensioners.

**Senator SIEWERT**—Sorry?

**Mr Tidswell**—There are 3,282 customers—

**Senator SIEWERT**—That is the number who have gone on to voluntary income management?

**Mr Tidswell**—Yes, who were on NTER, and 499 of those 3,282 were age pensioners; 1,991 were disability support pensioners.

**Senator SIEWERT**—Who are the rest?

**Dr Harmer**—They could be carer payment recipients.

**Senator SIEWERT**—So there were 3,282, and 499 were age pensioners. I must have missed a figure there.

**Mr Tidswell**—So 499 were age pensioners and 1,991 were disability support pensioners.

**Senator SIEWERT**—There is a number missing there.

**Mr Tidswell**—I do not have those figures with me—

**Senator SIEWERT**—They could be carers?

**Mr Tidswell**—but they may well be carers.

**Dr Harmer**—They are most likely to be carer payment recipients. That would be the bulk of the others. It is a guess, but I think it is probably pretty accurate.

**Senator SIEWERT**—Thank you. My question was: how many did you actually speak to?

**Mr Tidswell**—As I say, I cannot guarantee we spoke to everyone, but I think just about every person previously on the scheme we would have gone and talked to.

**Dr Harmer**—In each community, Centrelink social workers who were managing the process were going through the communities. It was very clear through the information that was provided to the community that they would be there, and in most cases people would have come up and spoken with them or they would have sought people out. As you know, in some of those communities the reason Mr Tidswell cannot be definitive is that when he or the social worker from Centrelink went into the community it is quite possible that someone was not there that day.

**Senator SIEWERT**—That is my point. How do you know that you have now covered everybody who was coming off income management and made sure that their arrangements are satisfactory?

**Mr Tidswell**—The other thing we do is we flag these customers on their Centrelink records so, if they make contact with us through one of our customer service centres or a call centre, we can then work through the conversation with them and what they need to do. So we have visiting teams that have gone to these communities, and I can pretty well guarantee, where we have gone to those communities, each and every person would have been spoken to. The issue is where people might have been moving between communities. We still might have some work to do in that area.

**Dr Harmer**—I do not think Centrelink has provided us with any information that indicates there are large numbers of people who wanted to come off and have not been able to. I do not think that is the case.

**Ms Hefren-Webb**—I might just add that, as we discussed last night, it is a phased transition. The rollout has been phased so that we anticipate that by 31 December this year everyone will have been transitioned, or a very large proportion—99.9 per cent—and there will be just follow-up for the remainder. As I said last night, we did stagger the transition so that Centrelink could manage the process. The current legislation still provides for NTER income management, as does the new scheme. So we have a structured process of transitioning people who want to have a proper exit interview so we can explain how their deductions work. There will be letters sent to any remaining people who have not been transitioned in December to make sure we have complete coverage, but it has been our experience with a number of these rollouts, including the BasicsCard, that we get much more effective take-up through visits by Centrelink teams than we do through correspondence, which often lies unread. That is how it was planned and that is how it has proceeded.

**Senator SIEWERT**—If you have not spoken to them, are all the people that have already been through the transition process getting their normal, full 100 per cent payment now?

**Ms Hefren-Webb**—I am sorry—the people who have not made contact with Centrelink?

**Senator SIEWERT**—The people who have not made contact or who you have missed.

**Ms Hefren-Webb**—They are still being income managed.

**Senator SIEWERT**—Aged pensioners?

**Ms Hefren-Webb**—Yes, under the old NTER legislation which is still operative.

**Senator SIEWERT**—Even in the areas that have been transitioned?

**Ms Hefren-Webb**—Correct. The legislation was structured such that that legislation ceases from 31 December, so the two schemes can run parallel for six months.

**Senator SIEWERT**—If they wanted to come off—

**Ms Hefren-Webb**—They can come into Centrelink and make a request if they have not had any contact with a remote team. They are able to come in and make a request and that will be actioned, but we are trying to phase it.

**Senator SIEWERT**—If they did not get a letter, they would not know that they can come off immediately if they contact—

**Ms Hefren-Webb**—There has been a significant amount of communication out in the communities, including FaHCSIA and Centrelink visits, sessions, seminars et cetera.

**Dr Harmer**—There is no secret in the community. Centrelink have been through the communities as they are rolling out. It is well known what they are coming for; there are pamphlets available. It is very unlikely that people, for example, on the age pension, carer payment or disability support pension who have been income managed compulsorily under the NTER legislation would not be aware that they can now come off. If they are anxious about it then they would be absolutely aware. So it is possible but unlikely that there are large numbers of people who are being compulsorily income quarantined under the old NTER in areas where we or Centrelink have been through and who are unaware.

**Senator SIEWERT**—I will probably put some more questions around the letters on notice. The other thing that you were going to provide—and thank you for these documents—is the guidelines that staff use when they are—

**Mr Tidswell**—Yes. I have our e-reference guidelines—our electronic reference guidelines. This is the material contained on the computer. We have just printed off one of these documents, which is the voluntary income management initial allocation interview document.

**Senator SIEWERT**—Thank you for that. I also thought you were going to take us through the process that your staff follow, the guidelines that your staff use, the information they provide and those sorts of things.

**Mr Tidswell**—The information that we provide to customers?

**Senator SIEWERT**—No, the guidelines—or is there such a document? Sorry; I thought I asked for this last night but there was obviously a miscommunication. I thought that last night, during the discussion, you said that your staff had a process and had been briefed on the process they work through with people when they come in.

**Mr Tidswell**—Yes. I supplied that—

**Senator SIEWERT**—Is that—

**Mr Tidswell**—That is the reference material.

**Senator SIEWERT**—I beg your pardon.

**Mr Tidswell**—There is a suite of reference material that we have on our electronic reference system for a variety of impacts around income management. It is probably half an inch thick if we printed off each and every document. For all the variations, this one is about the interview process moving to voluntary income management and going through the checks

and balances, the consent and what people need to consider. Both Ms Ramsey and I reviewed those last night and yesterday, and it is quite explicit concerning the process our staff have to go through to explain the change, the system, people's options and considerations.

**Senator SIEWERT**—Thank you.

**Senator SCULLION**—In regard to the BasicsCards that have been reissued, there are some 75,000 replacement cards and 80 per cent of those, somewhere under 70,000, were reported to be lost. As you know, there are a number of anecdotal stories around about people selling them and there being a black market in these cards. Have you had any reports of that, any investigations or prosecutions?

**Mr Tidswell**—I think in just about every estimates hearing in relation to this matter we talk about lost or stolen cards. We investigate all of these allegations and I do not have any evidence before me of any scams or any fraudulent activity—people using these cards for other than what they were intended for. We know there are a lot of people, and I think some individuals who are very frequent users, losing these cards. Sometimes in a sense it is an issue for them—it might be stolen from them—so for some people we have quite an intensive support program and we keep an eye on their payments and activities in that sense. I do not have any evidence of major fraudulent activity in any way, shape or form.

**Senator SCULLION**—If you go into a shop and you use or attempt to use a BasicsCard and the transaction is unsuccessful, perhaps because there are insufficient funds on the BasicsCard, in that circumstance would there be a fee attached to that transaction?

**Mr Tidswell**—No.

**Senator SCULLION**—So, in all circumstances, if somebody tried to use the card when there were insufficient funds in their account there would be no transaction fee as there would be normally with a credit card or something?

**Mr Tidswell**—No, not ever.

**Senator SCULLION**—There was an interesting move in the last year, from June 2009 till June 2010—an 18 per cent increase in the NTER for people on disability support pensions. That is not a standout; it is an 18 per cent increase, and I am not suspecting too much mischief given that there is only a four per cent decrease in Newstart, parenting payments and those sorts of things. I am not suspecting anyone of doing anything mischievous, but it does seem like an awful lot of people. Was that as a consequence of a review or an assessment? There was an 18 per cent increase for those people on a disability allowance between June 2009 and June 2010.

**Mr Tidswell**—Are you reading from the NTER monitoring report document?

**Senator SCULLION**—Yes, I am reading from *Closing the Gap* in the Northern Territory monitoring report.

**Mr Tidswell**—Is that table 4.1?

**Senator SCULLION**—Yes, it is on page 39 and the table is titled 'Income support recipients in the NTER prescribed areas'.

**Mr Tidswell**—We have only seen this data recently so I have not had a chance to have a full analysis. There might be others in the room from FaHCSIA that can explain some of the

move or shift. One thing I will say is that since the NTER we have probably had more staff in these communities and we are probably getting more people on their right entitlement. One of the things we would be doing is having the ability to assess and then consider circumstances. That might account for some of the shift in these tables, as I can see, particularly the table showing a reduction in Newstart recipients and an increase in disability support pensions. There are policy people here who would probably have much more understanding of that dataset than I.

**Senator SCULLION**—Is it possible to speak to someone who may be able to throw some light on some of those demographic changes?

**Dr Harmer**—I doubt whether we do, but we will take it on notice because it is possible that our people in the disability support area in FaHCSIA, who are not here today, will be able to shed some light on that growth. I will take it on notice and provide you with some information. I understand the table you are referring to.

**Senator SCULLION**—We have had a change in legislation that says that if you are on a disability support pension you are no longer subject to income quarantining. I am not suggesting that that might be the case, but it is very useful to look at trends and 18 per cent would seem a lot—

**Dr Harmer**—Yes, it does.

**Senator SCULLION**—I wonder first of all if you actually examine trends like that to ensure there is no perverse outcome—

**Dr Harmer**—Indeed.

**Senator SCULLION**—secondly, if that has been done on this information, given that it has only just been received; and, thirdly, if you could provide me with your assessment when it is made or if it has already been made.

**Dr Harmer**—I will take all of those on notice and pass them to my disability support pension people. I will ask them to have a look at that table, to let me know whether they have done any analysis of it and, if they have not, to have a look at it and give me some advice that I can pass on.

**Senator SCULLION**—Thank you.

**Senator SIEWERT**—Thank you for these guidelines. We talked last night about the process that is undertaken when people are coming onto income management under the new legislation. Could I have those guidelines too?

**Mr Tidswell**—Yes. We will take that on notice.

**Senator SIEWERT**—I have to say that I find it hard to believe that you do not know the numbers of people that you spoke to in community. I would have thought that you would have kept pretty good records of that. So could you please take on notice the numbers of people, broken down into the payment type, who you spoke to in community on this specific process?

**Mr Tidswell**—Yes. Understood.

**Senator SIEWERT**—Thank you. You may need to follow up on this question. I touched last night on the information that was contained in the evaluation of the WA trial that said that

around 20 per cent of transactions made on the BasicsCard failed. I know that you were just talking to Senator Scullion in general, but is that a specific issue that was part of the WA trial—the fact that it had started later in WA?

**Mr Tidswell**—We looked at that overnight. One thing we do not have is the ability to break transaction data down to a state or territory. So we have total transaction data. You will note in the report they assumed a certain proportion according to the number of people on voluntary income management in Western Australia with usage of the BasicsCard.

**Senator SIEWERT**—Sorry.

**Mr Tidswell**—Assumed a certain percentage as a result of the number of people on that scheme. We can tell you the national trends, which is what they have largely used in that report. On average, 81 per cent of all transactions are successful, but we do have 12 per cent of transactions unsuccessful because people do not have sufficient funds in their accounts. We are working as hard as we can so people have a whole variety of ways before they go to the checkout or till to check their available balance. We have been doing a raft of things in that area to improve it. I suspect, however, there will always be a certain group of people—and you would see this in the supermarket yourself—who do not have sufficient funds in their account. This is I think going to be a feature of the scheme and the program.

**Senator FURNER**—Firstly, are you able to explain what the employment opportunities have been as a result of the NTER since its commencement? Secondly, how have those jobs contributed to the provision of service delivery in the NT?

**Dr Harmer**—We have done particularly well in housing. We talked about this last time and perhaps we have got some figures here. Certainly the requirement under SIHIP for the contractors to employ local Indigenous people for the housing work has been particularly successful; we have exceeded our targets in those areas. We have also as part of FaCSIA's recruitment engaged 30 Indigenous engagement officers in each of the communities. Under the CDEP conversion program we have provided people who were formerly on CDEP with real jobs across the health and education sectors and the Northern Territory government are doing that as well. I have not got the figures of precisely how many, but there is a significant increase, a huge increase.

**Senator BOYCE**—Could we have those figures, please.

**Dr Harmer**—We will get those figures for you.

**Mr Tongue**—Senator, if you give me a few minutes then I am happy to provide them.

**Dr Harmer**—The story is very positive in employment.

**Senator BOYCE**—Anecdotally, what I am hearing does not entirely match what you are saying, Dr Harmer.

**Dr Harmer**—We have some figures, Senator, which we will provide to you—

**Senator BOYCE**—Figures are always good.

**Dr Harmer**—The tyranny of the anecdote is a problem.

**Mr Heferen**—I know we are running out of time, but there is a range of other initiatives under the NTER such as the safe house initiative, the School Nutrition Program, and a range

of night patrols. A number of people have been employed and a very high proportion of those have been Aboriginal people. That is material we can detail in a more substantive response.

**Senator FURNER**—That would be good, thank you.

**Mr Griew**—If you wish, I can have some figures that DEEWR has—

**CHAIR**—Mr Griew, can you give those to us directly now?

**Mr Griew**—Yes, sure. These are figures related to jobs packages in the programs under the NTER including: 200 Indigenous people employed in child care; 16 remote Aboriginal family and community workers; 161 local Indigenous workers of a total of 200 under the School Nutrition Program; 354 Indigenous people employed on the night patrols; 96 safe house positions filled, 95 of these by Indigenous people; and 26 Indigenous engagement officers servicing 26 NTER communities.

**Senator BOYCE**—Are these totals or increases, and over what period?

**Mr Heferen**—These would be new positions created under the NTER funding and these are Indigenous employees within those services.

**Senator BOYCE**—Is this since the NTER began or—

**Dr Harmer**—Yes.

**CHAIR**—Senator, we are out of time.

**Senator BOYCE**—This is not a question, just a query: are similar figures for non-NT communities in those areas available later?

**CHAIR**—Help me out here—for non-NT?

**Senator BOYCE**—We are on the NTER at the moment. I am looking at similar job creation in non Northern Territory Indigenous communities.

**Mr Griew**—We can give you some figures that are not exactly comparable but we can give you figures relating to the government service delivery—conversions of CDEP and under the government service delivery national partnership agreement.

**Senator BOYCE**—Okay, we will do that later.

**CHAIR**—Thank you very much to the officers across departments who gave information in this first session. We are now going to suspend briefly and then come back with Employment and Economic Development.

#### **Proceedings suspended from 10.33 am to 10.40 am**

**CHAIR**—We will now reconvene, looking at employment and economic development.

**Senator PAYNE**—I want to look at some of the initiatives from the 2010-11 budget paper—a revolutionary decision in estimates, I know, but we can all grapple with that. Particularly in budget paper No. 2, page 73, there was a reference to change in indexation arrangements for CDEP. Can I ask about that, Dr Harmer?

**Dr Harmer**—Yes. I am just looking for—

**CHAIR**—Perhaps someone can start with an answer and then, if we need other staff, they can add on.

**Ms Board**—Okay. The Department of Finance requested that all programs reviewed their indexation rates and as a consequence of that review the CDEP appropriation was changed to WR3.

**Senator PAYNE**—Do you know what the assumed figures are, concluding that the index into wage cost index will reduce expenses by that \$9.3 million over four years? Do you have the figures for the assumed wage cost index in the CPI and the non-farm GDP deflator figures?

**Ms Board**—I do not have that information with me at this moment but I will try and get that during the session.

**Senator PAYNE**—Can you tell me then whether that reduction in expenditure—and I understand that it is a Department of Finance requirement—over the forward estimates results in any restructuring or cancellation of any planned initiatives?

**Ms Board**—No, it does not result in any cancellation of any initiatives.

**Senator PAYNE**—What impact does it have?

**Ms Board**—It has a minor impact on indexation but it does not have any effect on the actual delivery of the program.

**Senator PAYNE**—A minor impact on indexation but no impact on delivery?

**Ms Board**—In terms of what can be carried forward to the organisations.

**Senator PAYNE**—And what impact do the organisations feel in that regard?

**Ms Board**—As I understand it, there is no discernible impact at this time.

**Senator PAYNE**—Are you monitoring that?

**Ms Board**—Yes, we are.

**Senator PAYNE**—Have you asked organisations to provide you with feedback?

**Ms Board**—We monitor it very closely and we have not received any feedback from organisations that it is creating any concerns.

**Senator PAYNE**—We will continue to follow that up into the future. There is also a redirection in the funding for CDEP in the budget papers, which, as I understand it, is a one-off redirection of \$3 million to other government priorities. Are they Indigenous policy priorities or are they elsewhere?

**Ms Board**—Yes, they are Indigenous priorities.

**Senator PAYNE**—Can you tell us what they are?

**Ms Board**—Yes. There was a one-off payment to National Indigenous Television.

**Senator PAYNE**—NITV?

**Ms Board**—Yes.

**Senator PAYNE**—What amount?

**Ms Board**—It was for \$3 million.

**Senator PAYNE**—So the whole thing was for NITV?

**Ms Board**—Yes.

**Senator PAYNE**—It may not be your area, Ms Board, but do you know what NITV propose to do with the \$3 million?

**Mr Tongue**—From recollection, I think that program is run out of what is now SUPAC. I am really tempted to say SOPC but you would have to refer it to them.

**Senator PAYNE**—I want to ask a question about the reform of the CDEP program in the Torres Strait. In budget paper 2 on page 183, as I understand it that reform program requirement was for from 1 July 2010 all CDEP participants in Torres to be registered with JSA by that date. Has that occurred?

**Ms Board**—That process is underway. We expect that the registrations with JSA will be completed in the next month or so.

**Senator PAYNE**—Why has that been delayed?

**Ms Board**—The new provider has been contracted in the last month and a part of the new arrangements is to work with each of the CDEP participants and ensure that they register. Many of the CDEP participants have already been registered but that should be completed fairly soon.

**Senator PAYNE**—If the stated objective in the budget papers was to have the participants registered by 1 July, why was the provider only contracted in the last month?

**Ms Board**—The open process for looking at providers who would be prepared to take on this new work commenced—

**Dr Harmer**—I suspect it was an issue of taking longer than we expected to let the contract. We might take that one on notice.

**Ms Board**—I'll find it.

**Senator PAYNE**—There are probably some questions that flow from that, Dr Harmer, so if it is available—

**Senator Arbib**—Why don't we come back to it.

**Senator PAYNE**—Certainly, Minister. What impact on the administration of the program does the delay have in both appointing the contractor and registering the participants?

**Ms Board**—It has no significant impact. The reforms to CDEP in the Torres Strait are happening in a two-stage process. The first stage was to align the changes from the mainland program to the Torres Strait, which included things like the registration process, ensuring that the provider started to create the work readiness stream and the community development stream and establish work experience agreements as well as to have that relationship with the Job Service Australia provider. The next stage will be when people are new participants to CDEP. They will be on income support as new participants. It was a deliberate process of slowing the transition so that people would get used to the changes.

**Senator PAYNE**—I understand that two-stage process. What I was concerned about was not meeting the timelines that had been set out in the budget papers—not just informally, but quite formally in that process—and what impact that lag in shifting those participants and

registering them with Job Service Australia has in terms of their capacity to go into that mainstream program and so on.

**Ms Board**—I do not think there are any significant delays. The actual announcement around the Torres Strait reforms was made in May, as you are aware. We held information sessions in June with the Torres Strait Regional Authority, who are administering the program, just to ensure that CDEP participants were well aware of what the changes were. At that time, we also put out the process. As there needed to be an interim arrangement before the Torres Strait Regional Authority were able to contract a new provider, the former provider, the Torres Strait Island Regional Council, agreed to take on the new contract for a period of about three months.

**Senator PAYNE**—They did that on an interim basis?

**Ms Board**—Yes, they agreed to that.

**Senator PAYNE**—So who is the new provider?

**Ms Board**—CEA.

**Senator PAYNE**—Can you explain the acronym for the purposes of the *Hansard* record.

**Ms Board**—CEA is Community Enterprises Australia.

**Senator PAYNE**—Thank you. And they were appointed in the last month, you think.

**Ms Board**—Yes. The contract was signed, sealed and delivered in the last month.

**Senator PAYNE**—Okay. So how long before you expect those participants to in fact be fully registered with Job Services Australia, and how many participants are we talking about?

**Ms Board**—There are 1,200 participants who have transferred from the island council to CEA. I do not have the figures for how many of those are registered with the JSA, but I can get them for you.

**Senator PAYNE**—Could you take that on notice for me?

**Ms Board**—Yes.

**Senator PAYNE**—Thank you very much. Broadly then, in terms of the shifting of the reform programs and where people are moving, not just in the Torres Strait, how many participants remain engaged in CDEP projects nationally; can you tell me?

**Ms Board**—Yes.

**Mr Tongue**—Senator, it is 10,072 currently.

**Senator PAYNE**—What was the number prior to the introduction of the reforms on 30 June last year?

**Ms Board**—14,891.

**Senator PAYNE**—With the conversion processes for the CDEP places that were announced in the package—a number to government jobs, some to traineeships, some to ranger positions and so on—have all of those places been converted and filled?

**Ms Wood**—Senator, the package of funding for jobs to be created in Commonwealth government service delivery out of CDEP—that was part of the reform package and a part of

the national partnership agreement—has resulted in 1,235 positions being created, and they are across municipal services, sport and recreation, community care, night patrols—

**Senator PAYNE**—That is 1,235 out of the 2,000, Ms Wood; is that what you are saying?

**Ms Wood**—Yes, that is under the Commonwealth, and state governments have created 303 jobs. That comes to a total of—

**Senator PAYNE**—1,538.

**Ms Wood**—1,538 out of the possible 2,000.

**Senator SIEWERT**—That is state governments across the country?

**Senator PAYNE**—And territory governments?

**Ms Wood**—It excluded the Northern Territory because the Northern Territory had a separate jobs package as part of the NTER.

**Mr Griew**—And these positions are 96 per cent filled. The numbers that Ms Wood was quoting are positions, and they are 96 per cent filled; that is our advice.

**Senator PAYNE**—What about the traineeships and ranger positions?

**Ms Wood**—Senator, I do not have the details of the traineeship numbers with me, but we can get you those figures.

**Senator PAYNE**—And the ranger positions?

**Ms Wood**—There are 111 ranger positions.

**Senator SIEWERT**—Are they part of the 1,235?

**Ms Wood**—They are part of the 1,235, yes.

**Senator PAYNE**—Wasn't there a separate category of ranger positions that was numbered at 60? I thought it was in the announcement in the package. Is that right, Rachel?

**Senator SIEWERT**—That is what I thought. Or are they separate? Are they Caring for our Country workers?

**Ms Wood**—Sorry, yes there was, I think, a separate package that was directly funded to the department of environment. That was separate from this package. I think they were described as positions for mature age workers. It was a separate part of the Working on Country program, but I do not have the details on that. We could ask the department.

**Senator SIEWERT**—If you could that would be good.

**Senator Arbib**—So there is still some work to do—

**Senator PAYNE**—It is not clear to me, I must say.

**Senator Arbib**—Senator Payne, I was just saying, from the federal government's perspective we are almost there at 96 per cent. There is still work to do with the states obviously, and we are working closely with them to try to ensure they meet their obligations.

**Senator PAYNE**—I appreciate that.

**Senator Arbib**—They have made some good progress in recent times, especially on—

**Senator PAYNE**—Especially on?

**Senator Arbib**—On meeting the CDEP targets in government service delivery jobs.

**Senator SIEWERT**—Is WA meeting its commitments? Some concern has been expressed to me that the WA government made some commitments early on, but it is not necessarily maintaining those commitments. Is that so?

**Ms Wood**—The latest information we have says that of the 156 positions created by the WA government 142 of them are filled.

**Senator SIEWERT**—But is this ongoing funding?

**Ms Wood**—I do not have that information with me as to what period of time they are funded positions.

**Mr Harmer**—We can get you that information.

**Senator SIEWERT**—If you could that would be appreciated because there is some conjecture that they are not. I would like to know if that is true or not.

**Mr Tongue**—It is the case that WA was one of the jurisdictions where it was a bit slow to get people into the jobs and some of that was to do with the nature of the jobs that were created. They had background checking requirements and other things. I recall some conversations that I was privy to with the WA government about speeding up the process. I think the jobs are now filled, so it could just be that it was that process when they were a little slow to fill the jobs.

**Senator SIEWERT**—It would be appreciated if you could check the funding period that those commitments were for.

**Mr Griew**—Not in any way to detract from that issue, the current level of positions being filled in the state positions is 88 per cent.

**Senator PAYNE**—Across the board, Mr Griew?

**Mr Griew**—Yes, that is across the board.

**Senator SIEWERT**—Of those new jobs.

**Mr Griew**—The 303 that are state government.

**Senator PAYNE**—Are these permanent jobs?

**Mr Griew**—That goes to the funding question—Senator Siewert's question. We will take it on notice.

**Senator PAYNE**—At the Commonwealth level though? Are the Commonwealth jobs permanent jobs?

**Ms Wood**—Yes.

**Dr Harmer**—The Commonwealth conversions are permanent jobs.

**Senator PAYNE**—Thank you. So how many does that leave us with who came out of the previous program and then into the reform program and who have been unable to secure jobs? Do we know what percentage that is, or the number?

**Ms Wood**—We have been following the people who left CDEP in areas where CDEP closed and we have been tracking who has come into the income support and employment services system.

**Mr Griew**—Not all of the participants were taking part in jobs that converted into government-funded jobs so the numbers that Ms Wood will talk about now are the people who were not in those jobs.

**Ms Wood**—There were 1,964 CDEP participants who did not continue on CDEP post 30 June 2009. As at 27 August 2010 there were 1,268 of those people on income support and that compares to—we reported at the end of March 2010—1,306 people in income support. At the end of August 2009 there were 1,515. So over time there has been a trend downwards of the number of those former CDEP participants on income support.

**Senator PAYNE**—Can we assume that is because they have managed to find employment?

**Ms Wood**—There would be a range of reasons for that but we do have results on where there have been job placements. For that cohort over time there have been 681 job placements, 249 13-week job outcomes, 134 26-week job outcomes—

**Senator SIEWERT**—One hundred and—sorry.

**Ms Wood**—One hundred and thirty-four 26-week outcomes. Some people have moved, obviously, with normal patterns of mobility. Some people have moved to a remote area and so we have also recorded 39 remote education commencements for that cohort. In terms of the current status of the people who are on income support, there were 1,260 out on income support and 696 not on income support. Of those on income support, as at 23 September 2010 there were 1,008 registered with the employment service providers, which leaves 260 who were not. A number of those people would have income support payment types that do not require them to be registered. They could be on parenting payment, age pension or disability support pension.

**Senator PAYNE**—Are the 1,008 that are registered with employment service providers currently in the active job market? Is that the terminology we would be using?

**Ms Wood**—Yes. They are in the employment services system receiving support to build their skills and find employment.

**Senator PAYNE**—How are they spread across the states and territories?

**Ms Wood**—I do not have that information with me, but we could get it for you.

**Senator PAYNE**—Could you take that on notice please.

**Ms Wood**—Yes.

**Senator PAYNE**—For those 1,008 people I would be interested to know which particular providers are involved in that support process.

**Ms Wood**—Yes.

**Mr Griew**—These are ex-CDEP clients in outer regional areas. That is the way we are talking about it. It is not in the very remote areas.

**Senator PAYNE**—No, I understand.

**Senator SIEWERT**—When you are taking that on notice can you provide a breakdown of gender. Or do you have that now?

**Ms Wood**—No, I do not have that now.

**Senator SIEWERT**—If you could provide that it would be good.

**Ms Wood**—Yes.

**Senator PAYNE**—In terms of the 10,000 participants, I think you said, who are still engaged in CDEP projects nationally, what has the impact of the reforms been on the sorts of activities that those participants are involved in?

**Ms Board**—The impact of the reforms has meant that there is a much greater focus on work readiness. Formerly, CDEP was more focused on ‘make work’ type activities, community development type activities. The focus is around supporting the individual in terms of what their learning needs are and tailoring the support for them. So there is a lot more focus on prevocational training, life skills and, in some cases, vocational training—and, where possible, getting people into work experience placements.

**Mr Tongue**—Under the old CDEP, one of the policy concerns was that CDEP had become a destination in itself and that the notion of CDEP being one of the platforms for movement through the employment arrangements and into paid work, if it was available, had become lost. The incentives in the system for people to move through and find work rather than just end up on CDEP and stay there year after year had been over time attenuated.

**Senator PAYNE**—I understand that, and that has been discussed at length across a number of committees, not the least of which is this one. How will we identify a difference between that and where these people are now—and when?

**Mr Tongue**—I think you will see the difference emerge in some of the data.

**Mr Griew**—Yes. We can provide some figures on the placements and the retention outcomes for Indigenous remote job seekers through the JSA system since its commencement on 1 July 2009, which would give an indication. We all agree we could improve the flow-through and the outcomes and the demand for job seekers, but it is important also to tell the positive side of the story. For example, there were 17,000 job placements in remote employment service areas—8,169 of those being Indigenous, with 2,435 of those 8,169 Indigenous remote placements achieving a 13-week outcome and 893 achieving a 26-week outcome. Senator Scullion asked about retention outcomes last time. The percentages there are pretty comparable to the JSA system overall. We are getting placements for people. We would like to get more, but we are getting placements for people. The interesting thing is that they seem to be sticking at 13 weeks at the same rate as nationally and at 26 weeks they are not that far behind the national general figure. I guess we need to watch that set of numbers very closely.

**Senator PAYNE**—Given the unique nature of the cohort that we are talking about, when you watch that set of numbers what do you actually do with them? Is there an intervention, for want of a better word, from the Commonwealth on how the proprietors are supporting the participants and whether there is more to be done there?

**Mr Griew**—Absolutely. This is an area where we are in constant discussion with FaHCSIA, Centrelink and the proprietors. We are coming up to the midpoint of the JSA contract. It is the time when we look at performance and talk to the providers. We are talking with Centrelink about how we can better coordinate the timing of Centrelink staff presence in communities with JSA staff presence. We have taken a number of steps in the course of 2010 to try to drive better coordination between the CDEP providers and the JSA providers to make sure we are referring people effectively and identifying potential. There is a lot of activity—

**Senator PAYNE**—Was there a particular problem there previously?

**Mr Griew**—This is hard terrain, so there are always problems.

**Senator PAYNE**—I understand.

**Mr Griew**—As we have put the new JSA system into place, comparatively it has been doing better than its predecessor contract.

**Senator PAYNE**—Do you mean it is comparatively doing better than the CDEP contract?

**Mr Griew**—It is also doing better than the Job Network contract that came before it. The other side of the equation is the demand for labour. Through a whole range of government policies and procurement in working with government service provisions we have been taking action to try to drive up the demand for labour in these places.

**Senator Arbib**—One of the points that was raised last night by Secretary Pratt from Human Services was the importance of the JSAs and Centrelink in the remote areas working more closely together. He was talking about actually being in the same place at the same time when dealing with job seekers. To me that is a critical reform that needs to take place.

**Senator PAYNE**—I will have a look at that answer.

**Senator Arbib**—There is no way that the JSAs can perform effectively unless they are working in lock step with Centrelink. That is something we will certainly be working closely with that department on in the future.

**Senator PAYNE**—Is there, for example, any link between the employment objectives in SIHIP and this process as well?

**Mr Tongue**—Yes, there is. The people who are picked up under SIHIP are coming through the various streams that Mr Griew has outlined. It is the case that there have been issues in the past in some communities. If you look at the walls of some of the people in communities, they have a lot of certificates that are related to constructions but there are no actual jobs. Part of the policy approach behind SIHIP and the remote Indigenous housing arrangements is to provide a construction approach over a long period, so that national partnership is a 10-year partnership. The art form that I think we still need to do some further work on is to lock participants in for, say, an apprenticeship so that we can keep them over the period of the apprenticeship, the three or four years. The program has now been running for about 18 months, and we are certainly getting people in; the problem is keeping them locked in for the period to get the apprenticeship. If you look at, say, the construction sector and the way other national partnerships work—some of them to do with boarding houses, some to do with health programs and so on—it is the case that construction work will be rolling out in many of the communities for at least five years and possibly longer. In response to the question, ‘What

happens after that?’ I say that it depends on policy decisions that governments make in future in areas like infrastructure and municipal services. There are a range of areas where—

**Senator PAYNE**—What will happen if the economy builds to a point where there is enough economic development to sustain that?

**Dr Harmer**—It depends on the mobility of their individuals too.

**Senator PAYNE**—Aren’t we doing that?

**Senator Arbib**—One thing you have pinpointed which is right is that, in terms of government service delivery and government jobs, we have to be doing more in those regions. We must do more. With local councils in an area, in particular, we can really lift our game. I note that this year is for local government, I think, the Year of Indigenous Employment, so local councils are focusing, through the ALGA, on Indigenous employment. But, again, it is the connections and the transitions where we run into problems, and that is where we need more coordination between the departments and programs we are running and also with the state governments. A good example is that in Yarrabah the state government is providing housing. There were not great connections on the training side so that we could get Indigenous workers into that. We were able, through the IEP, to provide extra funds and go into Yarrabah so they could train more construction workers for those projects. They are the sorts of connections that need to be made. It is hard work, but it is starting to happen.

**Senator PAYNE**—I know Senator Boyce has a follow-up question.

**Senator BOYCE**—I want to follow up on that. The member for Herbert discussed in the House of Representatives the other night the building of four kit homes on Palm Island and made the point that, despite the fact that the island has its own electrician, four registered plumbers and a number of other tradesmen and tradeswomen, there was no work at all given to local tradespeople or even local building labourers. All the labour came from the mainland. Do you have any sort of system to audit those sorts of things, and if not why not?

**Mr Tongue**—In the construction of houses—I am not familiar with the four kit houses exactly, but generally speaking—

**Senator BOYCE**—These are temporary homes, but it does not sound as though it requires a lot of expertise to build them, for a start.

**Mr Tongue**—It will depend to some extent on the contracting arrangements and requirements of state government as to how those programs get rolled out. What we, working with the state governments, are trying to do is balance the requirement for value for money with the requirement for Indigenous employment and the requirement to manage this over time. The bigger providers, who might be outside communities, have some attractions in terms of rolling out programs at scale. What we have tried to do with the states and territories, and what I know they are actively trying to do, is to marry, if you like, the muscle of some of the bigger providers with engagement with some of the smaller players who happen to be in communities.

**Senator BOYCE**—It is pointed out here that the locals did not even get the job of site cleaning after the jobs were done.

**Mr Tongue**—I am happy to take that one away on notice and talk to the Queenslanders.

**Senator BOYCE**—Yes. It seems to me that people have to explain why they are not using local labour in those conditions, or we are never going to get an improvement.

**Senator Arbib**—My understanding is that the figure for Indigenous employment across Indigenous housing is 30 per cent at the moment, which is above the target.

**Senator PAYNE**—But, Minister, isn't it a matter of what proportion of that 30 per cent is comprised of locally engaged individuals rather than people imported into the area by the sorts of companies that Senator Boyce is talking about?

**Senator Arbib**—That is exactly right.

**Senator PAYNE**—Can we see a breakdown on those?

**Senator BOYCE**—We accept that more can be done and should be done, there is no doubt about it.

**Senator PAYNE**—Can we see a breakdown of that on notice, please.

**Senator Arbib**—Sure.

**Mr Tongue**—We will do our best.

**Dr Harmer**—I think that we can probably get that. It is patchy, Senator, in Wadeye and places like that where there are a lot of locals working. In some other communities it is probably not as high a proportion as in Wadeye. We will try to get some figures for you.

**Senator Arbib**—The other thing is the procurement policy in particular. It is extremely important and a lot of work is going on at the moment in terms of the IOP—

**Mr Griew**—Minister Arbib and the Minister for Finance earlier in the year put out for discussion a proposal for an Indigenous opportunity policy that would have the effect of recipients of Commonwealth government procurement having to demonstrate both Indigenous training and Indigenous employment policies, and to enact those to be eligible for grants for, I think, procurements over \$5 million. That is currently going through a series of rounds of consultation—and there are some reasonably technical considerations for how you define Indigenous employment, for example. That will be implemented on 1 January next year. You can put that together with the formation of the Indigenous Minority Supply Council, which has now been operating for some time quite successfully—in fact we are told that it is the most successful of the Indigenous minority supply councils around the world that have been set up. This is a model that started in the States and has been used elsewhere. The aim is to develop a vibrant Indigenous business sector that will be a part—

**Senator Arbib**—We want to use procurement as a way to drive Indigenous business and innovation. That is where we are heading.

**Senator PAYNE**—I thought that was a good announcement, Minister. You referred previously in some of your remarks to the importance of the engagement of councils as well as state governments in this process. I was approached recently by a former senior person from one of the big four accounting firms who had been sent as part of a team to a remote community in North Queensland to do an audit, effectively, about capacity to introduce various levels of economic development and so on. The most resistant body in the community, the body that kept saying to local residents who wanted to become engaged in economic development was the council. Their attitude was: we do not want anyone doing that

sort of thing here; we will look after it; you do not need to worry about that. I can identify the community but I do not need to do that, not on the record. That is the sort of challenge and attitude which is completely counterproductive to the sorts of policy propositions which we have pursued in terms of economic development and those which your government purports to pursue.

**Senator Arbib**—I could not agree more. I have to say in some fairness to the councils that in some places you go that is the view, but in many others it is not. I have worked with a number of councils who are endeavouring to increase the amount of Indigenous employment, and for the ALGA to actually be dedicating the next year to Indigenous employment is a good step in the right direction.

**Senator PAYNE**—I think that is important. At least the contraction of councils in Queensland and the Northern Territory means that we have fewer to face this challenge with, I suppose, on one level.

**Mr Tongue**—Just on local government, I know the Australian Centre for Local Government Excellence that the government has funded is also looking at the question of the capability of remote councils. It is the case across the country that remote councils are mostly dependent on government grants—federal financial assistance grants and state government grants. There are a lot of capability issues but through the new Centre for Local Government Excellence—

**Senator PAYNE**—How do you make that link, Mr Tongue, if they are dependent on grants, the capability issue is—

**Mr Tongue**—Because they have large areas—lots of local road links, for example, to maintain—and a very low rate base, their capacity to employ people and build the capability of their staff is relatively limited. It is one of those things—income versus what we are expecting them to do.

**Senator PAYNE**—Wouldn't they welcome economic development? I am confused now.

**Mr Tongue**—Economic development brings with it demands on local councils. I do not want to defend the local councils here, but trying to engage with the councils—and the Coordinator-General, for example, has a local government project—about the value of economic development can impose initial upfront costs on the council and they often do not feel that they have the resources to meet them. So we are going to need to work with the shires in the Northern Territory and some of the bigger remote councils on a balance between the long-term benefit and the short-term cost as well as those capability questions. They, like all government agencies, face capability issues in remote Australia.

**Senator Arbib**—Senator, all levels of government need to lift their game on employment, especially in remote areas. What the NTER report showed is that when the effort is there you can lift the number of Indigenous people in jobs. To see a 46 per cent increase over a six-month period, I think, is a very, very promising step. And it has been done in a coordinated fashion. That is one of the things we will be working with the state and territory governments on. All of them at the moment are putting in place targets and commitments. It is about how we help them get the mechanisms to identify labour supply and then train and place people. That is the tough stuff.

**Senator SCULLION**—Minister, you have just made some very useful comments with regard to employment in remote areas in particular. The Commonwealth is responsible for the rollout of the National Partnerships program and the building of houses. The SIHIP, which you have mentioned, is operating in the Northern Territory. I understand from many of the contractors that there are a number of things that you think are absolutely essential. One of them is the time in which houses will be built. We hassle you at estimates about how you are going with that and you all cringe. But it is an agreed mechanism and it is in the contract with the builders. The quality of the houses that are built is another issue. When we asked about Groote Eylandt you went under the desk again. But it is in the contract—the price of each home and how wisely we are going spend the \$700 million in SIHIP. That is why we are all confident—because it is in the contract. So, if the Commonwealth is doing so well at this, why is it not in any contract that we will employ as a contractual obligation a certain number or a certain percentage of Indigenous people? It is still a convention rather than a contractual obligation. So when are we going to move to giving that the same level of value as the others?

**Mr Tongue**—In the remote housing partnership a minimum of 20 per cent employment is an agreement between us and the jurisdictions, so they must at least meet that. In other MPs that I am responsible for, it depends on the character of what we are trying to do on the ground and the skills that we need. As you know, people in some of the remote communities do not have English at a functional enough level to enable them to participate in some of the training. So it is the case that we have to play with what is in front of us in terms of the relevant MPs. But, certainly, in the remote Indigenous housing one there is a minimum requirement of 20 per cent and we are exceeding that.

**Mr Griew**—We have talked about the Job Services Australia contract. We have a number of more specific programs going on that are complementary to that. There was the jobs fund initiative, which was about the impact of the global recession, but we also have the Innovation Fund, which is a part of the Job Services contract, which looks at the disadvantaged job seekers and combining training and jobs. We have had in those programs quite a deal of forward movement in the last year in getting Indigenous projects up. A heavy emphasis in those has been on training. For example, in the Innovation Fund, with nine projects, 287 employment outcomes have been achieved for Indigenous people and 481 training positions and 728 mentoring positions. In the Apprentice Kickstart initiative we got 848 Indigenous apprentices engaged. In the extension of that, which was announced in the last budget, we had 389 Indigenous apprentices engaged. This is the continuing dirt under the fingernails hard work of this area, but these projects, in a way, allow us to give a bit of support to the more innovative and more creative of the Job Services providers and the RTOs to work together for exactly this sort of outcome.

**Senator Arbib**—We spoke before about the AIMSC, Australian Indigenous Minority Supply Council, where we are tying Indigenous businesses together with some of the biggest companies in the country but also government procurement, through departments. It has only been in operation for 11 months. This program is based on an international model out of the United States. Already they have gone from around 20 Indigenous companies to 53 suppliers. They have attracted 41 members now. As at 8 September they had generated \$4 million in contracts and \$1.2 million in transactions between members and certified suppliers. So you are seeing these Indigenous businesses starting to grow. I am pretty sure that the level of

Indigenous employment in these companies is at 72 per cent, which shows you that as these Indigenous businesses grow you will see a lift in the rate of Indigenous employment. So this is the work that is going on. The beauty of this program is that it connects these businesses directly to government procurement and directly to large corporations for contracts. So it is a good model and something that we are going to keep working on and fostering.

**Senator SCULLION**—Dr Harmer, in terms of feedback, I get what you are saying. Every time you come here you say that the figure for the Territory is 30 per cent, or always over 20 per cent. You know where I go, because I know you get plenty of feedback. I have not been on a building site where there is 30 per cent or even 20 per cent Indigenous employment. So I am very keen to know how this formula works to say that that is the case. Given the assurance from the minister—

**Dr Harmer**—We can cover that in housing.

**Senator SCULLION**—Yes, in answer to that question on notice. I have some other elements of feedback. I can reflect specifically on the remnants of the original council in Lajamanu. With a number of other parliamentarians, I met with the council there. We were introduced to 11 people who had passed their blue certificate, which is the certificate to work on a work site. I think the green one is for working at heights. They were there to say, ‘We’re starting to build houses here now and we had an expectation that we would be employed, yet we have not been.’ Whilst I know you have a level of confidence that we have these achievements, I still think that in terms of connectivity there is an issue. As I move around the National Partnerships program sites I am still astounded that you have those figures, because that is not the feedback that I am getting. But I am quite sure that you will be able to give me some comfort on this question on notice.

**Dr Harmer**—We are pretty confident about that. The point that Mr Tongue made earlier is important. We have to take a longer term view of that employment and try to work out how we can continue their training so that they get apprenticeships, and there is work going on. In particular, repairs and maintenance work for people who have training is an ongoing element. We would hope that, in these communities where we are building houses and repairing them, in the future the vast majority of the repairs and maintenance work, the contracting, will be done by the people who have been trained by the SIHIP program. I can assure you, Senator, that we are not resting on our laurels and just claiming the 30 per cent achievement and then saying that it is all finished. We understand, as does the Northern Territory government, that we have to do our best to get them trained. We need to continue to put pressure on, perhaps even by writing it into contracts—I would not rule that out at some point. There is a continual need to have a certain level of Indigenous employment. But we can answer that question on notice. I know you do travel around the Northern Territory. The difficulty is that when you flit into some of the places you do not see, necessarily, the average. You see some good examples and some not so good examples. The figures we are collecting are across all of the communities where we are building houses.

**Senator SCULLION**—That is why it is important to get the details of how you establish the numbers.

**Dr Harmer**—Sure.

**Senator SCULLION**—Is it full time, part time et cetera.

**Senator SIEWERT**—Can I jump in there and go back to some of the job placement figures and the 46 per cent that you mentioned. If you did say this figure earlier, I missed it and I apologise. How much of the 46 per cent increase in employment was CDEP conversion places?

**Ms Wood**—This is in the NT, and the NT jobs package has actually been implemented for some time. In the earlier stages of the NT jobs package implementation, it was harder to work out what the overlap was between the Job Services numbers and the NT jobs package numbers, and there was certainly a high overlap. We are now at a point where, if Job Services Australia are appointing people to positions, they are existing positions. They might have originally been funded out of the jobs package, but it has become normal business in that they are jobs that are available in those communities, so we do not necessarily distinguish between the jobs they are placing people in.

**Senator SIEWERT**—Okay. We have had a lengthy discussion about local government involvement. With regard to the jobs that have been available in the Northern Territory through local government, you would obviously be aware of the statement that was made a couple of months ago about not having funding to continue those positions. What is the status of those positions currently and into the future?

**Mr Tongue**—Senator, I think the Northern Territory is now on the public record about the continuation of those jobs. There were 400 or 450 jobs, I think.

**Senator SIEWERT**—Yes.

**Mr Tongue**—I think they are on the record about a continuation.

**Senator SIEWERT**—As permanent jobs?

**Mr Ryan**—The funding for this is continuing, so they are potentially permanent jobs, but that would depend on the situation and each shire council.

**Senator SIEWERT**—Okay. If they are potentially permanent, do we have a breakdown of what—

**Mr Ryan**—The funding is available for those jobs to be permanent.

**Senator SIEWERT**—Made available by the NT government—

**Dr Harmer**—So, for all intents and purposes, Senator, they are permanent jobs. What Mr Ryan is covering himself on is that obviously some people who get jobs might not stay in them for all sorts of reasons—

**Senator SIEWERT**—I understand that.

**Mr Tongue**—but they are permanent jobs.

**Senator SIEWERT**—The positions are now permanent positions?

**Mr Tongue**—Yes.

**Senator SIEWERT**—All of those 486 positions, I think there are?

**Mr Tongue**—Yes.

**Mr Ryan**—Yes, that is correct.

**Senator SIEWERT**—Thank you very much. Is it appropriate here to ask about some of the information on employment in the *Closing the gap* report?

**Dr Harmer**—Sure.

**Senator SIEWERT**—In the report, there were issues for me around work experience. There seems to be some contradictory information, and maybe you could take this on notice. I am after the most recent figures for the number of job seekers in JSA and those participating in work experience.

**Dr Harmer**—Are you talking about the table on page 42, Senator?

**Senator SIEWERT**—Yes.

**Dr Harmer**—Okay.

**Senator SIEWERT**—Can we get some up-to-date figures, because on the next page it says:

At 30 June 2010, there were 1,608 job seekers ... Of these job seekers, 856 ... were participating in a Work Experience activity.

Could you just explain the difference between those figures.

**Ms Wood**—We can take that on notice.

**Senator SIEWERT**—Thank you. If you could, that would be appreciated. I think that between us all my questions have been covered now.

**Senator PAYNE**—I want to ask a question about the CDEP Consultative Group, if I may. I think it had its first meeting at the end of last year, and the material available indicated that it was scheduled to meet three times this year. Has it met this year, and on what dates?

**Ms Board**—Senator, yes, they have met three times. If you bear with me, I will give you the precise dates. Sorry, I will have to get back to you when we find the right piece of information.

**Senator PAYNE**—Are they scheduled to meet again this year?

**Ms Board**—Yes, a meeting is scheduled at the beginning of December.

**Senator PAYNE**—I think the communique for the 2009 meeting was placed on the department's website but there has been no further information since then. Why is that?

**Ms Board**—The consultative group's role is to provide operational policy advice to the department and it is not a decision-making body. Essentially there is a lot of discussion at those meetings but most of the information is not relevant to put on a website in terms of any decision. So basically they are giving us feedback around how the policies are actually working, how the program is working, and then we use that advice in relation to how we implement the program.

**Senator PAYNE**—I have to say I beg to disagree. I would have thought that the views of the consultative group about what operational changes could be made, what improvements could be made, are highly relevant.

**Ms Board**—The consultative group were instrumental in giving feedback to the department around operational adjustments that were required early in the implementation of

the reforms. At the national workshop that was held with all CDEP providers in March of this year the department announced those operational adjustments to providers. It was noted that the consultative group had played a critical role in assisting the department in coming up with those adjustments.

**Senator PAYNE**—It seems to me that if you were prepared to place information on the website, as you did with the communique, albeit it was a very brief communique of less than 300 words, then providers who are not part of the consultative group would have an opportunity to review those aspects of the discussion and reflect on them in terms of their own administration and operations and provide further feedback, contact other members of the consultative group, all sorts of radical things like that.

**Ms Board**—Certainly we encourage consultative group members to network amongst the CDEP sector. The consultative group members played an important role at the actual national workshop in March. The CDEP sector is aware that they can make contact with consultative group members—

**Senator PAYNE**—How are they aware of that?

**Ms Board**—The information about the consultative group members is in the public domain and at the national workshop in March, which was attended by most providers, they were introduced to the workshop participants, so it is well known whose those—

**Senator PAYNE**—How much feedback does the consultative group get?

**Ms Board**—It will depend on the individual member. Some consultative members operate in a regional capacity and have relationships with a number of providers, others would network across the shires, for example, because they have things in common. It depends on the individual how they would operate. In addition to what the consultative group does, the department has been very active in getting out and meeting providers, with DEEWR and Centrelink, in relation to implementing the adjustments as well as to get direct feedback around how the reforms are actually landing on the ground.

**Senator PAYNE**—Was there actually a conscious decision taken not to put any further information about the consultative group on the website after the initial communique?

**Ms Board**—The way in which the consultative group meetings are organised is that it is really about the consultative group giving frank and fearless advice to the department and quite often the feedback that they give there may not be a decision relating to that feedback. So basically where we do communicate it is what the meeting agreed in relation to what the department could do immediately in response to that feedback as well as what the consultative group members believe they can also action.

**Dr Harmer**—It is not at all unusual that groups are formed to provide advice either to the minister or to the department. There is a wide variation in what goes on the website following that meeting. Sometimes it is appropriate to put the outcome. Sometimes it is appropriate to put some of the discussion. That has not changed for many years. The consultative groups have a particular charter. In some cases, while it might be helpful, the discussion might be constrained if they thought that the whole of the minutes et cetera were going to be put on the website. All those considerations have to be taken into account with regard to what from a meeting goes on the website. I note your preference that it would be nice to have more—

**Senator PAYNE**—Some, actually.

**Dr Harmer**—but we have taken a decision. We will, perhaps, look at that, given your comments. Maybe there is more information that could be put on.

**Senator PAYNE**—I appreciate the point you make about the need for the consultative group to be able to operate on a basis in which people are prepared to offer frank and fearless advice, to use Ms Board's words, and, in yours, to have an open discussion where they do not feel constrained by the publicising of the discussion. I absolutely appreciate that but, if I used as my benchmark the communique which was placed on the website after the first meeting in December of last year, I do not think a single participant would be in any danger of feeling constrained by that information. But it does give an indication that the group is active and is doing something, and I think that would be better than nothing. That was the point that I was trying to make. Have there been any changes to the members of the group since it was appointed last year?

**Ms Board**—No, there have not been.

**Senator PAYNE**—No additions?

**Ms Board**—No. I can now give you the information about when the meetings were held. I do apologise. The first meeting was held, as you know, in December 2009. The second was 16 March, so that was just around the time of the national workshop. The third meeting was in late May.

**Senator PAYNE**—Thank you very much.

**Senator SIEWERT**—I go back to the issue of the increase in the number of job placements. Is it possible to know how many of those were churn? We have had a discussion previously which I am not going to revisit, but it was about the 13 weeks, 26 weeks et cetera and how many of those and other short-term jobs were churn.

**Ms Wood**—Are you asking whether the people who made up that extra 46 per cent had had a placement before?

**Senator SIEWERT**—Yes.

**Ms Wood**—We can take that on notice.

**Senator SIEWERT**—Thank you.

**Mr Griew**—A note of caution: the conversations we have previously had about measuring 13- and 26-week outcomes is probably the place to look for a lead indicator of change here. In remote areas there is quite a high inherent level of job turnover, so you can get quite misleading results. You really want to look at the proportion of people sticking in jobs once they get them and make sure that is staying at or at least approaching the level that you had previously. There is much to do, but that is where the JSA system seems to be getting some traction in remote areas.

**Senator SIEWERT**—Thank you. I would also like to quickly revisit my question of how much was part of the CDEP transition. I note that in the report it does say that you cannot be certain, but in the *Closing the gap* report it does say you can cross-correlate to assess whether a placement is highly likely to be part of the jobs package. I wonder if you could take that on notice.

**Ms Wood**—We can take that on notice. I think that in the early days when we were looking at this we were looking to see if there was an increase in outcomes from Job Services Australia and whether that increase was driven by new jobs that were being created under the jobs package. Because those jobs have been in place for some time, that effect is not a problem, so the increase is not driven by new jobs being created. But we can take that on notice and redo the analysis where we try to unpack how many of the JSA placements relate to those particular jobs funded under the package.

**Senator Siewert**—Thank you. That would be appreciated.

**Senator PAYNE**—I have a couple of questions around the Australian Employment Covenant and some relating to the IEP itself as a program. I do not think the AEC was discussed in particular detail at the budget estimates, but it was raised at additional estimates before that. I think there were about 17,000 jobs designated as created when it was last discussed here in an estimates environment. Can we have an update on how many jobs have been committed under the covenant by employers to date?

**Mr Griew**—The descriptor you are using there is ‘commitments’ from employers.

**Senator PAYNE**—It is. Have I got that wrong? I am very happy to be corrected.

**Mr Griew**—Not at all.

**Senator Arbib**—That is exactly what it is.

**Mr Griew**—It is now 22,474 commitments from 158 employers at the end of September 2010, as reported by the AEC. The term they use is ‘covenants’. They have 22,474 covenants.

**Senator Arbib**—I make the point that, when they say those commitments are there, some of them may be commitments here and now but many of them are commitments over a number of years.

**Senator PAYNE**—That is what I was going to ask you next. Thank you. I understand that that is how they are described and that is how they are regarded by the AEC. Can we identify how many have become definite job positions, placements, offers or whatever the correct terminology is there?

**Mr Griew**—The report we have from the AEC about people commencing employment is that at the end of August it was 1,179 that they are reporting. There will be some number that are placed through Job Services Australia or Indigenous Employment Program providers with employers who may be covenant signatories. Those will have happened direct.

**Senator PAYNE**—So they would not be in that figure?

**Mr Griew**—That is right. There will be some that are not. These are the ones where they went back to the AEC and the AEC then reported to us.

**Senator PAYNE**—What capacity do we have to know how many of those are permanent jobs? For example, how many people would still be in job after 26 weeks?

**Ms Wood**—For those 1,179 employment outcomes that the AEC reported directly, we were able to identify that 252 had been in work for at least 26 weeks, but I would put a caution on that figure in that I think there is underreporting, because some employers have not provided commencement dates. That makes it difficult to work out.

**Senator Arbib**—I think you have to be very careful in making a firm judgment with those figures.

**Senator PAYNE**—That is advice I am happy to take, but it is important to get an understanding. Fifty thousand jobs over, I think, two years is a massive target, and I think it is important to get an understanding of the actual returns that go with that target, with the good will and with the hard work that is moving things along there.

**Mr Griew**—The other caveat is that, of course, you cannot get a 26-week outcome if you have not been in a job for six months, so any who have come on in the last six months—

**Senator PAYNE**—Sure.

**Mr Griew**—You cannot divide that number by the 13-week number.

**Senator PAYNE**—That was my arbitrary choice of 26 weeks, then. Is there a 13-week measure?

**Mr Griew**—No, 26 weeks is the number we have here. Thirteen weeks is a number we collect as well, but it is always worth saying not to divide one number by the other.

**Senator PAYNE**—This is possibly a question for the minister. The covenant was signed in October 2008 with the aim of the creation of 50,000 Indigenous jobs within two years starting in February 2009. February 2011 is not too far away.

**Senator Arbib**—In terms of when it was announced, when contracts et cetera were finalised and having spoken to the AEC, their target date is 30 June—

**Senator PAYNE**—2011?

**Senator Arbib**—2011—in terms of the 50,000 commitments. But as I said earlier, and I think this is very important, we are dealing with commitments that over 150 companies have signed up to and the vast majority are saying, ‘It is going to take us two, three, four or five years to meet those.’

**Senator PAYNE**—To turn that it into jobs?

**Senator Arbib**—Exactly. Looking at the number of commitments—and you have the figure of 50,000 in your head—the final numbers will not become apparent for a number of years. It is going to go a lot longer than June next year. It is going to take a number of years to fill these commitments which companies have provided.

The other thing which created a great deal of concern, but which did not stop Andrew Forrest or the covenant, was the global financial crisis. A number of the commitments that they believed and we thought we would be able to put in place were affected by the financial crisis. There have been some changes in recent times at the covenant in terms of their organisation which we think are welcome. We are working very closely with the covenant, Andrew and his team and also GenerationOne. There is a great deal of potential to move it forward. Obviously, though, it is difficult. A lot of it is connected to ensuring that you get the linkages right between the job network and training. There has been a lot of discussion about that. I have learned a lot of lessons in this in that each of these firms that have signed up have required different levels of training. There is no one-size-fits-all for training when it comes to Indigenous employment. Some say to you, ‘We want to see cert II, cert III, cert IV, and we need the skills.’ Others say, ‘Don’t worry about the technical skills; just get me basic

communication, teamwork, literacy and numeracy skills.' It is, as you can imagine, one of the most complex tasks that the government have. We are working very hard at it. Again, more work needs to be done, but the cooperation we are getting from the covenant is good and we are seeing progress.

**Senator PAYNE**—Could you articulate something for us. Where is the coordination between the Commonwealth, the covenant and GenerationOne? Where are those linkages made and what is the Commonwealth's input into that process?

**Mr Griew**—DEEWR'S primary relationship is with the covenant. One of the things that we are seeing here is a significant engagement with corporate Australia. That is one of the really positive outcomes, whether you measure it entirely through the 22,000 job commitments or just in the increased level of engagement. GenerationOne is a part of that but seems to have a broader community awareness attitude focus and part of it is a motivational support for Indigenous people to raise aspirations and expectations of young people to go to university. There are a number of other different dimensions to that. In a sense, we would see it as all part of the same cause. AEC is the group that we have the direct business relationship with, because we are dealing with the same employers and JSAs. We try to facilitate the relationships. We also have a contract where we pay outcome payments for outcomes achieved. There is a lot of day-to-day work with the AEC, but GenerationOne is there to help create a more fertile environment for that work.

**Senator Arbib**—I think it is an important point. While you can quantify numerically the effect of the AEC—and the AEC is just one part of the government's overall Indigenous employment program—what Andrew Forrest and the covenant has been able to do is engender a great deal of momentum in the corporate world. There have been a large number of organisations and companies that come through our door willing to be involved, Also there has been the work of the BCA, ACCI, AIG—

**Mr Griew**—Reconciliation Australia.

**Senator Arbib**—and Reconciliation Australia. Everyone is working together on it and have had a positive effect come out of the covenant.

**Senator PAYNE**—Minister, or perhaps Mr Griew, if I can link this back to the discussion we were having before about the participants in the CDEP programs and the post-CDEP environment, is there any particular effort made by the Commonwealth to engage those companies who are making commitments under the covenant in particular to try and address those areas of need at that CDEP level in the remote Indigenous communities that we were talking about earlier and that we have talked about at length on other occasions? Is there a conscious effort by the Commonwealth to pursue that, and how do you do it if there is?

**Mr Griew**—The minister referred to some of the new business processes that the AEC have embraced. One of the new processes that we are particularly keen to be involved in is what they are calling the covenant action plans, so that upon the entering of a covenant by a corporate or employer, we will go and sit down together. We try and get some sense of time frame, geolocation, where the job is going to be, when they are going to be, what the training-specific requirements for that organisation are and what kind of employees will be needed, and then we can help facilitate the relationship back to various kinds of suppliers. To be fair, this happens directly—this is, in a sense, part of our state of business; we do this with

corporates as well, but the AEC has been bringing them to us a bit, I guess. That is where the flexibility of the Indigenous Employment Program is particularly useful, and it has been a very successful program. We can give you numbers: 14,500 training places and 18,000 job placements. Some of them are the same—

**Senator PAYNE**—I wanted to come to that, but I am eager to know how many of those 150 companies are able to go up to those—

**Senator Arbib**—Let me give you a broader picture on that. The main interface for those companies with the AEC in terms of finding employees is Job Services Australia. That is the only body large enough and with the administrative support to be able to actually find jobs. The issue that you are raising, which is people in remote areas being mobile enough to move from, say, Yirrkala down to Melbourne to take up a job that the AEC has, is extremely difficult, and I am sure you can imagine how hard it is.

**Senator PAYNE**—And vice versa.

**Senator Arbib**—But at the same time, when we sit down and talk to these companies this is why these action plans are so important. This cannot be done in just 12, 24 or 36 months. Where these companies are making great progress is in terms of identifying young people, particularly in high school and those going into further vocational education, providing traineeships. This is where the AIEF, the Australian Indigenous Education Foundation, are very good in using that as a pathway into employment. One of the things we did with Minister Macklin but also the then Deputy Prime Minister and now Prime Minister, Julia Gillard, is that we invited all the employers involved in the covenant to Canberra. We brought in the covenant, we brought in all the organisations involved in Youth Transitions and school based traineeships and job service providers. We put them in one room and a great deal of work went on to ensure that everyone knew what everyone else in the sector was doing. In employment generally but particularly in Indigenous employment, there is a great deal of information lacking in terms of what the best programs are and how you can link into Job Services Australia and how you can link into training. That work is all off the back of some of the deficiencies we noted in the AEC JSA model. That is why I am confident that we will see further improvement, because we are making the connections now that allow for better channelling of people into jobs.

**Senator PAYNE**—We might talk further about that. As we are out of time, I will put some questions on notice in relation to the Indigenous Employment Program.

**CHAIR**—This segment has concluded. I thank the officers for their time. As always, there will be many questions on notice.

[12.00 pm]

#### **Department of Health and Ageing**

**CHAIR**—Good afternoon to the officers from Health and Ageing. I would like to put on record my thanks for your cooperation, because you are the group that has the split session today. I know that is difficult but it was the only way we could do the schedule.

**Senator SIEWERT**—I asked a question earlier this morning around the delivery of the funds under the partnership arrangement and also under the COAG reform agreement. Has there been any change to the way they are being delivered at a state and territory level? Could

you take me through—very quickly, because I am conscious of time—how they are delivered to state and territory organisations.

**Ms Powell**—I do not think there has been any change to the new federal financial relations framework at all. We have national partnership agreements with the states and we have implementation plans that sit underneath those. Broadly speaking, there are two ways that we make payments. There are facilitation payments that are generally made on a regular basis, and that basis is spelt out in the agreement. There are payments that are made once a whole range of services that are spelt out in the implementation plans are delivered.

**Senator SIEWERT**—So there are no plans to roll a whole lot of the different funding strands together across other program areas and deliver them collectively to particular organisations to then distribute?

**Ms Powell**—Changes related to partnership agreement payments and the federal financial relations framework would be run by Treasury and central agencies.

**Senator SIEWERT**—I will chase it from there. I am looking for progress on the discussions of the project that aims to look at the medium- and long-term issues around dialysis; that project was announced a while ago.

**Ms Powell**—There is a steering committee running that program which comprises senior officials from the Commonwealth, the Northern Territory, South Australia and Western Australia. It meets on a regular basis to steer the study. We have employed the George Institute. We have a contract with them to conduct the study. They have groups of different people with relevant expertise that sit underneath them. They have started the work. There has been a technical reference group established. That is a large group of people that the George Institute can draw upon at any time they need to as a part of the study. They cover a whole range of expertise relevant to the study. They have started their literature review on a whole lot of background intellectual-type work, and they are out in the field as we speak doing community consultations. They have been consulting with communities for some weeks now in the Central Australian area and that will be continuing for the next few weeks. We still expect to receive the report before the end of the year.

**Senator SIEWERT**—That is fantastic. That is really good news. I have a couple of questions coming out of that. Presumably that will go to the minister and then there will be a time frame for release after that?

**Ms Powell**—It will go to the state ministers as well, so we will have to coordinate and ensure that everybody is fully informed of everything that is contained within the report.

**Senator SIEWERT**—Okay, so I may be nagging in February as to when it is actually going to be released.

**Ms Powell**—I will anticipate that.

**Senator SIEWERT**—Who is on the technical group? You do not need to name them per se but give me the types of organisations.

**Ms Powell**—The technical group ranges from renal nurses, renal physicians, technical workers within the Aboriginal health sector, data and statistician people, people who work in registries—

**Senator SIEWERT**—Do we have some sort of client or stakeholder—

**Ms Powell**—The consultations are happening with individuals who have renal disease, their families, their communities, people who might be at risk of developing renal disease in the future, community health centres and Aboriginal medical services. The committee consultations are very broad, with anyone who might be affected in a social sense as well as a medical sense.

**Senator SIEWERT**—I will come back to the technical group in a minute, but is that across the whole of the Central Australia area—South Australia, Western Australia, the Northern Territory?

**Ms Powell**—That is right—and they are also talking to people from those areas who may no longer be there; for example, Port Augusta, Perth and Kalgoorlie. They are going there and talking to communities that are affected as well.

**Senator SIEWERT**—I want to go back to the technical group in terms of thinking about some of the non-government support agencies. Are they involved in the technical group as well? I am thinking of the Purple House, which is a non-government service that has technical expertise.

**Ms Powell**—I think the head of the Purple House is a member.

**Senator SIEWERT**—Of the technical group.

**Ms Powell**—Yes, she is.

**Senator SIEWERT**—I was using them as an example.

**Ms Powell**—Where we were aware of people with particular expertise of a technical nature, we invited them to participate in that way. But the consultants are not precluded from talking to anyone they want to, and, if there were other people who were useful, we both encouraged and facilitated that interaction.

**Senator SIEWERT**—I am also thinking of the difference in home dialysis and community dialysis between Central Australia and northern Australia. As you will be aware, there seems to be a difference in the ability to roll out community and home dialysis. I am wondering: is there expertise somewhere looking at that? Is that issue being considered?

**Ms Powell**—The people on the technical group will have knowledge and experience in all the different types of dialysis—home based and community based in health centres or based at different sites. The consultants will also be talking to, for example, people who provide the training in home based dialysis, as well as people who are experiencing and using it and their carers. We would hope that nobody would be missed out.

**Senator SIEWERT**—I am very conscious that that group is looking at Central Australia. Are you also looking at some of the other areas where we know that we have an increasing need—we will have and do have—for end-stage kidney disease and dialysis? For example, I have recently been in the Kimberley and, although services are improving up there, there is still a significant waiting list of patients having to come down from the Kimberley to Perth. Are there also thoughts about looking at some of the other areas outside the Central Desert?

**Ms Powell**—We are not formally involving them in the study. There are people, for example, from the WA health department who are across all those issues and who are engaged

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in the study, but we would expect that the findings of the study will be relevant and useful to the similar issues we have across country.

**Senator SIEWERT**—I am not proposing changing the terms of reference for Central Australia, because I think it is really important to focus there, but we know we have other issues elsewhere; they are slightly different. Is some thought being given to that?

**Ms Powell**—We are cognisant of the fact that there are problems in other areas, and we are hoping that the study will teach us lots of things we can apply. We will just have to see what it throws up and where it takes us next in those other areas.

**Senator SIEWERT**—I have some PBS questions that are quite technical. I may come back to them and I may have to put them on notice; we will see how times goes. I am very keen to follow up on the petrol sniffing issue and the budget commitments that were made—an initiative. Firstly, could we have a quick update on how the rollout of that is going and how the provision of the new facilities in northern Australia is going.

**Ms Powell**—We are putting in new bulk storage facilities for Opal in Darwin and North Queensland. We hope that the rollout will start with at least six sites in Kakadu in December. There is a whole lot of work that has already been done around communications materials. They are almost ready to roll out support for that. There have been a number of consultations with industry and the sector. We hope to have interim storage arrangements in place in Darwin to enable that early rollout, and we are likely to do some kind of open process for data collection and monitoring in the near future. The tenders arising from a process which closed on 20 October are currently being assessed.

**Senator SIEWERT**—Sorry, what tender is that? Is it for the consultation?

**Ms Powell**—No, that was for data collection and monitoring of the impact.

**Senator SIEWERT**—Okay.

**Ms Powell**—We are making sure right from the beginning that we know if it is working and how well.

**Senator SIEWERT**—Did you say that the process for developing the storage facility has commenced?

**Ms Powell**—Yes, the storage facility is not yet ready. We have been talking to industry about the best way of ensuring the right system.

**Senator SIEWERT**—What is the time frame for getting that in place?

**Ms Corbett**—Our intention is to be moving with the development of storage facilities by the start of 2011, but it is most likely that they will become operational during 2011-12. It will take some development time.

**Senator SIEWERT**—That is what I presumed. But in the meantime, the rollout of the program and the communication process is being undertaken now?

**Ms Corbett**—Yes.

**Senator SIEWERT**—In other words, can roadhouses and communities et cetera start applying for it so they can be ready to go as soon as supply is available?

**Ms Corbett**—Yes. We are engaging with communities throughout that period, and we have quite a wide range of communication strategies rolling out.

**Senator SIEWERT**—And I cannot not ask where we are up to with the three recalcitrants in the Northern Territory. Has Rabbit Flat closed?

**Ms Corbett**—No. My understanding is that it is closing, but it has not yet closed.

**Senator BOYCE**—Is there at date that Rabbit Flat is closing?

**Senator SIEWERT**—We keep hearing it is closing.

**Ms Corbett**—No, I am afraid I do not have a date for its closing, but it is still expected to close.

**Senator SIEWERT**—And the other two?

**Ms Corbett**—We are still having discussions with them, but we have not had movement. We will see if we can develop a little bit more leverage on them over the next few months.

**Senator SIEWERT**—You would be aware of the recommendation that the Senate committee made—

**Ms Corbett**—Yes.

**Senator SIEWERT**—and it is well past the deadline of ‘let’s keep talking’. I think it was going to be six months, and we are well past that. Is there some sort of deadline you are working towards to say, ‘Right, if you haven’t done it by then we’re going to look at alternative measures’?

**Ms Corbett**—I do think that is a question for government. I do think that what we may be able to do is to increase and improve our leverage at the time that we can talk more specifically about the improved storage and distribution arrangements. Some of the issues are around those, but they are not the only issues that are in our way.

**Senator SIEWERT**—I take your point. Just to follow up the answer on notice that you gave to me on Yalata and where we have got to since you gave me that answer: has there been any progress?

**Ms Corbett**—I am afraid there is very little to report in change there. There is discussion happening with the South Australian government about changing the lien over the land there, so we may see a breakthrough. But other than those discussions, which have been happening between the South Australian government and the community, there has not been much movement since you asked that question and we gave you the update on notice.

**Ms Powell**—The South Australian government are aware that we have concerns and we are encouraging them to resolve them.

**Senator SIEWERT**—So there is a process in place to try to resolve it?

**Ms Corbett**—Yes, there is.

**Senator SIEWERT**—I think those are all my questions on petrol sniffing. I would like to move on to mental health.

**CHAIR**—If there is no-one with more on these issues we can move on to mental health.

**Senator SIEWERT**—I am keen to start off, and I am sure that Senator Scullion wants to move into it too, with the increase in rates of Indigenous suicides. I was told last week that Balgo has had three recent attempts and two completed suicides. Things had settled down, but now they have increased. Senator Scullion will be better able to talk about the NT than me, but I am aware of the increases there as well. Can you tell me what action the Commonwealth has been taking with the states? I know that you are aware of the NT, are you aware of what has happened in Balgo and what are you doing about it, basically?

**Mr Kennedy**—I am sorry, can you repeat the question?

**Senator SIEWERT**—You will be aware that there has been a recent significant increase in the number of suicides in Indigenous communities. I understand that there have been some recent deaths in Balgo and a number of attempts there, and Senator Scullion, as I said, would be better able to cover the NT. How is the department engaging with the states over this? Have you taken any action to start addressing what appears to be a significant increase?

**Mr Kennedy**—We are certainly aware of reports of the recent increase in the number of suicides in the Northern Territory. You would be aware of the government's recent election commitments to suicide prevention, a \$277 million package.

**Senator SIEWERT**—I am a very aware of that. We covered the general issues in estimates the other day.

**Mr Kennedy**—I noted your interest in that the other evening, Senator. One of the initiatives under the package is a \$22.4 million program for community prevention activities for high-risk groups, and one of the high-risk groups identified is of course the Indigenous people. That program will specifically particularly target suicide prevention projects including looking at issues like suicide clustering and how to engage communities in the prevention process as well.

You will also be aware, Senator, that there is the National Suicide Prevention Strategy. In 2009-10 nearly 20 per cent of funding under that program is devoted to Indigenous-specific projects. That equals about \$5.9 million. I am aware of three projects in the Northern Territory alone under that program.

**Senator SIEWERT**—I am aware of some of these initiatives that came out during the inquiry. These programs are good and they are being rolled out and the \$22.4 million for prevention is good. Out of that money that was allocated, as I understand it from answers on Wednesday, only \$8.1 million is planned to be rolled out this financial year. Sorry, I forget off the top of my head the breakdown of that—I have written it down. It is a relatively small amount of money that is being rolled out in the next financial year. This spike is happening now. Are there moves to increase some of that funding to specifically try to get some of that funding on the ground now so that we can start dealing with this issue now? From speaking to people on the ground in Western Australia, my understanding is that this is symptomatic of an issue where there are increasing attempts in communities as well. So the problems are continuing and they need a more urgent response. My question is: how much of this money is available and is being rolled out urgently? There is some money, I know, for some of the longer term programs, and I can absolutely understand the need for the longer term programs. But is some of it being fast-forwarded so that we can get some action now?

**Mr Kennedy**—Government takes advice from Australian Suicide Prevention Advisory Committee, which is meeting later this month. There are a number of funds that can be devoted immediately to projects and it would take advice from that committee. That committee also has an Indigenous Strategies Working Group. It is headed by Adele Cox who is also on the advisory committee as well. We would be working with the working group and with the advisory committee in order to address immediate issues through that working group. I think it is meeting at the end of November, but we are certainly engaging with them constantly.

**Senator SIEWERT**—I appreciate that the committee is meeting at the end of November, but have you sought more urgent advice than that? The end of November is another six weeks away. Certainly the feedback I am getting is that this situation is urgent and needs a fairly urgent response.

**Mr Kennedy**—Certainly. We have been talking to our Northern Territory office about getting some more information on this issue and how we might address it. That process is still underway.

**Senator SCULLION**—I have just a couple of follow-up questions; I think Rachel has covered most of them. In regard to the Northern Territory, I think there were six Indigenous people under the age of 18 who took their lives in four weeks. Whilst we are talking about a spike, as I understand it, from what I could see there was no clear association as to the same community or the same connectivity as we have seen in other spikes in years gone by—for instance, in places like the Tiwi Islands where there was a small island and it was associated with grief about the last one, so they were not copy-cat but there was a lot that happened at the same time. These appeared to be quite disparate—perhaps the same circumstances but disparate. Have you done any work on whether there is any connection? Or is this just an anomaly?

**Mr Kennedy**—I am not sure whether there has been any specific work done in regard to that but I am certainly happy to take that on notice.

**Senator SCULLION**—All right. You said that these new investments are rolling out. In terms of suicide, I am sure that the targets are that we do not want anybody to self-harm. But do you have any specific outcomes in regard to those investments in programs? How do you weigh all that up? I mean, obviously, none is good.

**Mr Kennedy**—I think there are some 59 projects being rolled out throughout the country under the National Suicide Prevention Program. Those projects are coming to an end at the end of this financial year and will be evaluated—there is an evaluation commencing on all those projects, bringing the whole program together. The results of that evaluation will then feed through into the roll-out of the new suicide prevention activities under the government's election commitment.

**Senator SCULLION**—Minister, you may know—I genuinely just do not know off the top of my head—about this. There was a parliamentary inquiry into suicides in regional and remote areas, which encapsulated Indigenous as well. I am not sure where we are up to with the government's response on that. I know it was imminent.

**Senator SIEWERT**—It has been promised.

**Senator SCULLION**—I know it was promised; I am just not sure when.

**Senator SIEWERT**—It had been promised by 24 November. Minister Butler made that public commitment on World Mental Health Day.

**Senator SCULLION**—Excellent. We will look forward to that.

**Mr Kennedy**—We are working on it as we speak.

**Senator SIEWERT**—Can I ask some specific questions around FaHCSIA in the APY lands?

**Dr Harmer**—I may have to take those on notice. We had them here yesterday but I do not think they are here today.

**Senator SIEWERT**—Okay; thank you. I will put those questions on notice.

**Dr Harmer**—You can and we will take them on notice.

**Senator SIEWERT**—Maybe we could go to my PBS questions.

**CHAIR**—Is that the end of mental health, Senator?

**Senator SIEWERT**—Sorry—before you go—

**CHAIR**—Mr Kennedy, you may have another question.

**Senator SIEWERT**—Was the department aware of the situation in Balgo—the suicide situation?

**Mr Kennedy**—Yes. We are aware of that issue and also the issue raised by Senator Scullion.

**Senator SIEWERT**—Thank you. I just wanted to check that it was on your radar.

**CHAIR**—That is the end of mental health questions in this portfolio, so we have time for another item, Senator Siewert, or someone else.

**Senator SCULLION**—I have a couple of more general questions that you might be able to take on notice or otherwise. As we proceed through most of these we are still looking for particular indicators, if you have not provided them already, and I suspect you may not have, for matters like hearing health, eye health and dental health. You could pick from a whole range of where we would like to be or where the mainstream is. Have you selected, for example, an indicator for hearing—that is, you think the median hearing health is at a particular point and that is where everybody needs to be so as to close the gap in hearing health specifically? The three that spring to mind are hearing, eye and dental health. I will leave dialysis out, but where would you want to head on those three and how have you come to that conclusion?

**Ms Saastamoinen**—As far as I am aware, we do not have targets in the way that you are talking about for eye health, hearing health or dental health. We do have a look at, through the health performance framework report which is due out early next year, some indicators around specific health conditions, but in terms of setting targets for those, that has not been done.

**Senator SCULLION**—Would it be possible if, for example, after then we had some clearer indicators to make some targets or make some decisions about where we think we

need to be? Perhaps I could rephrase the question—in mainstream health would it be difficult to establish where the median health level or a reasonable health level was, for example in hearing? If someone asks how their hearing is going, could we say we would expect a 14-year-old to have a particular level of hearing, otherwise we would need some intervention or some amelioration? When you get these indicators, would they include that sort of material?

**Ms Powell**—I think there will be quite a bit of variety between, for example, dental and eyes. You will find it probably for eyes but maybe not for dental. What we do within the health performance framework is report in quite a bit of detail about the various performances for those issues that we can measure. We have comparative information where it is available. In answer to your question about setting specific targets, that would be the sort of process that would be lengthy and involve lots of consultation and discussion with specialists. We had not intended to do such a thing for those areas at this time.

**Senator SCULLION**—I turn to some specific questions in regard to the reporting time lines for follow-up proportions of children with specific referrals.

**Ms Powell**—In the Northern Territory?

**Senator SCULLION**—In the Northern Territory because we have that level of detail. You know I have been keen to talk about those things in the past. We have a schedule that runs between pages, which is not useful, but I think the summary on page 29 is useful. I understand from that for the dental, for example, that 1,939 of the 3,223 people who indicated they needed assistance through referral to a dentist or for further treatment have been treated. Is that right? The reason I am asking is that there is quite a bit of information and I would like to clarify that that is correct.

**Ms Powell**—I presume you are referring to the responses we provided to the question on notice after the last hearing about progress with dental follow-up through child health checks. I can give you the updated numbers of those.

**Senator SCULLION**—Okay.

**Ms Powell**—As at 5 October, dental services have been provided to 5,822 children. Of the 1,991 children with a referral—that is an increase—we have completed it for 1,991. Fifty per cent of those followed up so far have received a dental service within 13 months of their referral and most of them have been seen within 26 months of their referral. So there has been a slight improvement since last time.

**Senator SCULLION**—The information I am taking this from is the *Closing the gap* report. I know it has only been out a while and I know there are some slight differences because it only comes up to July. I accept that.

**Ms Powell**—I do not have a copy of that report.

**Senator SCULLION**—I do not think you are far off the mark but in broad terms it is about 60 per cent of those people who have been referred are seeking further attention. You said 50 per cent of those people do it within 12 months, the rest in about 18 months.

**Ms Powell**—That is right. That was a timing answer, sorry.

**Senator SCULLION**—I accept that. But to me that appears to be, particularly with the dental issue, not only the association with other serious and chronic health problems, it is a

very difficult thing to imagine having to hang around, particularly as a young person, for sometimes 12 or 18 months—I am hoping the 12 months are the important ones—without being able to get access to treatment for something that we have diagnosed. What steps are being taken to accelerate that?

**Ms Powell**—Following the last hearing, where I think I undertook to raise this issue with the Northern Territory Department of Health and Families, who provide these services on our behalf, I wrote to the head of that department and I also wrote to the chair of the Northern Territory Health Partnership Forum, which is a group that has Commonwealth, state and Aboriginal medical services and their organisations on it. I raised this issue with both groups. The Northern Territory government has taken a number of steps to try and improve their rate. They are increasing the rate at which they go out to communities. They are going more frequently and spending less time, because they think they have got a better chance of picking up more people that way. They have also reviewed the communities that they are attending and they are prioritising those communities that have the highest number of outstanding referrals. The Aboriginal Medical Services Association of the Northern Territory is also considering this matter with Commonwealth and state colleagues and has undertaken to provide us with advice. My colleague Mr Ritchie met with them quite recently and had a discussion about what they thought could be done to try and improve the take-up rates.

**Senator SCULLION**—I know it is pretty tight with the dental stuff but in the report it says some of it is a little bit better. Audiometry, or hearing services, again it is only 60 per cent who were identified as needing assistance have actually received assistance. Have you made communications with the Northern Territory government, who deliver these same services in a similar way, or has it just been in dental?

**Ms Powell**—We have had general conversations with them and we have been very focused on dental.

**Senator SCULLION**—I can imagine. In terms of an agreement, they are saying, ‘Yes, we will do it better. We think a higher frequency can get more efficiency and better outcome.’ I guess in general terms we would accept that if that is what they have assessed. But clearly it is the same resources. They are not putting any more resources into these. Have you made any decisions in regard to giving them some assistance in that? If this is a capacity issue—they are obviously not being mischievous, or one would hope not—is there any consideration of providing some material just to get people up to this level? There was an assumption, certainly from me, that after you get everybody a health check, something is wrong with them and we will fix that, so we are sort of starting again, if you like, to get ahead of the game. But clearly in these areas that still does not seem to be happening even after the first check. Is there any consideration of the Commonwealth again providing somehow further assistance to try to play catch-up in the Northern Territory, particularly in the area of dental?

**Ms Powell**—There is a large amount of extra money that has gone through the expanded health services, the delivery initiative. That provided a huge amount of funding for extra services through Aboriginal medical services in the Territory. As the child health checks that were funded in response to the Northern Territory emergency response have concluded, they are now getting washed up in the normal services that are provided by both Territory government health clinics and Aboriginal medical services. It is quite messy to try and tease

them out at this point because the local health services continue to do child health checks, they provide follow-up services and there will be referrals from both sources that are now being washed into the normal referral patterns that happen through Aboriginal medical services.

**CHAIR**—We are going to call it to a close. If you want to continue at 1.30 on this issue, that would be fine, but Senator Boyce is going to start at 1.30 with the questioning.

**Senator SCULLION**—One last one. Your last point is very important because the AMSs have been doing a lot of the ENT stuff and they are miles in front of the dental stuff. I understand the AMSs do not have the same capacity as the Territory government, for example, may have in the area of dental. So it is clear that dental, it is no mischief, is dragging the chain because the AMSs just do not have the capacity to assist, if you like, in the same way as they have in the other areas. I would be interested to hear on notice some sort of response that obviously the AMSs cannot help out in the same way they have with the rest of the health checks.

**CHAIR**—The committee will resume at 1.30. I do apologise to the officers for the lost five minutes.

**Proceedings suspended from 12.35 pm to 1.29 pm**

**CHAIR**—Minister, we might start. We are going back to questions on health, and I know that Senator Boyce is leading off. Senator Boyce, what is your area?

**Senator BOYCE**—I want to talk about Indigenous aged care. We discussed this last night. Let us see how far we can go. This is apropos of questions I asked during the DoHA estimates hearings around the aged-care facilities—there are two of them—on Thursday Island, which has been sanctioned because of an ‘immediate and severe risk to residents’. This prompted me to look further at Indigenous aged-care facilities more generally. Not only do I appreciate the point that aged care for Indigenous people starts at 50, not 70, but also I would imagine that the majority of the Indigenous aged people are in—I was going to use the disability term—mainstream aged-care homes in cities and residential facilities in the bigger towns, because the majority of Indigenous people live in cities. I want to get some sort of an oversight of the number of aged-care facilities in Indigenous communities and the number of beds that are provided there and also of what community aged-care packages—I know there are some that are provided through various programs—there are for people in Indigenous communities. What you can tell me about that now would be great, but it may be something that has to go on notice.

**Ms Robertson**—I can give you a bit of an overview, certainly. We really do not have anything per se as an Aboriginal or Torres Strait Islander specific facility. We have Aboriginals and Torres Strait Islanders in facilities which cater for a multitude of people from different backgrounds.

**Senator BOYCE**—But there would be some in communities that are Indigenous communities?

**Ms Robertson**—That is exactly right, yes. We have a number of aged-care facilities which are under the Aged Care Act, but then we also have quite a number of aged-care facilities,

particularly in Indigenous communities, which are under the flexible program, and that is outside the act.

**Senator BOYCE**—Would it be possible to get on notice the number of—

**Ms Robertson**—I can tell you, yes.

**Senator BOYCE**—Which Indigenous communities have aged-care facilities?

**Ms Robertson**—We have 29 flexible facilities around Australia. In New South Wales, we have one in Gilgandra, with the Gilgandra Shire Council; Tweed Heads; Wilcannia—

**Senator BOYCE**—If you would not mind, give me that on notice, because if you are going to read out all the ones in Australia we could be here for a little while.

**Ms Robertson**—All the 29? Yes, you could be here for a while. I will give you the service name and the location of the service as well as the places.

**Senator BOYCE**—Yes. I was looking at the level of noncompliance and sanctions that the department has put against aged-care facilities in Queensland, and I noticed that there were 10—I am a bit hesitant to name names because some of these issues are in the past—non-compliant aged-care facilities in Queensland and two of those were Indigenous.

**Ms Murphy**—Yes, there are two Indigenous homes that have noncompliance at the moment.

**Senator BOYCE**—Would it be possible to get a list as at a point of time for all of Australia on that basis? I know it is on the website, but it is quite difficult to access. That is a list of how many non-compliant facilities there are in each state and a list of which of those are in Indigenous communities—

**Ms Murphy**—Right, okay.

**Senator BOYCE**—and the same for sanctions, please. I noticed that the Star of the Sea Nursing Home and the Torres Strait Home for the Aged were given a notice of noncompliance on 30 August this year.

**Ms Murphy**—Yes, that is right.

**Senator BOYCE**—And then you went on to sanction those two facilities on Thursday Island on 7 October?

**Ms Murphy**—That is right.

**Senator BOYCE**—The evidence that was given to me during the hearing on Wednesday was around quite serious complaints, including people not having enough water to drink. You visited because of the arrival of a new staff member who was shocked by the conditions and complained about them. Given that you already had non-compliance requirements on those facilities, why did it take a new staffer complaining for you to notice this?

**Ms Murphy**—The non-compliance was actually lifted from the home, and subsequent to that there was a staff member who came in and made a complaint to the Complaints Investigation Scheme. The Complaints Investigation Scheme officers went out to the home and found that there was an immediate and severe risk.

**Senator BOYCE**—I guess that what I am getting at is that the non-compliance was on 30 August and the sanction was on 7 October. We are talking about a period of about five to six weeks at the most, where something happened and it became serious—your terminology was ‘immediate and severe risk to residents’. What can happen in that period of time? How can this happen, and how can it happen in a situation where you have already, as I said, had that flag raised of non-compliance?

**Ms Murphy**—The agency had undertaken a visit to the home and they had found non-compliance. They had followed up with further visits to the home and then found that the home was compliant. Subsequently, the CIS officers went out in response to a complaint that was made by a staff member. We could take it on—

**Senator BOYCE**—Is Ms Nicholls going to tell us something there? Sorry—I was just waiting to see if you had further information. It still surprises me that when you have had a situation where infection control was a problem and whatever, and that has allegedly all been fixed and given a big tick, that in a couple of weeks it can go to a place that is considered an immediate and severe risk. How did that happen?

**Ms Murphy**—We cannot talk for the agency and their subsequent finding that the non-compliance had been corrected. From the department’s perspective, we visited the home in response to a complaint, and that complaint alerted us to the fact that there was risk. The department put in the appropriate sanctions to correct the risk.

**Senator BOYCE**—Perhaps I could tackle this in another way. Are you concerned by the fact that this situation could arise and, if so, what are you going to do to try to ensure that what looks like an extraordinarily rapid deterioration cannot happen? Either you have been given wrong information about their compliance or there was this extraordinarily rapid deterioration in facilities.

**Ms Murphy**—The department has written to the agency and has asked for information in relation to the visit. We have not received a response as yet.

**Senator BOYCE**—Will that information be made public when it is received?

**Ms Murphy**—I would need to take that on notice.

**Senator BOYCE**—If it cannot be made public, could you advise me of that? If it can, can we have a copy of it when it arrives?

**Ms Murphy**—Certainly.

**Senator BOYCE**—When you look at the sanction side—and I am just talking about the Queensland figures here—there are four sanctions against facilities in Queensland and three of those, including the two we have just been talking about, are in Indigenous communities. The other one is on Mornington Island.

**Ms Murphy**—Yes, that is right.

**Senator BOYCE**—And there is one in Toowoomba, I think. That is an extraordinarily high proportion of facilities in Indigenous communities under sanction—three out of four—given that there are a lot fewer Indigenous facilities.

**Ms Murphy**—I would need to take that on notice. I cannot comment on that at this point. I have not got the information before me.

**Senator BOYCE**—The sanction on the Mornington Island aged-care facility was put in place on 13 October, which was roughly a week after the Thursday Island one. Did you begin to check other Indigenous aged-care facilities because of the Thursday Island situation?

**Ms Murphy**—The agency was conducting a scheduled visit to the Mornington Island facility. That had no link to the previous sanction that was imposed.

**Senator BOYCE**—I realise the agencies undertake this work on your behalf but could you just explain to me—and I do accept that running a facility that meets the standards would be far more difficult in a remote community than it is in Brisbane—do you go about monitoring remote aged-care facilities any differently to urban facilities?

**Ms Robertson**—I will just give you some information around a support package that we run for remote and Indigenous communities through the residential program management branch. We do recognise that facilities in remote and Indigenous communities often face more difficulties in attracting staff, financial management, such as knowing how to claim subsidies appropriately, and things like that. So we have recently set up a panel where you have providers in your locum relief—

**Senator BOYCE**—When you say ‘recently’, how recent are you talking about?

**Ms Robertson**—In the last few months. It is under the remote and Indigenous support scheme. We have a panel of providers that are available on request to go out and provide assistance in remote and Indigenous communities.

**Senator BOYCE**—Are you talking about aged-care service providers?

**Ms Robertson**—That is right.

**Senator BOYCE**—So, for instance, you might ask Blue Care or someone to fill in gaps; is that what you are saying?

**Ms Robertson**—Yes, that is right. We have providers such as Blue Care that can actually go out and provide expertise in a particular area to help a home get back on track.

**Senator BOYCE**—That is short term?

**Ms Robertson**—Yes. Sometimes it is longer term. It depends on the level of expertise that is required and the extent to which that is required.

**Senator BOYCE**—What is the cost of that program?

**Ms Robertson**—In the 2009-10 financial year we had \$2.744 million. In the 2010-11 financial year we have \$6.411 million.

**Senator BOYCE**—So it has trebled?

**Ms Robertson**—Yes. That increases going forward as well. In 2011-12 we have \$11.67 million. In 2012-13 we have \$17.8 million. In 2013-14 we have \$22 million.

**Senator BOYCE**—What has come into the service that would prompt that change in the budget?

**Ms Robertson**—The reason that we have a smaller amount of funding in the first couple of years is that we are setting up the program. It is around providing capital infrastructure and support. We have recently had—

**Senator BOYCE**—So this is for buildings as well?

**Ms Robertson**—Yes, that is exactly right. It includes things such as going out and making sure that you have the appropriate fire management devices in place and air conditioning. It is things like that.

**Senator BOYCE**—I have just one other question. In the cases of the sanctions against Mornington Island and the two on Thursday Island, one of the sanctions imposed on them is that they can take no new patients for six months. What happens to people in those remote communities who might need to go into aged care during that six months?

**Ms Murphy**—The sanction that has been imposed on the Mornington Island facility is that there are to be no new high-care residents. So residents that require low care can still be accepted, and those who require high care would need to be located in a hospital until the sanction is lifted. In terms of the other facility on Thursday Island, yes, you are right. They have a sanction whereby they can receive no new residents. People who need to be brought in will be placed in a hospital until the sanctions are lifted.

**Senator BOYCE**—So you have an arrangement with the states on this, or what?

**Ms Murphy**—No.

**Senator BOYCE**—They stay at the hospital because there is nowhere else for them to go. Is that how it works?

**Ms Murphy**—They would just need to find an alternative at that point, yes.

**Senator SIEWERT**—I will just turn to the PBS, and I appreciate that I am probably getting to a level of technicality such that you may need to take this notice. I accept that. In terms of the PBS medicines used by Aboriginal health organisations through section 100 arrangements, is there data available that shows that patient compliance has improved as a result of these measures? Do you look at that?

**Ms Kunca**—That is a question we will need to take on notice. It is outside of my area of responsibility.

**Senator SIEWERT**—I thought you may need to, but I am interested in looking at whether the section 100 arrangements are in fact improving the situation.

**Ms Kunca**—We will take that question on notice.

**Senator SIEWERT**—I also have a question about the different payments depending on whether they are disbursed by a pharmacy or not—and I know this is an area I have asked about before. I am wondering whether you are looking at all at what the pharmacy or the Aboriginal health organisation or service gets and whether you have been looking at how the situation could be improved or how we can address medication in Aboriginal communities.

**Ms Kunca**—At this point we have two programs that operate in the remote setting. We have the section 100 bulk supply arrangements and that bulk supply handling fee of \$2.74, and then we have the fifth agreement program that supports the QUM, or quality use of medicines, activities in those settings. They are the two programs that we have operating, and at the moment under the fifth agreement we have renewed the continuation of the section 100 allowance. We have provided additional funding under the fifth agreement for that program—

**Senator SIEWERT**—How much additional funding have you provided?

**Ms Kunca**—It is an extra million over the life of the agreement.

**Senator SIEWERT**—When you were negotiating the fifth agreement—and I realise I have asked about this a lot of times previously—did you look at the review and the use of those two mechanisms? Has there been an evaluation done?

**Ms Kunca**—There has been an evaluation of the Indigenous programs under the agreement. There was a separate evaluation for QUMACs. The evaluation was finalised by 30 June—

**Senator SIEWERT**—This year?

**Ms Kunca**—Yes, 2010—and it is in the process of being considered by the minister. We are looking at the evaluation results, though, to see what improvements can be made.

**Senator SIEWERT**—Will that be publicly available?

**Ms Kunca**—That is a decision for the minister to make.

**Senator SIEWERT**—So the agreement has been signed now and you have arrangements. What scope is there in the agreement to deal with things that come out of the evaluation? You said that you are looking at what changes could be made. Is there scope to actually implement changes coming out of that review in this agreement?

**Ms Kunca**—There is scope, yes. At the moment we are in a transition phase and we have continued the fourth agreement arrangements for the section 100 allowance for 12 months, pending a review of the evaluation and a discussion between the Agreement Consultative Committee and the other governance arrangements under the agreement regarding what improvements could be made. So yes, there is scope.

**Senator SIEWERT**—In the process now where changes may be made, will there be scope to talk to AMSs, Aboriginal medical services, before finalising those arrangements? Does the fifth pharmacy agreement process allow that?

**Ms Kunca**—It does. There is the Programs Reference Group, and that group membership will comprise people with expertise in Aboriginal and Torres Strait Islander healthcare issues. But I guess that is a decision for the Programs Reference Group and the Agreement Consultative Committee to make about the broader consultation.

**Mr Learmonth**—Definitely, we can ensure that we consult with AMSs and others in forming our views about what we take to that management committee. So we will do that ourselves.

**Senator SIEWERT**—Thank you. Is it correct that there is a 12-month time line under the fourth agreement while you make those changes?

**Ms Kunca**—Yes, that is correct.

**Senator SIEWERT**—Thank you. That is all I need on the PBS. Can I be very cheeky and ask another mental health question, going back to the issue of suicide. I am sorry. Mr Kennedy, I want to go back to this issue of the recent spike. I wonder whether you have done some analysis comparing the most recent spike with past numbers; whether it is unusual, as it seems to be; whether you have considered what could possibly be leading to it in the NT and

Balgo; and whether you have had any intelligence from the ground about what could be some of the circumstances that have precipitated this spate.

**Mr Kennedy**—I cannot speak specifically about Balgo, because I do not have the specific information about that.

**Senator SIEWERT**—I only received it at the very end of last week; I have only just heard about it.

**Mr Kennedy**—But we can certainly gather some information. There are a couple of issues there: one is around the spikes and another is around suicide clustering. We have just commissioned some work on both suicide hot spots and suicide clustering through our research programs; that will come to fruition in about the middle of next year. The issue of clustering is sometimes driven by kinship or family issues, and it can appear in different ways. It is not necessarily a geographical cluster; it can be a cluster, as I say, through family linkages. That is where we are also going to commission some work.

**Senator SIEWERT**—The evidence we received in the inquiry from a number of people who have expertise on Indigenous health indicated, as does some of the research, that clustering is more prevalent in Aboriginal communities because of the very issues that you have just mentioned. But I was wondering whether there are any specific thoughts around the current situation. Of course, the clustering issue then comes into play, but I wonder whether there are some underlying circumstances that are, as I said, precipitating the current circumstances.

**Mr Kennedy**—I cannot comment on this particular situation, because I do not have the information available, but that is certainly something on which we are in constant contact with our WA and Northern Territory state offices.

**Senator SIEWERT**—Thank you.

**Senator SCULLION**—I have a question about smoking reduction. It involves the regional smoking campaign fund and the tobacco control initiative in that area. Since Mr Calma was appointed as the national coordinator tackling Indigenous smoking, how many of the 57 regional tobacco coordinators and, I understand, up to 171 tobacco action workers have been employed?

**Mr Cotterell**—The regional tobacco coordinators and the tobacco action workers are part of the COAG Closing the Gap national partnership. The department has entered into funding agreements with organisations in 20 regions; that was the target for the first year. We made initial payments to those organisations at the end of last financial year to facilitate the setting up of office space and recruitment. Those 20 organisations—in fact it is 21, because we also have a funding agreement with the ACT—have started recruitment. I could take on notice the numbers that we have recruited at a point in time.

**Senator SCULLION**—That would be fine.

**Mr Cotterell**—I do have a list, but it would take some time to go through that.

**Senator SCULLION**—If you can provide that on notice, that would be excellent. I have a number of other questions I would like you to take on notice because of the time. Under the 2008 national Health Care Agreement I understand COAG agreed to performance benchmark

the halving of Indigenous smoking rates by 2018. That was two years ago. What benchmark figures has the COAG reform council supplied, if any, to date? Have they been reported to DoHA?

**Mr Cotterell**—I do not know. I would have to take that on notice. I can tell you the most up-to-date figure that we have of Indigenous smoking rates—47 per cent of Indigenous Australians aged 15 years and over. That is an Australian Bureau of Statistics figure.

**Senator SCULLION**—Do you have any idea if that has moved since 2008 and in which direction?

**Mr Cotterell**—I think the data collection was in 2008.

**Senator SCULLION**—So we are still at that place. When are the ABS statistics going to next inform us about how that is going?

**Ms Powell**—The COAG reform council will be putting out its next report in April next year but smoking issues will also been covered off in the health performance framework, which covers a broad range of health-related targets. That will come out some time early next year as well.

**Senator SCULLION**—But you are not suggesting that they are conducting a survey on Aboriginal people who smoke.

**Ms Powell**—No.

**Senator SCULLION**—So we are still relying on the ABS figures?

**Ms Powell**—Yes.

**Senator SCULLION**—So the frequency under which we consider how we are going is basically up to the ABS?

**Mr Cotterell**—It is based on the National Aboriginal and Torres Strait Islander Health Survey. Perhaps one of my colleagues from OATSIH can help me out how often that is conducted.

**Senator SCULLION**—Is it an annual survey?

**Ms Saastamoinen**—The next national health survey will be in 2010-11.

**Senator SCULLION**—So can I assume it is done about every two years?

**Ms Saastamoinen**—Yes.

**Senator SCULLION**—How much funding has been provided to quit lines for the purpose of providing a more culturally sensitive and effective service to Aboriginal and Torres Strait and Islander people?

**Mr Cotterell**—An offer of \$100,000 per annum per jurisdiction was made to the states and territories. There were one or two where a higher amount was offered. I understand that at least four of those jurisdictions have accepted that offer and we have funding agreements with those. We expect that all jurisdictions will take part. I do not have a total figure at the moment.

**Senator SCULLION**—That is okay. I just want to clarify: so is that \$100,000 for the 57 regions or just the jurisdictions as in the state and territory jurisdictions?

**Mr Cotterell**—That is per jurisdiction. We asked the jurisdictions to put forward proposals about how they could enhance their quit line services because in most states and territories there is a quit line service operating. There is an agreement between some jurisdictions to run a single service. Most of them proposed the employment of a project officer to develop scripts and work with other staff to enhance the service for Aboriginal and Torres Strait Islander people.

**Senator SCULLION**—Thank you. I will place the rest of the questions I have on notice.

**Senator ADAMS**—I would like to know where the department is up to with FASD. I have asked a few questions over time. I am wondering what programs we have. Could you give me an update please.

**Ms Powell**—The department together with FaHCSIA has recently provided joint funding of \$1 million to the George Institute to conduct a project in Fitzroy Crossing. It is a very comprehensive process looking at everything from incidence rates to treatment and referral pathways, looking at how people can better identify FASD related conditions, screening issues, diagnosis, management strategies, and looking for a whole lot of information that might also be transferable nationally to come out of that. That project has commenced.

**Senator ADAMS**—When is it due to finish?

**Ms Powell**—I will have to take that on noticed. I am sorry, but I do not know.

**CHAIR**—That is the end of our questioning on the health portfolio. Senator Siewert has a question that relates to information discussed earlier today on employment.

**Senator SIEWERT**—There was an AIHW report that came out on the gap in expenditure on primary health. I know that the minister commented that this is sort of like comparing apples and oranges because the situation has changed so instead of asking a whole series of questions around it I was wondering if we could have a briefing around how the spending has changed now and why that report is out of date. Is that possible?

**Ms Saastamoinen**—Yes, we can. A simple answer to the second part of your question on why it is out of date is that that is based on data from 2006-07.

**Senator SIEWERT**—I understand that but I want to know what has changed since then—

**Ms Saastamoinen**—Okay

**Senator SIEWERT**—So that I know where to start focusing my attention if that is not working.

**Ms Saastamoinen**—Sure.

**Ms Powell**—One of the big things that has changed since then is the \$805.5 million for the Indigenous chronic disease package, and a number of other COAG initiative have been rolling out since the Northern Territory intervention.

**Senator SIEWERT**—I want to go back to the question I asked earlier, and I appreciate that your officers probably are not here so you may need to take this on notice. When I asked about the 486 jobs for local government in the Northern Territory I was told that those jobs had now been made permanent by the NT. I understand that the NT has only said that it will

fund those jobs until June 2011. To me that is not permanent. It is good for those people to know that they have a job until 2011 but that is certainly not what I meant—

**Dr Farmer**—I will clarify that for you with my colleagues.

**Senator Arbib**—Is that for the NT or WA?

**Senator SIEWERT**—It is for the NT. I am talking about those 486 local government jobs. I am told that the NT government have only guaranteed those jobs until 2011 and are making comments about how they are struggling to fund it until then.

**Dr Farmer**—Okay.

**Senator SIEWERT**—If you could clarify that as soon as you can then that would be appreciated.

[2.20 pm]

**CHAIR**—We have now completed questions on the health portfolio and the time we have available. There will be a significant number of questions on notice, I promise! We are now moving on to the area of Indigenous housing.

**Dr Farmer**—While we are changing witnesses, earlier today Senator Siewert asked a question about youth and community services, which we have been trying to get information on from our Northern Territory office. They are not confident enough about the numbers and I would prefer to take that question on notice. We have tried.

**CHAIR**—That is fine.

**Senator SCULLION**—I am not sure if you would be able to provide this already as a table, but I will ask given that we are not going to have another set of estimates to provide this opportunity between now and the closure date for when houses were expected to be completed at the end of 2010 for each jurisdiction. Would you be able to provide me—and if you have it in a table form then that would be great—for new houses where we expect to be in terms of numbers in 2010 and where we are now? So for the Northern Territory example I understand that it is 150 by the end of 2010 and we have about 101 or so at the moment.

**Dr Farmer**—I have got some tables here—

**Senator SCULLION**—Even if you could just run through them, if that is okay.

**Ms Gumley**—Would you like those by jurisdiction?

**Senator SCULLION**—Yes, by jurisdiction, thank you.

**Ms Gumley**—In New South Wales there are two houses underway.

**Senator SCULLION**—Sorry to interrupt, but how many are expected to be completed by December 2010?

**Ms Gumley**—The data I have for all jurisdictions other than the Northern Territory is for financial year.

**Senator SCULLION**—That is a bit confusing. I made the assumption that this would be done on a calendar year. So why is one jurisdiction on a calendar year and the other on a financial year?

**Ms Gumley**—We have the information for the Northern Territory on a calendar and a financial year basis.

**Dr Farmer**—We do have the Northern Territory data on a calendar year but I think all the rest we have on a financial year.

**Senator PAYNE**—Dr Harmer, you gave us a target by calendar year. I remember in October 2009 you gave us the target.

**Dr Farmer**—Yes, for the Northern Territory.

**Senator PAYNE**—So we cannot apply that broadly?

**Dr Farmer**—If I recall correctly, I think what I gave was for the Northern Territory.

**Senator PAYNE**—I know, and I am saying, and I think Senator Scullion is saying, does that mean you are saying to us that we cannot apply that broadly in terms of other jurisdictions?

**Dr Farmer**—I do not think so.

**Ms Gumley**—No, because through the competitive bid process that we did with states and territories they agreed to financial year targets with us. For the Northern Territory we had targets by the end of December, which Dr Harmer provided last estimates. But we can also give you for the end of financial year as well for the Northern Territory.

**Senator SCULLION**—We accept that but I wonder if you would be able to provide then, if you have those or if you could provide on notice, the other jurisdictions.

**Dr Farmer**—I have here a table which talks about completed and underway as of now so when you add the completed and the underway you have probably got pretty close to what it will be by the end of 2010 for each jurisdiction. I have that table if that is accurate.

**Ms Gumley**—Yes.

**Senator SCULLION**—That would be useful.

**Ms Gumley**—So for New South Wales completed and underway they have two houses and their financial year target is 36. For new housing for Queensland they have 13 completed and 34 underway. For South Australia they have nil completed but 11 houses underway and a target of 28.

**Senator SCULLION**—Sorry to interrupt, but what was the financial year target for the Queensland jurisdiction?

**Ms Gumley**—The financial year target is 62. They have 13 of those completed and 34 of those underway. South Australia has a target of 28—with none as yet completed but 11 underway, and those 11 are at lock-up stage. WA has a financial year target of 76. Six of those are completed and a further 10 are underway; and, again, they are at lock-up stage. Tasmania has a target of four—two have been completed and the others are yet to commence. The NT has a financial year target of 200 and a December 2010 target of 150. They have 15 completed and 101 of those underway.

**Ms Croft**—The 15 is for this financial year only so we need to add on the 67 completed to 30 June in terms of the December target of 150.

**Ms Gumley**—There are another seven houses that are built out of other measures, such as at Walgett. That will contribute seven houses and seven of those are underway and will be completed by the end of the financial year as well. This brings you to a national target of 413 to the end of the financial year.

**Senator SCULLION**—Could you just go through briefly the penalties that apply in this arrangement for delivering both the new and upgraded houses if you do not comply. I understand that there are some penalties that you have that will apply to the jurisdictions for noncompliance.

**Ms Gumley**—Would you like me to explain how that worked for jurisdictions for 2009-10?

**Senator SCULLION**—Is it the same as for the current financial year?

**Ms Croft**—The financial penalties that have been applied happened as part of the 2010 competitive bid process under the renegotiated national partnership. It is a biennial competitive bid process, so the funding that I think Ms Gumley was about to run through relates to the penalty that has been applied to those jurisdictions over the next two years.

**Senator SCULLION**—But the rules of engagement still apply?

**Ms Croft**—That is right.

**Ms Gumley**—The amounts of penalties that were applied were \$3.1 million to Queensland and \$900,000 to South Australia. There was funding of \$343,000 held from Tasmania but that has since been released because those homes have been completed. There was funding of \$4.021 million provided to Western Australia.

**Senator SCULLION**—Was that a reward for exceeding the target?

**Dr Harmer**—It was on top of their allocation.

**Senator SCULLION**—In the Tasmanian example they were not fined but it was held over because the houses were not completed so when they were completed the money was provided to them. Rather than a fine, it is a withholding process. Is that right?

**Ms Croft**—That is right. In Tasmania the houses were completed and the connection to services was ready. However, there was a broader issue with connecting to the grid. As a result of that and given that was an issue involving an external commercial entity, beyond the control of the Tasmanian government, the funding was held in that case, rather than a penalty being applied, to enable that connection to happen.

**Dr Harmer**—They were able to convince us the reason for delay was not something that was their fault.

**Senator SCULLION**—In other cases like Queensland, it was a penalty and they are not going to get the money when they finish? That is what I wanted to clarify.

**Dr Harmer**—That is right.

**Senator SCULLION**—When would we expect the next reporting period in actually being able to deliver something? I understand the targets are for 30 June 2011?

**Dr Harmer**—Yes.

**Senator SCULLION**—At some stage there will be some announcements about penalties or otherwise?

**Dr Harmer**—Yes.

**Senator SCULLION**—Will they be structured on exactly the same circumstances we have now or will there be any changes?

**Ms Gumley**—The competitive bid process was for two years, 2010-11 and 2011-12, so it covers the capital works for that period.

**Senator SCULLION**—With respect to those people who failed, jurisdictions like Queensland that in effect got a fine, what actions are you taking to ensure—in contractual arrangements, you do not want them to stub their toe again—that they meet those time lines?

**Mr Tongue**—Can I just dive in there about the characterisation of ‘failed.’ Queensland certainly did not hit the targets but they went very close to the targets. We tried to make the penalties fit the scale of the small amount that they missed by. They went pretty close and I would hate to leave on the record the notion that we think Queensland completely failed because we certainly do not think that.

**Senator SCULLION**—When I miss a target, Mr Tongue, I miss a target. I appreciate what you are saying. It got close relative to the final target but we were a long way off. I was in Queensland, as were many people on this committee, when there was mass panic to try and get something done. I am not belittling them, but we are trying to keep them to a specific contractual arrangement; hence my question.

**Dr Harmer**—I can assure you the penalty imposed on both South Australia and Queensland has, from our perspective, had the desired effect in terms of the energy and exercise going on within the state administrations to get their targets. They certainly do not want to get another penalty. We are monitoring this very closely from our state office perspective. We have put additional officers in the Northern Territory, Queensland and South Australia, looking at the housing.

**Ms Gumley**—We also have monthly joint steering committee meetings with every jurisdiction, so there is quite detailed reporting and involvement of the Australian government with state colleagues around milestones, progress, monitoring and looking across the range of the different components of the national partnership on not just the capital works but other matters as well.

**Senator SCULLION**—Perhaps this is a question for you, Dr Harmer. The observation of all the people playing in this space, when we have 50 per cent of the time left to go and we have got five per cent of the houses built, was how was this all going to fit? We understand that some of these things can take longer in terms of how they appear, when you have to do a lot of underground works and all of that stuff. So to try to avoid some of that panic, if you like, in the last time around, will it about trying to set mark and saying, ‘We’ll have a yarn to you’? It is very much as we have been speaking about all of this.

**Dr Harmer**—Sure.

**Senator SCULLION**—Obviously you are not going to say, ‘We’ll have a yarn to you in June to see how you’ve gone.’ You will be closely monitoring them.

**Dr Harmer**—Yes.

**Senator SCULLION**—Do you have a regular expectation that you will be able to index where they probably should be up to reasonably and, if they are not, you will be having a bit of a chat?

**Dr Harmer**—We absolutely are, yes. Our minister is, as you know, very focused on this. This was the first national partnership that was renegotiated. It was not easily done. We had to go back and renegotiate very early an agreement which we had only just struck. The minister pushed very hard for that. She was determined that states that were not meeting their targets were going to be penalised. She has also asked us—and I have done it—to allocate additional resources, to monitor the housing and to work with the states and territories. I can assure you we are doing that across all of the states and territories that have a large allocation of remote Indigenous housing.

It has been an unusual year in terms of the extended wet in the Northern Territory and elsewhere, but I think we are pretty confident that states will all hit their mark this year. There is an extra effort now because they know the Commonwealth is serious. The Commonwealth will actually impose financial penalties on states that do not meet their targets. We have not done that before. It has focused the minds greatly.

**Senator Arbib**—I might table for the committee some photos of some of the progress that has been made in communities and also some information on employment.

**CHAIR**—Thank you, Minister.

**Senator SIEWERT**—Senator Scullion, I have some questions about the implementation plans. Is it appropriate to ask them now?

**Senator SCULLION**—Yes, that will be fine.

**Senator SIEWERT**—Thank you. Have all the states and territories signed the implementation plans yet or has the agreement for them been signed?

**Ms Gumley**—Those implementation plans are being revised post the competitive bid process as well as the annual review, so they are very close to finalisation. What is being included in those plans now are the things that Senator Scullion was mentioning—so, milestones to make sure that we actually have got a very clear view about where things should be up to during the year. We expect them to be finalised within the next month.

**Senator SIEWERT**—So no states have signed?

**Ms Gumley**—They are well progressed between officers but they need to be sent through for ministers and agreed by our minister. We expect that that would be done within the next month.

**Senator SIEWERT**—Are they all at the same state of near completion? I am interested in WA specifically.

**Ms Gumley**—Yes.

**Ms Croft**—They are all very close to finalisation. We just simply need to reflect the outcomes of the recently announced competitive bid process and we would expect them to be finalised shortly.

**Senator SIEWERT**—Are you in a position to tell us, for example for my home state of Western Australia, where it is expected that houses are going to be built, particularly some of the new areas?

**Ms Croft**—Community-level detail?

**Senator SIEWERT**—Yes.

**Ms Croft**—It was not intended that community-level detail would be included in the implementation plans. Certainly what will be there are the targets for the jurisdiction, funding envelopes, other requirements under the national partnership, but community-level data was not intended to be included in the implementation plans.

**Dr Harmer**—It will not be in the plan, but we will have information about where they are, so we can try and get that for you. Western Australia have been particularly good in terms of meeting their targets and doing the right thing.

**Senator SIEWERT**—Yes. If you could get that information for us that would be very much appreciated, thank you. You say they are just about to be signed off. If I had a dollar for every time I have been told that in estimates I would probably be able to make a sizeable donation to a charity of my choice.

**Dr Harmer**—It must be other departments you are talking about—it would not be us!

**Ms Croft**—We do exercise some caution around the dates simply because we are reliant on state governments and state ministers, as it is an exchange between the ministers.

**Senator SIEWERT**—I am using Christmas as a bit of a timeframe in all my questions at the moment. Is it likely to be before Christmas?

**Ms Croft**—We would hope prior to Christmas.

**Dr Harmer**—We would hope we would have all of them before Christmas.

**Senator SIEWERT**—Okay. It is intended that they are all going to be signed off at once?

**Dr Harmer**—It would depend on the minister. One of the reasons we hesitate is that, quite often when we say ‘soon’ it is that we will be sending it to the minister or going to the minister and we cannot commit precisely—the minister is busy, we do not know when she will get to them. So it is subject to that. She is not holding them up at the moment. This is in negotiation between ourselves and the state and territory. We would expect we will get them and be able to provide them to the minister before Christmas and we would hope that they would be agreed.

**Senator SIEWERT**—In terms of the design of the houses that are hitting the ground, are Aboriginal communities involved in that process?

**Ms Croft**—Under the national partnership, jurisdictions are required to consult and engage with Indigenous communities. In fact, Mr Tongue made mention in a previous estimates that they are required to do a communication and community engagement plan under the implementation plan. As part of that they are required to consult about a range of things, including lease agreements, housing, property and tenancy management arrangements.

**Senator SIEWERT**—So there is big picture engagement in design and community-by-community engagement. For example, I am aware that different communities have different

design needs. Will that consultation and engagement process go to the level of individual communities being able to engage in design in their communities, or are you only big picture?

**Mr Tongue**—It is certainly a genuine engagement. I describe it as a genuine engagement within some limits, simply because we are trying to build houses to a budget and it is public housing. But we are trying to pick up some of the particular needs around the various climatic conditions, the particular size of families, and there is a variety of stock being built too. So there are some three-beds and some two-beds and some units, depending on the character of the community. There is also a need to consult the community because of the refurbishment process. If a jurisdiction takes a house out of stock and there are people in the house they need to go somewhere. So there is a fairly extensive community engagement. I know some of the alliances in the Northern Territory allow people to indicate what colour they would like the house painted, so we are ending up with a lot of football teams represented in communities in the Northern Territory. But those things are important to people. Where we can, we are trying to respond to the things that people indicate are important, but we do have to meet the budget requirements.

**Dr Harmer**—That is a significant point, because one of the areas where we had to intervene in the Northern Territory in the SIHIP programs early on was where the contractors were being a little bit too consultative with the community, allowing them to design houses that were prohibitively expensive, and there was not sufficient attention to how many houses we needed and the cost. We have had to pull that back and involve ourselves a little more in the consultation around some realities, as Mr Tongue has said, about cost. We have got a lot of flexibility because it is not just the design; it is also the nature of the houses. For example, in Wadeye there was a factory that was building houses and employing a lot of local people. There is a heavy emphasis on those sorts of houses because they provide greater employment. So there is a mix of things being taken into account.

**Senator SIEWERT**—Thank you.

**Senator ADAMS**—On the matter of construction, having visited Blackstone, a number of the builders explained the fact that they have now had to go back to gyprock for internal walls instead of precast concrete or bricks because of environmental conditions. The way those houses were originally built, without the environmental conditions, was fine, but now they have had to use gyprock on the internal walls. Having seen a demonstration of a new house with the wall kicked in, where is that going to go? They have wide verandahs and it was definitely about 10 degrees cooler in the main part of the house. If they are going to go back to gyprock on the walls, where are we going?

**Dr Harmer**—I am not sure that that is the standard.

**Senator ADAMS**—That is at Blackstone, so perhaps you could follow it up. It was something I was concerned about because I could see just what was going to happen, unfortunately.

**Ms Croft**—Also on the design, the other requirement of all jurisdictions under the national partnership is that they comply with the National Indigenous Housing Guide. That is a way of ensuring that housing is appropriate for remote Indigenous communities.

**Senator SCULLION**—In terms of New South Wales, I recall from the information you provided at last estimates that pretty much all the houses in New South Wales were not actually built but purchased. My general view of that, and I think of others, is that it does not really add to the number of houses. If the notion is of saying, ‘If the motive is to ameliorate overcrowding, show me an Indigenous community that suffers from overcrowding and point out to me a house with a for sale sign,’ I find it all a bit difficult. But in this new round I was quite excited because they are actually building two new houses, so is it their intention to continue to build houses until they reach the 36?

**Ms Croft**—If you are talking about the 36 we were talking about last estimates, those houses have—

**Senator SCULLION**—No, the 36 you provided—

**Ms Croft**—Thirty-six new—

**Senator SCULLION**—Yes.

**Ms Croft**—For this financial year?

**Senator SCULLION**—Yes, that is right.

**Ms Croft**—To clarify the issue about acquiring houses: because they are acquiring from the mainstream market, they are actually net addition stock to Indigenous housing, because they may have been bought from a private owner and were not previously available for Indigenous people.

**Dr Harmer**—Or from a builder who, particularly during the financial crisis, had speculated and built a number of houses but did not have a sales program and they were available for sale. A number of houses were in that category.

**Ms Croft**—So they would be contributing to overcrowding and being net addition to stock, in that sense. In terms of the program for 2010-11—

**Senator SCULLION**—Ms Croft, could you, on notice, provide to me the locations of the ones that were previously purchased and the ones that are now being built—just on those in terms of the New South Wales stock? I would appreciate that.

**Dr Harmer**—Sure.

**Ms Croft**—In terms of the ones for 2010-11, 2011-12, some will be for construction and some will be for acquisition. There are some locations where, ideally, government would like to invest in those locations and has had difficulty acquiring houses from the mainstream housing market and therefore would either purchase a block of land and construct—

**Senator PAYNE**—Where?

**Ms Croft**—I would have to take the specific locations on notice, but I am aware that we have had discussions with the New South Wales government. I believe one may be Walgett. I think we had a couple of houses scheduled for that for 2009-10. They did try to acquire houses on the market but were unable to do so and have now acquired two vacant blocks in order to build those houses.

**Senator PAYNE**—Could you take the rest on notice, please.

**Ms Croft**—Sure.

**Senator SCULLION**—Coming back to the targets, in the Northern Territory, we have one that is coming up now and we do not have to extrapolate it as an agreement that will have 150 houses built by the alliances by 30 December. Is it right that there are 82 new houses that have been completed?

**Ms Croft**—Yes, that is correct.

**Senator SCULLION**—And there are another 101 underway?

**Dr Harmer**—That is right.

**Ms Gumley**—That is correct.

**Senator SCULLION**—What is the expectation at the moment? It is a long piece of string for us. Obviously you are in touch, as you have indicated earlier.

**Dr Harmer**—I think we are pretty confident that we will get 150 completed by the end of the year. I think we will probably exceed the target. In fact, at one point, we thought we would get to almost 200. I am not sure we will because of the weather but we expect to exceed the target in the Northern Territory by the end of this calendar year.

**Senator SCULLION**—At the same time in the Northern Territory—because we have an end point—there are a number of refurbishments that also need to be completed that are being done concurrently with the same N mark. The target was 1,000. I understand that 645 are complete—that is something you told me last time—and we have 105 underway.

**Dr Harmer**—That is right.

**Senator SCULLION**—And we are going to finish another 250—this is on top of the wonderful work we are doing with the new houses—by the end of December. Is it your expectation that the remaining 105 that are underway in terms of the refurbishment and the 250 that have yet to be refurbished will also be completed by the end of December 2010?

**Ms Gumley**—Those are the assurances we are receiving from the alliance—that they will meet their targets for the end of this calendar year.

**Senator SCULLION**—I am curious: the 82 new houses that have been completed—that means to lock-up stage—and handed over—

**Ms Gumley**—Handed over, ready for tenancy.

**Ms Croft**—They have passed lock-up. Lock-up is essentially when the external is completed but the internal fit-out may not yet have occurred. So the 82 are completed, connected to services and available for tenancy.

**Senator SCULLION**—How many of those 82 would have tenants in them now?

**Ms Gumley**—I do not have that information with me.

**Mr Boyson**—I do not have that information on exactly how many with me at the moment.

**Senator SCULLION**—Would it be half?

**Mr Boyson**—It would be the vast majority. The only ones which would not be tenanted at this stage are the ones that have been completed and are still undergoing inspection. So it would be a handful of houses.

**Senator SCULLION**—How many of those that have now been moved into enjoy a tenancy arrangement?

**Mr Boyson**—We have been advised by the Northern Territory government that there are tenancy agreements in place for all those new houses that people have moved into. Or the Northern Territory government is currently working with the tenants to get those agreements in place, going through a process of assisting tenants to understand what their obligations as tenants are, what signing a tenancy agreement means and their obligation to pay rent and what they can expect in terms of repairs and maintenance and tenancy support from the Northern Territory government.

**Dr Harmer**—Because, as you know, Senator, this is a new ball game for all of those people. They have not had these sorts of arrangements. This is one of the key elements of the reform.

**Senator SCULLION**—I can remember sitting next to you in Darwin—when I was doing the minister’s job—when we made the commitment to hand over all those houses. I am sure you can recall me saying that the principal conditionality was ensuring that the nature of those tenancy arrangements change. I am very curious about this. Is there an arrangement that there is a specific tenancy agreement—just one agreement—or is there a different agreement for different houses and regions. Or, currently, is there simply an agreed tenancy agreement?

**Mr Boyson**—There is a tenancy agreement that the Northern Territory government is using right across the Territory.

**Dr Harmer**—It is a framework agreement that they are using.

**Senator SCULLION**—Would we be able to get access to that? Is there one that has not been filled in, so we can understand the roles and responsibilities?

**Dr Harmer**—We can ask the Northern Territory government. I do not see any problem about getting that for you.

**Senator SCULLION**—Given that it is part of the agreement that the Northern Territory government ensures that this happens, I am a bit concerned to hear that people are actually living in the house, doing things when, at the same time or later, they are going through the process of having a tenancy agreement that prescribes the behaviour, the roles and responsibilities and the conduct of people who are already in the circumstance without an agreement. To give an example, how many people in the Northern Territory are currently occupying the residence and have not yet signed a tenancy agreement?

**Mr Boyson**—I will have to take that on notice.

**Senator SCULLION**—It is a few?

**Mr Boyson**—It is a few; it is not a lot of houses.

**Senator SCULLION**—Are there particular circumstances that surround the circumstances where someone would move back into a house and not have a tenancy agreement? To me, it would seem odd.

**Mr Boyson**—My understanding is that, primarily, it is occurring where intensive tenancy support is being provided to a family as they move back into the house.

**Dr Harmer**—I do not know the detail, but I would assume that the Northern Territory housing department understand the significance of this reform. They know our insistence on having a tenancy agreement, so the extent to which they would have placed people in houses and still be negotiating, I am pretty confident they would not have done it without knowing that the family understand that they will have a tenancy agreement and the department are working on it. I would be reasonably confident about that. I do not think we face a situation where they would be putting people into a house and then saying, ‘Come round sometime later and we’ll have a tenancy agreement.’ Presumably, there would be some agreement about the time frame.

**Mr Boyson**—That is exactly right. There is a schedule of visits and, in most cases, that is three, four, five visits with the family to work through, as I have explained earlier, the obligations of the tenant and the tenancy agreement. So it is scheduled, it is organised and it is working towards an end point.

**Senator SCULLION**—I would assume that there are fundamental elements of the tenancy agreement that go to the number of people that are permissible in the dwelling—

**Dr Harmer**—And the obligations of tenants, yes.

**Mr Boyson**—There certainly are, Senator.

**Senator SCULLION**—I guess it is very difficult to turn around something if you are signing a tenancy agreement post occupation—but that is an observation and I acknowledge that it is difficult in some areas. I am assuming also—given that much of this started in the Territory—that the other jurisdictions are also moving people in or they are signing tenancy agreements before they move into the dwelling. Is that a correct assumption?

**Mr Boyson**—The other jurisdictions, Senator?

**Senator SCULLION**—Yes.

**Dr Harmer**—Do you mean in Western Australia et cetera?

**Senator SCULLION**—If we build a new house in Western Australia or somewhere else, do we—

**Dr Harmer**—I think we can confidently say yes. The Northern Territory situation is a little bit different, but I understand your point about—

**Senator SCULLION**—This is a fundamental part of the agreement.

**Dr Harmer**—Sure. Yes.

**Senator SCULLION**—It is difficult to ask these questions because it is really a question for the Northern Territory government. But in terms of an understanding—

**Dr Harmer**—We know more about the Northern Territory government than we do about the others because we are heavily involved in making sure that they live up to the mark.

**Senator SCULLION**—I can recall your intervention there. The question I have goes to an understanding of what the people’s role and responsibility will be in an environment where English is certainly not their first language. We are talking about contractual obligations on one side to ensure that if the toilet does not work anymore, or the lights do not work, or the water stops working, and they have to ring a number and it is someone else’s obligation to

come and fix the problem, as well as the notion of what happens when someone breaks a window or something—all of those things complex matters. Are you satisfied that people can interpret and actually understand those matters, or have you attempted to validate that they understand those matters—say, sending a Commonwealth officer to say to somebody, ‘What is happening here? Have you signed an agreement?’

**Dr Harmer**—I am not sure about that. There is a limit to the Commonwealth’s ability to get into that sort of detail in individual houses, and I should say that right at the beginning. But I think that one of the reasons some of the houses will be tenanted on the basis of information that an agreement will be signed will be about that, I suspect, where a lot of work and understanding needs to be done before they actually sign the agreement.

**Mr Boyson**—It is, and it is a particular issue that would need to be raised when talking about how many people could live in the house.

**Ms Gumley**—The NT government does have a fairly comprehensive rental framework and staff on the ground are providing that tenancy support as well as managing the assets. So they are providing that quite comprehensive tenancy support and education around what the new expectations are.

**Senator SCULLION**—I guess I should just flag that I will be seeking some more information—and I guess it is just in genesis at the moment—on this very important area.

**Dr Harmer**—It is very important for us too.

**Senator SCULLION**—Some of the feedback I get—and again, it is early days—is when a lot of people look at me blankly about something they have signed, and that is a difficult problem. But I am sure that you are working hard on it and if you give me that assurance I do accept that. I think it is really important that we do have a clear understanding that this is a fundamental part of the Commonwealth providing this and the Northern Territory having to provide the other side of it. Of the 645 complete refurbishments—

**Dr Harmer**—It is very much in the Northern Territory’s housing department’s interest to do that, because they are going to be responsible for the maintenance and repairs et cetera of these houses which they are now owning. So there is quite a lot of incentive for them to be as keen on this reform as we are.

**Senator SCULLION**—Let us just hope that incentive is sufficient. I understand there are 645 refurbishments and 105 refurbishments are underway. Of the 645 refurbishments, how many of those have a tenancy agreement?

**Mr Boyson**—I would have to take that on notice, Senator.

**Senator SCULLION**—Just a ballpark figure. Are they treating them roughly the same way as the new houses? Are you aware of that?

**Mr Boyson**—As far as I am aware, they are, Senator.

**Dr Harmer**—We would expect them to.

**Mr Boyson**—The only difference is that the turnover on that number of refurbishments is much quicker.

**Senator SCULLION**—The issue with the refurbishments and the tenancy agreement is that often people have to move out of their own house to get it refurbished, and the cultural circumstances are entirely different from a new house that does not belong notionally to anyone. It is far more problematic, I understand, in those circumstances.

**Dr Harmer**—It is more difficult.

**Senator SCULLION**—If you could take that on notice, that would be very useful. Of the 645 refurbishments, how many are in the ‘the house won’t kill you’ program, the make-safe program, and how many are what we call real refurbishments? Remember we established there were now two types of refurbishments.

**Ms Gumley**—Rebuilds and refurbishments.

**Senator SCULLION**—Is that what we are calling them now? I am a little confused. A rebuild was originally one of three tiers. A rebuild was that they demolished it and you went in. Is that still the same vernacular?

**Ms Gumley**—A rebuild might be that the house is effectively gutted and new wet areas and flooring are put in. It is taken back to a skeleton and then refitted out, as opposed to there necessarily being a complete knockdown.

**Dr Harmer**—I saw many of those houses in Kintore when I visited there some time ago now. There were a lot of houses which were unoccupied. They had substantial structure but there was hardly anything inside. The wet area was not functional and the kitchen was not. The rooms were there but there were rocks on the roof et cetera. They would be structurally pretty sound. There would be a wet area put in—new kitchen, new bathroom, windows, doors et cetera. That is the sort of rebuild. There are a lot of houses being put back into occupation through this refurbishment process. In many of these communities, as you would know, Senator, there are lots and lots of houses that have basic structures but are not able to be occupied.

**Senator SCULLION**—I am trying to keep up. There used to be a refurbishment, then there was a rebuild, as you described, and then there was a new house. In the changes, as it morphs into this new thing, as I understood, there are two types of refurbishment now—one is a ‘fix and make safe’, with the understanding, from some answers you have provided, that there would be perhaps a further refurbishment, or whatever we want to call it. I was just wondering about the vernacular.

**Ms Gumley**—The way to describe it is as a functional refurbishment, which is not about the cosmetics but it fixes the bathroom and the kitchen and makes the house safe. Where, for health reasons, painting needs to be done, so that things can be wiped down—let’s say in the kitchen—that will be done, whereas a rebuild might gut the house, refit it, repaint it and bring it back as new. There would be a limited number of those. But, in order to make the limited funding that we have go as far as possible and to make as many houses safe and functional as possible, that functional refurbishment will be the focus for the majority of them.

**Mr Boyson**—And the numbers you were looking for, Senator, are 498 refurbishments and 147 rebuilds. If my maths is correct, that is 645.

**Senator SCULLION**—I will take your word for it! Thank you for that. We have heard in the news, Dr Harmer, that the Northern Territory government have employed around 600 new

people who are associated with local government and housing. That is how they put it. There may be a part of that. I assume it is not all local government and no housing. I assume that you would have sought assurances that this is not going to mean fewer houses at the end of the day, or forcing efficiencies in regard to the refurbishments and things.

**Dr Harmer**—I can assure you we will hold the Northern Territory accountable for the targets. There is no ambiguity in their minds about our determination to get the numbers.

**Senator SCULLION**—Okay, but when you see those sorts of numbers and the sort of expense that is out there—and I understand that you have held jurisdictions to account and I am impressed by that—at the end of the day the sorts of dollar figures that are obviously going out to achieve this are well outside of any budget, certainly for SIHIP. Would you agree that there must be some concerns that you can only belt them so hard if at the end of the day they have not built enough houses? This is a pretty serious situation.

**Dr Harmer**—Sure. But the Northern Territory government have a number of sources of revenue. While we are the major funder of the housing, there are lots of opportunities for them to amend priorities to put resources into these high-profile, high-visibility outcomes.

**Ms Gumley**—They are also able to draw on the National Affordable Housing Agreement for things such as property and tenancy support. There are also some services and funding through the homelessness arrangements. Some of those were involve in, for instance, the Alice Springs Transformation Plan. So there are a number of different housing supports and funding streams that they can tap into and. For the purposes of the former SIHIP program, the Northern Territory government's take out of that is limited to eight per cent or less through program management funding.

**Dr Harmer**—And we will keep monitoring that. Ms Gumley is right; they have the homelessness funding, the National Affordable Housing Agreement funding and other housing related funding sources where they can draw on Commonwealth and territory money for such employment.

**Senator SCULLION**—To touch on one last area of that, as you would be aware, simultaneous to hanging over the Northern Territory have taken the opportunity to tell them that the rent has gone up. They are fixing it across the territory. It is not necessarily a criticism; obviously they are at a much better level of amenity. FAhCSIA more generally has responsibilities outside of housing and in general wellbeing. Did you have anything to do with or have the capacity to have input about whether communities have the financial capacity to pay for the increases?

**Dr Harmer**—Do you mean for households to pay the rent?

**Senator SCULLION**—Indeed.

**Ms Gumley**—That rent framework is based on the same income parameters that we have for other pensioners and other recipients of public housing.

**Dr Harmer**—People are on income support right across the country.

**Ms Gumley**—That is right. So I would not say that they are necessarily at a disadvantage compared to many other beneficiaries of public housing. It is similar to what states and

territories have agreed to do with age pensioners. In the Northern Territory age pensioners will pay slightly less as well.

**Dr Harmer**—The proportion of their income support income that they pay in rent for public housing across the country is struck at a level that, while no-one accepts a particular poverty line, most commentators would agree keeps them out of housing related stress.

**Senator SCULLION**—Whilst this is perhaps fundamentally a Northern Territory government issue, are you aware of the arrangements to pay the rates for the rating for the land on which they stand? I understand that was something that was not consistent across that particular jurisdiction whether they were paid or not. Do you have any understanding about any new arrangements in that regard?

**Ms Gumley**—I do not have any information about the Northern Territory land rates, but I can tell you that tenants in new or rebuilt housing pay a weekly rent calculated at 18 per cent of assessable income—14 per cent for age pensioners—in the first year of the new arrangements. Then they move on to the second year, stepping up. It gives people time to make a transition. They step up to the current urban housing rates of 23 per cent and 18 per cent, respectively, in the second year onward. So there is a sort of staging of that.

**Senator SIEWERT**—Will the new rating and tenancy agreements process apply to all Indigenous housing stock in Western Australia or just to those that are built under the new process?

**Ms Croft**—Are you talking about the housing management agreements under the new legislation?

**Senator SIEWERT**—Yes.

**Ms Croft**—I wonder if a colleague may like to come to the table.

**Ms Gumley**—Were you talking about rates or rents?

**Senator SIEWERT**—Rents, sorry.

**Ms Gumley**—The approach for property and tenancy management is in line with each state and territory's system. They are all tackling it a little bit differently. We could probably give you a bit of a description or a few examples from different states and territories about their property and tenancy management arrangements, if you would like.

**Dr Harmer**—It is a state and territory responsibility, but there is a broad framework. They operate similarly but there are differences at the edges. So we can give you some information about the way Western Australia operate in relation to tenancy management, rents et cetera.

**Senator SIEWERT**—That would be good. Thank you.

**Ms Croft**—Under the national partnership, certainly all new and refurbished houses are required to have new arrangements in place. In some jurisdictions, particularly in locations where they are looking to bring an entire community into a broader social housing reform—which is certainly the case in the way the Queensland government is approaching its one social housing system—all housing would be brought under the new arrangements.

**Senator SIEWERT**—So that is in Queensland. Are you aware if that same thing is applying in WA?

**Mr Tongue**—I think we would have to take that on notice.

**Ms Croft**—We could provide you with some more detail about that on notice.

**Senator SIEWERT**—That would be appreciated, if you could. Can I ask some specific questions around South Australia in terms of the APY Lands. I understand that the 2009-10 agreement was that there would be 44 new community houses built. Have they all been built and completed?

**Ms Croft**—Thirty-three were completed in 2009-10. As we discussed earlier, the minister applied a penalty to the South Australian government. That was for the 11. So there was a target of 44. They delivered 33. That left a balance of 11. I understand that remaining 11 are due for completion next month.

**Senator SIEWERT**—That was where I was going. So they are due for completion in November.

**Ms Croft**—Yes.

**Senator SIEWERT**—Are there people now in those 33?

**Ms Croft**—As we were discussing earlier, we would probably have to talk to the jurisdiction specifically to answer the question. As a broad statement, though, all jurisdictions have undertaken to minimise the gap between the completion of the housing and the tenant going in.

**Dr Harmer**—Almost certainly many of the 33 will be tenanted because some of them were completed a while ago. It is unlikely that in the places where these are being built, with the demand for housing and overcrowding, they would leave them vacant any longer than they really needed to be.

**Senator SIEWERT**—The reason I am asking is that I have had reports that some of them are still vacant. That is why I am specifically asking around those houses. So if you could take that on notice that would be appreciated.

**Dr Harmer**—Will find out for you.

**Senator SIEWERT**—Could you also—and I realise you will need to take this on notice—tell me when the dates of the 33 were completed in Amata, Fregon and Mimili? If you could provide it today, that would be good. If not, if you could take it on notice we would appreciate it. Are there additional houses in those specific three communities?

**Ms Croft**—Certainly I am aware of Amata and Mimili off the top of my mind. For questions around Fregon somebody in the room may be able to help me, and if I can I will come back to you before the end of the day.

**Senator SIEWERT**—Thank you. I am aware of the conversation we have just had about Western Australia and rents. I am just wondering if you could provide me with a bit more detail—the same question as it applies to South Australia. Is that possible?

**Ms Croft**—Yes, okay.

**Senator SCULLION**—I wish to go back to an answer you gave to a question about Palm Island. I also have actually been to Palm Island. I saw the site. I had the complaints myself, in addition to other people who have been there. Given that the thematic of the rollout of this

program is Indigenous employment, and whilst acknowledging that that jurisdiction sort of says that in an amalgam the total employment is 20 per cent, and it might be easier in some places than others—and I would suspect that is not necessarily the very best outcome we can have—I wonder if you would be able to, just so we can have some further oversight about what is actually happen, provide some details? I am not sure if it is by community—in the Territory the vernacular would be by community. For example, you may do it by local government area in Queensland. What is the smallest region that you would be able to apply these things to?

**Ms Croft**—In Queensland the bulk of the data would be by deed of grant in trust community, which is essentially a shire council—

**Senator SCULLION**—DOGIT communities.

**Ms Croft**—Yes, the DOGIT communities. Certainly, I would suspect that subject to—

**Senator SCULLION**—Down to that level would be sufficient.

**Ms Croft**—We would be able to do that.

**Senator SCULLION**—I would like the smallest area we can reasonably get to. I think that is a shire or region—however you are currently negotiating that. Can you provide me with how many people are directly employed, and for how long? There is a difference between someone who might be building houses and someone who is a contractor who does the refurb. There will be a differential there and I am just trying to understand the difference in those demographics.

And how many of those people in each of the regions are, in fact, Aboriginal and Torres Strait Islanders? And, if it is possible—again, I am respectful of privacy matters—the length of employment. You can give me an average for each region, I am not being prescriptive about those things. Are those people more likely to be working for a contractor and come for a short period of time, or are they engaged by the people who are there for a longer period of time? No doubt, they are the processes that will allow you to give some answers to some questions on notice. I would certainly appreciate that detail if you are able to supply that.

**Ms Croft**—In relation to the data we receive from the Queensland government, we would need to go back to get it at that level for employment. They are required to report on their compliance with the 20 per cent Indigenous targets. If it is helpful, they have provided some general employment information that has been achieved. I can run you through that now.

**Senator SCULLION**—Yes, that would be useful.

**Ms Croft**—The advice we have had from the Queensland government is that there are currently 140 Indigenous people employed, or who have been employed, on the work to date. That is to work on a range of new construction upgrades and responsive maintenance. I understand that there are 36 who are undergoing apprenticeships, 16 trainees, 46 tradesmen and then 42 other general. That is the break down of the type of work they have been doing.

In addition to that the Queensland government are required to have a 20 per cent Indigenous employment outcome under their existing procurement arrangements, with half of the deemed hours to be related to structured training.

**Senator SCULLION**—I assume that the 20 per cent is hours—a currency of hours. So are the total hours 20 per cent—

**Ms Croft**—It is full-time equivalent, based on the hours worked.

**Senator SCULLION**—You are saying that as the 20 per cent is part of the request, 50 per cent of the 20 per cent has to be in some sort of training.

**Ms Croft**—In accredited structured training. That is a requirement of their own state system.

**Senator SCULLION**—Thank you, that is all I have on that matter. I have some questions on some of the smaller Aboriginal housing corporations. How many Aboriginal housing corporations do we have in Australia and, nationally, how do they own and manage their own housing stock?

**Ms Croft**—At this point are you talking about urban and regional nationally, as well as remote? Are you talking about the national Indigenous housing sector?

**Senator SCULLION**—Nationally, but Indigenous house, yes.

**Ms Croft**—Yes.

**Dr Harmer**—New South Wales, Victoria et cetera?

**Senator SCULLION**—Indeed. I was just wondering if there are any differences. If it is the same you can say, ‘This is the same nationally. It is the same as it is in Queensland—this is how it works.’

**Ms Lees**—The latest data we have about Indigenous community housing organisations is from the 2008-09 report on the Indigenous community housing sector. I would like to preface that by saying that it is about Indigenous community housing activity in the period from July 2008 to 30 June 2009. During that time we saw a significant shift in housing arrangements between the Commonwealth and the states, so unfortunately the data relates to a transitional period. Under that information, there were a total of 396 Indigenous community housing organisations. Note that this is also reliant on them responding. Indigenous community housing organisation data has been a little bit patchy because it is voluntary compliance, largely. Those organisations were managing a total stock of just over 20,200 houses. The majority of those were in Western Australia, New South Wales and Queensland, with a smaller number in the Northern Territory.

The other set of data that might be useful in this space is the 2006 Community Housing and Infrastructure Needs Survey. In 2006 there were a reported 496 community housing organisations—so it is consistent with the other report—managing 21,854 dwellings across 1,187 discrete communities. Bear in mind that a discrete community was any community that was inhabited at the time between March and June 2006.

**Senator SCULLION**—I understand that, in a Queensland circumstance particularly, there are a number—not a particularly large number—of organisations that manage very small numbers of houses. Perhaps you could help me understand better how they manage their administration or their overheads, given that it is so small. In a business model, you would just give up on it. How do they actually get their funding to continue operating?

**Ms Lees**—That is one of the transitional arrangements we are trying to seek. One of the original intentions of the national partnership was that we would see a very clear delineation in responsibilities for service systems across Australia. The National Partnership Agreement on Remote Indigenous Housing was trying to put in place an arrangement where the Commonwealth was going to be a major funder in the remote space, with the condition that the states picked up responsibility for a public-housing-like system and for bringing people in under that umbrella arrangement. The other side of that, of course, is that states took on responsibility for the urban and regional housing provision for everyone, regardless of whether they were Indigenous or non-Indigenous. As part of the national partnership, reform payments were made to states and territories to effect responsibility for those sectors. I understand that states are at various stages of that transition of setting a system in which Indigenous community housing organisations can become registered organisations, depending on how their system works. Queensland has its one social housing system. I do not have the current data about where they are in their transition arrangements, particularly for their urban and regional. We have much better information about the remote sector by virtue of our close involvement and because they are largely the DOGITs.

**Senator SCULLION**—Rather than go to my other questions, I will get this clear. Our responsibility now is that the Commonwealth has said that under the arrangements it is taking responsibility for these jurisdictions by demographic or geographic placement, but in return for that the states and territories, in terms of management responsibility—certainly in Queensland—are for the metropolitan outer provisional—

**Ms Lees**—Urban and regional.

**Senator SCULLION**—There is a line there somewhere, though. And after that transitional period has gone, you will be able to tell me: ‘It’s nothing to do with me, Nigel.’

**Ms Lees**—No. We have some level of information, I understand.

**Senator SCULLION**—I am just talking about who will be responsible for those at some stage in the future.

**Ms Lees**—The states.

**Senator SCULLION**—The states. So, for example, if it is in Rockhampton, there is a small housing organisation in Rockhampton that has gone arse-up—it is in liquidation at the moment. I was going to ask you some questions about that but, fundamentally, after this transition that will be the Queensland government’s responsibility.

**Ms Lees**—Should that housing organisation have signed up to whatever system they have in place, which is their one social housing system.

**Senator SCULLION**—You may not know because the registration is voluntary.

**Dr Harmer**—Yes.

**Mr Tongue**—I should also dive in there and note that we are also looking at some wider changes and Commonwealth involvement in the community housing sector. That is prompted in part by the stimulus spending. Minister Plibersek, when she was minister responsible for housing, made clear that her expectation was that a lot of the stimulus housing would go into the community housing sector. In the mainstream part of social housing, we have been doing

a range of consultations about what the future for community housing organisations generally would look like, and we have acknowledged in that work that we have a particular circumstance here, but certainly where we are working with the states to hit the mainstream system is towards having a small number of bigger community housing providers to address many of the concerns you have just articulated about operating at a small size, the economies of scale and so on. We would like to build some bigger organisations over time, which may in due course have some impact on Indigenous community housing organisations, but I think we are away from that yet for the majority of the organisations.

**Dr Harmer**—If you recall what we are doing here, the reason we cannot be definitive is that we do not know where each state and territory is in terms of signing up those Indigenous housing organisations. What we are very confident of is that none of the new Commonwealth money for remote Indigenous housing is now going to small, inefficient Aboriginal housing organisations who are able to spend the money on whatever they like, not have a tenancy agreement, not collect rents et cetera. That is the reform. As to where the states are precisely up to in the transition, moving across those individual housing organisations that still have stock funded under the previous arrangements, we do not have detailed data on that.

**Senator SCULLION**—This is my last question. I will not go to the naming; I do not think that will be useful to anyone. I might put that question on notice, but what are you going to do about the voluntary bit? Who is going to pick them up? There is going to be a point after a while when they have not registered but they are still out there and they still own housing. I would have thought one of the jurisdictions would want to repair that. Is there some mechanism in which at one point you will move to contact these people, or is it the case that you just do not know what you do not know so, if it is a voluntary process, you do not know where they are or who they are?

**Mr Matthews**—Are you talking about whether the state knows who the Indigenous housing organisations are?

**Senator SCULLION**—I am asking whether, if we do not know because it is a voluntary process, someone knows so that at the end of the day they will fall into one jurisdiction.

**Mr Matthews**—Under the partnership it is the state and territory governments that are responsible for contacting the organisations. Whilst it is voluntary, it is to try and attract them to come under the system. So yes, the states and territories are actively working on this.

**CHAIR**—There are no further questions on housing, so I thank the officers from the housing area. There will be questions on notice, as you have heard. We will now move to IBA and ORIC.

[3.09 pm]

**Senator SCULLION**—How many Aboriginal corporations are registered or monitored by ORIC?

**Mr Beven**—There are currently 2,236 Aboriginal and Torres Strait Islander corporations registered under the C(ATSI) Act, which I administer.

**Senator SCULLION**—That is going to be a pretty static circumstance because it is normally tied to their being corporations now.

**Mr Beven**—It has tended to go up and down over the years. When I first took on this role there were approximately 2,700 corporations. We have cleaned up a lot of the defunct, non-trading organisations and so we now have a core of 2,200 that are active and we have a good database in relation to their activities and who their directors and members are. So we are quite confident that those organisations are trading and are still active.

**Senator SCULLION**—The formation and passing of the CATSI Act was predicated on some mischief—often people in part of the corporation were completely unaware that whilst they were responsible there were others who were a bit mischievous or where there were some maladministration that left others in a bad position. What role do you play now in protecting and ensuring protection for those members of the corporation?

**Mr Beven**—I play a very similar role to the role that ASIC plays in relation to mainstream companies in that I have very similar regulatory powers—investigation- and prosecution-type powers and the power to apply to the court for injunctions, for receivers—but in addition to the powers that ASIC has I also have some powers that are very specific to Aboriginal and Torres Strait Islander corporations. The first of the main two is an examination program that we run, so each year approximately 70 corporations are examined by my officers or independent people appointed by my officers, and that is a financial and governance audit of the corporation. The other main regulatory power that I have in addition to ASIC is that I can appoint what is known as a special administrator. A special administrator is like a voluntary administrator or a liquidator, the difference being that person reports to myself. That person goes in and replaces the board of directors of the corporation and is there for a short-term period, usually about six months, to fix issues in relation to the governance of the corporation and then hand it back to its members in a better state.

**Senator SCULLION**—How many corporations have been the subject of ORIC's investigations for a breach or a suspected breach of the act?

**Mr Beven**—We currently have ongoing at the moment approximately eight investigations. We receive between 40 and 50 complaints each month although last month we received 80 complaints, which is our highest ever. At any one time we have the capacity to have approximately 10 matters under investigation and at the moment we have about eight matters under investigation.

**Senator SCULLION**—Do you have any idea what the reason is for this sudden rash of reporting?

**Mr Beven**—In relation to complaints?

**Senator SCULLION**—Yes.

**Mr Beven**—I think the underlying trend is about 40 to 50 a month. Just in the last month we have had a large rash of complaints coming from one particular person in relation to one particular organisation. I do not think that is going to be the long-term trend. I think 40 to 50 is more the underlying trend for complaints.

**Senator SCULLION**—That is not the Port Curtis Coral Coast Aboriginal Corporation, is it?

**Mr Beven**—Yes, that is the one.

**Senator SCULLION**—I am glad I understood where those other complaints came from.

**CHAIR**—Were you the complainant, Senator Scullion?

**Senator SCULLION**—No, I was not, but I have received copies of correspondence, as you would possibly expect, including some audit reports and letters that indicate that you are potentially involved.

**Mr Beven**—That is right.

**Senator SCULLION**—As you would be aware, the members of the Port Curtis Coral Coast Aboriginal Corporation's complaints, which I have not seen and was not aware of until a moment ago, are about what they see as your lack of urgency in the investigation. I am not sure if you are aware of this, but from what I have heard and what people have told me, the concern is basically about what happens if a company goes any further under and the members of the corporation have access to some other things like royalties or some other payment, if we have the capacity to pay someone we will have to. The concern is the longer it goes the more indebtedness and the more pain they are going to feel later. I guess that is the reason for the urgency. I understand the sensitivity of trying to answer a question in the middle of something, so you will pull up exactly where you need to. I appreciate that.

**CHAIR**—Mr Beven, I am sorry I have not had you in front of my committee before but, in terms of the nature of complaints, the name of the company being complained about is public? Is that something people know about? Certainly we will not ask about who is making the complaints. I am just clarifying with you what can be discussed and what cannot be.

**Mr Beven**—I will not be able to divulge the name of the complainant or—

**CHAIR**—Absolutely. But the fact that we are talking about a company now and that name has been mentioned, it is something we can discuss?

**Mr Beven**—Yes, that is right. It is a public corporation so the information—

**CHAIR**—I just wanted to clarify as we have not had you as a witness before.

**Senator SCULLION**—What has the time line been in investigating this sort of entity in this sort of matter? It would be useful to be able to say that this is a normal process or inside or outside the norm. That is where I am going with my question. I realise the sensitivity of these things. So what would the normal time line be for an investigation of this nature?

**Mr Beven**—We aim to resolve or finalise investigations within 12 months. When we have limited resources, as we do, and are using taxpayers' dollars, if we have not finalised a matter in 12 months then that is a good indication that it is not going to go too much further. We aim to resolve investigations within a 12-month period.

**Senator SCULLION**—So you are confident that all the processes you are undertaking at the moment are within time lines that you would consider to be reasonable for investigating such an entity?

**Mr Beven**—I should clarify the difference between a complaint being made to my office and an investigation. I cannot confirm whether an investigation has or has not commenced into a particular entity or corporation. There is a difference between a complaint and an investigation.

**Senator SCULLION**—I understand that. A complaint can be about someone and an investigation I understand can be something you can start off on your own bat. When would you normally say that you need to start an investigation? In terms of the 12 months in your answer what would trigger the start of that 12 months—would it be appointing a special administrator, a complaint or something coming to your attention? What would be the trigger for that first 12-month investigation?

**Mr Beven**—When we receive a complaint, whether it is internally generated or externally generated, we have complaints assessment processes. We follow those processes and if at the end of that assessment—and that assessment is usually no more than 28 days—if the assessment team believe that there are issues that require further investigation it goes to a regulation and litigation committee, which then authorises an investigation, further regulatory action or no further action. That is when the 12-month period would commence.

**Senator SCULLION**—That is all I have on that matter. Thank you very much for that, Mr Beven.

**CHAIR**—Thank you very much, Mr Beven. We will now move to Indigenous Business Australia.

[3.19 pm]

### **Indigenous Business Australia**

**Senator BOYCE**—I am asking these questions on behalf of Senator Payne, who unfortunately had to leave. I understand that the 2010-11 Home Ownership Program was allocated an extra \$56 million because it was oversubscribed and that that money came from unallocated capital in the Home Ownership on Indigenous Land Program. I want to look at the overall picture of IBA and the business loans. There have been anecdotal reports to us of the IBA being overly bureaucratic and considered difficult to deal with—presumably, that came from people who did not get their loans—and complaints that IBA does not offer sufficiently small loans to business groups. How many full-time and part-time staff do you currently have?

**Mr Gemmell**—We had a total of 237 at the end of the last financial year. I can give you part time and full time if you accept that they are calculated on the basis of working effective full-time.

**Senator BOYCE**—Are you talking about FTEs?

**Mr Gemmell**—Yes. At the end of last year, we had 11 working part time, 218 working full time, two inactive and six casual.

**Senator BOYCE**—Where are these people based?

**Mr Gemmell**—Approximately half the organisation are in central office here in Canberra, with a little less than half out in the field. We have 19 locations that we provide services from around Australia.

**Senator BOYCE**—Could you explain to me why about 120 of your staff are located in Canberra? I presume there are not many loans actually done from Canberra.

**Mr Gemmell**—No, but that is the central hub of where all the loans are done from. All approvals, for example, will come from Canberra. The systems are provided from Canberra. People such as me are based in Canberra.

**Senator BOYCE**—It is quite common for people to complain about the major banks that loans processors in Adelaide, for instance, would not understand the issues of someone living in Roma. What do you do to ensure that that does not happen with the loans that you process?

**Mr Gemmell**—That is why we have a range of field officers, to keep in contact with—

**Senator BOYCE**—The major banks all have bank managers but it is still considered that perhaps there is not enough cultural input into loan applications, so to speak.

**Mr Gemmell**—That is true. We do our best. Over 20 per cent of our staff are Indigenous, so we try it through that methodology. We do our best to understand the cultural implications of this and our best to provide Indigenous employees, particularly in the field, who might relate better to the Indigenous customers. But it is a constant challenge to do that.

**Senator BOYCE**—Can you explain what you mean by ‘constant challenge’?

**Mr Gemmell**—It is hard to find sufficient people with the skills that we can employ. Indigenous people with the skills are actually in some demand. We do our best. We are only small but we do our best to bring through things like Indigenous cadets and so on, trying to develop those skills. I guess it is a joy when you see them go off somewhere else and exercise those skills, but that does not do much for your numbers.

**Senator BOYCE**—It proves the system but—

**Mr Gemmell**—It is actually a good thing, and we try and do that. We are, relatively speaking, a reasonably sizeable employer of Indigenous people.

**Senator BOYCE**—So the constant challenge is to find appropriately qualified Indigenous staff, not to have appropriate cultural input into loan applications?

**Mr Gemmell**—We are trialling some new approaches where we are having a look at agency type arrangements, where, if we can find an Indigenous group somewhere that seems to have appropriate skills and background and structure, we might be able to employ them on a full-time, part-time or whatever basis and get them to be an advocate for IBA and do our first screening sort of stuff. But, to do that and do it properly and on a larger scale, you have to have very strong central systems and very strong controls over what they can do and what they cannot do. We would be pretty uncomfortable if they were doing approvals out there, but, in terms of feeding information to clients about what we are doing and how you might access a loan and helping them to fill out the forms and so on, that could be a very useful way of doing it.

**Senator BOYCE**—I was just trying to cast my mind to what sorts of organisations you might mean there, and I cannot think of many. Can you give me—not necessarily names, unless you have some that you can tell us about—examples of the sorts of organisations?

**Mr Gemmell**—We are trialling one up in Nguiu. There is a group up there which we think has some capability.

**Senator BOYCE**—Are you able to tell us what group that is?

**Mr Gemmell**—Could I take that on notice? There is a name but I cannot think of it off the top of my head.

**Senator BOYCE**—Yes, and if you could give us a more details about the trial on notice as well—such as how long it has been going, what business it has turned over et cetera—then that would be good.

**Mr Gemmell**—I can certainly say that the board is very keen that we use this model for the future and start to try and look at using local Indigenous community groups to provide some of the services we might otherwise have tried to provide through either a person placed in the community or someone who is visiting now and then. It is quite an interesting idea.

**Senator BOYCE**—What interaction with government business managers from the remote communities do you?

**Mr Gemmell**—We have some. We have engagement with all levels of government around—

**Senator BOYCE**—Is it ad hoc though?

**Mr Gemmell**—I would probably say that is on a needs basis. We have involvement with certain things. A lot of what these people are doing we do not play in the field of. If there is a business proposition around then, yes, we have some relevance. A lot of what they are dealing with is a long way away from being commercial business propositions.

**Senator BOYCE**—Yes, I realise that.

**Dr Farmer**—I would expect that IBA staff when they visit one of the communities where we have a government business manager would, as we would expect for most organisations that are visiting a community where there is a government business manager, make contact with the business manager and talk about what they are doing.

**Senator BOYCE**—I am just trying to confirm that what we would expect is what actually happens.

**Dr Farmer**—Indeed, and I am sure that Mr Gemmell is ensuring that that happens.

**Senator BOYCE**—Just before I forget, you mentioned that 20 per cent of your staff were Indigenous. Could you, perhaps on notice, give me a breakdown of how many of those people are located in Canberra and how many are located outside Canberra. I presume that you would have to work that out, but if you know off the top of your head then that is fine.

**Mr Gemmell**—I have just about every other figure known to man except the location of these people so I will take that on notice.

**Senator BOYCE**—How many of the 237 staff work in administering the Home Ownership Program?

**Mr Gemmell**—We have 64 staff in our homes program.

**Senator BOYCE**—Is that any different from the Home Ownership Program?

**Mr Gemmell**—No.

**Senator BOYCE**—Does IBA manage its own loan portfolio?

**Mr Gemmell**—Do you mean whether we give loans and then monitor performance?

**Senator BOYCE**—Yes.

**Mr Gemmell**—Yes, indeed we do.

**Senator BOYCE**—But you do not have any other commercial enterprise involved in securing—

US one **Mr Gemmell**—Yes, we do; and we have been trying to develop this a lot. The Home Ownership Program is a self-funded program. It is capital constrained. There has been a waiting list of over 1,000 people for home ownership from Indigenous people for some time. We have been looking at the possibility of trying to get more commercial banks and the like into providing some or all of that finance. We have a product that we call a split loan. A split loan is where we effectively provide the second mortgage and a commercial bank provides the first mortgage. We are putting an increasing number of our clients into the split loan category.

**Senator BOYCE**—Are you able to give me figures on that? When you say an increasing number, are you talking about 10 out of 100 or what?

**Mr Gemmell**—For 2009-10 the number all loans approved in that year was 363 for the program, of which the number of split loans was 77. That is 21 per cent. For this quarter, that is the first quarter of this financial year, there were 174 loans approved of which 44 were split loans. That is 25 per cent.

**Senator BOYCE**—And that increase is deliberate?

**Mr Gemmell**—Absolutely. It is the plan. With the figure for 2008-09 of 348 loans approved, there were 21 in this split category. If you like, we are pushing a product here. We are trying to get more commercial banking finance involved in order that we can then provide more loans. That is the consequence of it. If the banks are providing some, we have more money available to put out more loans. There is a downside: commercial banks provide commercial loans at commercial rates, and our rates are better than that. We do, however, provide all our support services behind those in the same way as we would if we were the 100 per cent financier of the bargain.

**Senator BOYCE**—You said your rates are better. How do you make your rates better? Is it a flat discount from the commercial rate?

**Mr Gemmell**—Pretty much.

**Senator BOYCE**—What is that discount?

**Mr Gemmell**—For homes, it is one per cent below a Commonwealth Bank rate which is determined.

**Senator BOYCE**—We were talking about whether you manage your own loan portfolio. How many banks do you have arrangements with in terms of these split loans? Is it just through one bank or through multiple ones?

**Mr Gemmell**—It is multiple banks. I am not sure I know the figure for quite how many, but it is multiple.

**Senator BOYCE**—Are there any other portfolio management functions that you have contracted out to the private sector? Is there any portfolio management that is completely or partly contracted out?

**Mr Gemmell**—That is difficult to answer. I will try. There are times when loans go bad and we might have to become mortgagee in possession. We might have to put a liquidator or administrator in. That will invariably be a private sector group—a standard sort of private sector liquidator. So we do do that. We manage the portfolio ourselves.

**Senator BOYCE**—Would it be possible to give us a list of the contracts and consultants and the value of those for the last financial year?

**Mr Gemmell**—Yes.

**Senator BOYCE**—I mean people like the liquidators or anyone else that you—

**Mr Gemmell**—The full list will be in our annual report. That is a government requirement.

**Senator BOYCE**—We talked about 363 loans being approved in 2009-10. What was the value of those loans? Could we get the figures for the two lots that you have given me—the 363 and the 174.

**Mr Gemmell**—For the 363 it was \$86.8 million. I am sorry—I have figures in the summary table and then a table at the back, and what it says in the summary and what it says on the back—

**Senator BOYCE**—If I can have that on notice—

**Mr Gemmell**—It is over \$80 million in both years.

**Senator BOYCE**—Just for the first quarter this year?

**Mr Gemmell**—No, I am sorry. It is \$80 million for 2009-10. For this financial year, when we have made 174 loans, it is \$39.4 million.

**Senator BOYCE**—So that is for the first quarter.

**Mr Gemmell**—The first quarter.

**Senator BOYCE**—Does that include the money from other banks?

**Mr Gemmell**—No.

**Senator BOYCE**—Is that the total of the split loans or of IBA funds?

**Mr Gemmell**—That is IBA.

**Senator BOYCE**—On that basis, are you able to give me some sort of picture—again on notice if need be—of what percentage of the split loans would normally be outsourced and what would be your part? Would it be fifty-fifty or 60-40?

**Mr Gemmell**—We have a range of products there. There are three ranges. The normal range is that we do 20-80—20 per cent—

**Senator BOYCE**—Is that 20 per cent IBA?

**Mr Gemmell**—It is 20 per cent IBA and 80 per cent commercial; 45 per cent IBA and 55 per cent commercial; or 60 per cent IBA and 40 per cent commercial—plus, of course, 100 per cent IBA, which is our other product.

**Senator BOYCE**—On notice again, can I have a breakdown of how many are in each of those categories.

**Mr Gemmell**—Yes.

**Senator BOYCE**—Thank you. IBA received an additional \$56 million to support the home ownership program for 2010-11 because it was described as ‘oversubscribed’. How much was it oversubscribed in 2009-10?

**Mr Gemmell**—The ‘oversubscribed’ concept is because of the waiting list. The waiting list as at the end of 2009-10—so we are talking about at 30 June—was 1,069.

**Senator BOYCE**—So what is described as the oversubscription for 2010-11 is about trying to get that figure down—is that right?

**Mr Gemmell**—It is about trying to bring that down.

**Senator BOYCE**—What is your aim in bringing it down for 2010-11?

**Mr Gemmell**—The aim is to reduce it as much as possible. We have brought it down. The waiting list as at the end of the first quarter is 796, so we brought it down a fair bit.

**Ms Rimington**—To add a tag to what Mr Gemmell was saying, with the \$56 million being added to the pool of normal housing funding that we have, it gives us a total of \$140 million and we expect that that will allow us to have about 530 families go into a home as a result of that.

**Senator BOYCE**—Do you mean 530 loans?

**Ms Rimington**—Correct.

**Senator BOYCE**—So I can compare it with the 363? What was that last figure, Ms Rimington?

**Ms Rimington**—It was 530. With the \$56 million added to what we have already available, it will give us, we think, a total of around 530.

**Senator BOYCE**—Is that \$56 million exactly 530 loans? How much of that will go into on-costs like extra staff and extra travel?

**Mr Gemmell**—It is all loan.

**Senator BOYCE**—So you are anticipating doing it with exactly the same staff you have got now?

**Mr Gemmell**—Yes, they are just going to work harder.

**Senator BOYCE**—Yes. Nevertheless, one assumes you must have had to do a bit of restructuring to get that to happen or people are being asked to work overtime without being paid for it.

**Mr Gemmell**—Not a lot. A lot of the time that is spent by our staff is spent in support activities as distinct from loan approvals. You just have to balance those up.

**Senator BOYCE**—But isn’t there a problem if a level of support that was required is no longer provided? Either the staff were underutilised before or there are going to be some shortcuts taken.

**Dr Harmer**—While Mr Gemmell is thinking about the answer, I will say that it is not unusual from time to time to reallocate priorities and to move staff into areas that are a higher priority temporarily or sometimes permanently. I would think that IBA do the same thing.

**Senator BOYCE**—In that case, which areas would be being prioritised now?

**Mr Gemmell**—The Home Ownership on Indigenous Land program, HOIL, which is where the funds came from is not running at the pace that we had anticipated, so there are resources there that would be underutilised if we kept them the way it was.

**Senator BOYCE**—That is the \$56 million you have moved across?

**Mr Gemmell**—That is the program money. There is also an administrative resource attached to that as well.

**Senator BOYCE**—Why isn't the HOIL program operating at the level anticipated?

**Mr Gemmell**—Basically, land tenure arrangements have to be sorted out before we can run this program.

**Senator BOYCE**—So it is running behind time because the leasing, plans and so forth have yet to be put into place?

**Mr Gemmell**—Yes. We are at the end of the chain. We have to put all of this stuff in place and all the administration of it in place and then, when we get secure land tenure, we can come in and think about a housing loan.

**Senator BOYCE**—Whilst you are saying there is a bottleneck now, wouldn't you be anticipating that there would be a lot of activity in this program quite quickly? There would be quite a lot of leases, one hopes, sorted out quite quickly.

**Mr Gemmell**—I do not think it will be all that quick, Senator. It has been pretty slow so far.

**Senator BOYCE**—Sorry—I do not mean they will be resolved quickly, but that there will be quite a lot resolved together or near each other, close to each other.

**Mr Gemmell**—It is possible, but you have also got to get clients who are prepared to take out a loan to build a home. It is possible. We continue to have hopes for the future for this program, and we expect it to increase in scale and size as they sort out these land tenure arrangements. It has been pretty patchy and pretty slow, and it is just not pacing along. I do not lose too much sleep worrying about whether this is going to overtake me and surprise me by suddenly being sorted out tomorrow!

**Senator BOYCE**—Tomorrow is a problem Mr Gemmell!

**Mr Gemmell**—It is almost the other problem I worry about; it just seems to me to be very slow.

**Senator BOYCE**—Is there anything that IBA could be doing to increase that?

**Mr Gemmell**—I am not sure—apart from chipping people all the time. It is not really in our hands. Indeed, it is not really even in the Commonwealth's hands. It is pretty much with the states to sort out these issues.

**Senator BOYCE**—That is not the first time we have heard that states' activities are slowing down reform. As I said earlier, there have been anecdotal reports of the IBA being what was described as 'overly bureaucratic' and 'difficult to deal with'. Is any of that related to the fact that, as you said earlier, you are asking the staff to work harder and streamline their support?

**Mr Gemmell**—I would be surprised. I cannot completely refute it, but I would be surprised. I have been in IBA for six months. One of the things that has surprised me is the lack of complaints that I have actually seen myself or that are going through our system.

**Senator BOYCE**—I presume that you have a formal complaint system?

**Mr Gemmell**—We have a formal complaint system and the usual array of ombudsmen and so on. Considering the business we are in—and sometimes the nasty things we have to do, in terms of foreclosing on assets—I have been surprised at how few complaints there have been. And I have not heard very many at all about what I might call our upfront processes—that is, our approval processes—although I do hear grizzles and complaints from people, often when they have not been successful in their bids for funding for something. We actually, particularly on our business loans program, see vastly more proposals than are actually approved.

**Senator BOYCE**—Given that we have had this \$56 million move over from the home ownership on Indigenous lands program, and that has allowed you to have this big spurt of activity on the home ownership program, I am presuming that your intention is to try to continue to increase this, to pick up even more of the waiting list and to bring more people in. How are you intending to do that after 2010-11?

**Mr Gemmell**—The home ownership program is capital constrained. It is a revolving fund, effectively. So what you can spend out in a particular year is actually related to what gets repaid to you in that year. Unless there is a capital injection in there, like there was with the transfer of the \$56 million, you are just into a revolving cycle where what you can lend out depends on what you receive. Unless there is a capital injection, that program will just roll along at whatever level it is settled at.

**Senator BOYCE**—So you would anticipate that you will be going back to something like halfway between 2009-10 and 2010-11 in years to come?

**Mr Gemmell**—I suspect that, with nothing happening, we will roll back to a sizeable waiting list. If nothing else changes, we will roll back to a sizeable waiting list. And then I imagine we will be talking to government about what can be done about that waiting list. But it does depend on a capital injection, essentially.

**Senator BOYCE**—How many staff are involved in administering the business development assistance program?

**Mr Gemmell**—At 30 June, the number was 64.

**Senator BOYCE**—And how many of those people actually work directly on provision of business loans?

**Mr Gemmell**—That is bit hard to say, Senator. It is another program where a lot of our activity is actually in what I would describe as business support—that is, either helping people as they think through whether they have got a business proposition and what they

might do about it, or assisting the process along as they think through the issues and try and get to a loan. If I can give you an example, 1,800 inquiries came into the organisation last financial year, and they translated to 81 new loans. They were existing business, new business possibilities, all sorts of things and all sorts of support arrangements, which we provide, but there were only 81 actual loans put out there. So a lot of the activity is in what might be described as a non-loan area.

**Senator BOYCE**—Again on notice, are you in any way able to break down those activities into support activities, administration activities and loan activities?

**Mr Gemmell**—We could try, yes.

**Senator BOYCE**—Okay. Whatever you can give us in that area would be useful. You told me we had 81 business loans in 2009-10. Can you give me the first-quarter figure for that as well?

**Ms Rimington**—Yes, Senator, it is 17.

**Senator BOYCE**—So you have 64 staff and you had 17 loans over three months. I appreciate what you are saying about the support and assistance you provide, but I am trying to understand those percentages.

**Mr Gemmell**—What you have to understand, Senator, is that sometimes you can have a great success by making sure someone does not get a loan.

**Senator BOYCE**—Yes. One hopes they do not get a loan yet!

**Mr Gemmell**—Yes, that is right; and we have our methodology to try and get them to that position and then send them to where they might go to get the skills or whatever it is they might need to get to the point where they can actually run a successful business. Our view is that we have not been very successful if we have given a person a loan when they were not ready for it. The business fails and they are worse off, we are worse off and we have not helped anybody.

**Senator BOYCE**—Yes. Okay. Could you give me the value of the 81 loans and the 17, and the average size of the loans, please.

**Ms Rimington**—The value of the total 81 is \$13.6 million, and the value of the 17, year-to-date, is \$2.4 million.

**Senator BOYCE**—And what is the average size of the business loans that you give?

**Ms Rimington**—Well, of those new loans, it would end up being about \$170,000-odd.

**Senator BOYCE**—An average of \$170,000.

**Mr Gemmell**—But our average is not that. I would have to take that on notice, because our portfolio—

**Senator BOYCE**—If you could give me both of those on notice, that would be good.

**Mr Gemmell**—I did some quick calculations before I came here, Senator, and I came up with a figure of about \$190,000 across the whole portfolio. But we provide loans of quite significantly different sizes, from a small amount up to \$2 million, under this program.

**Senator BOYCE**—What discounts do you apply to business loans?

**Mr Gemmell**—We tend to apply a discount of about 2½ per cent below the market.

**Senator BOYCE**—Is that fixed?

**Mr Gemmell**—No, it is variable. We review it twice a year, but the target is—

**Senator BOYCE**—So it is based on what?

**Mr Gemmell**—It is based on a target Commonwealth bank rate that we—

**Senator BOYCE**—And why does it vary?

**Mr Gemmell**—It is their normal business loan rate.

**Senator BOYCE**—But your discount varies?

**Mr Gemmell**—No, with the discount we try and stick to the 2½ per cent, but—

**Senator BOYCE**—Okay. I thought you were saying that was variable.

**Mr Gemmell**—No, but what happens is the banks vary their rates every time the Reserve Bank does—

**Senator BOYCE**—No, they don't!

**Mr Gemmell**—and we do it twice a year.

**Senator BOYCE**—No, that's nonsense! They never change their interest rates! What is the default rate for your business loan book?

**Mr Gemmell**—I know what you are talking about, but we are struggling with how to give you an answer. We have figures on arrears, on business failures, on at-risk loans and that sort of stuff.

**Senator BOYCE**—Perhaps business failures and arrears of more than three months or something might be the way to give it to me, and on notice if need be?

**Mr Gemmell**—Yes, we can. As a generalisation, in around a third of the portfolio we would strike a problem. We are dealing with about a third who are having problems: they are in arrears, they are failing or whatever it is. So it is a not inconsiderable part of the loans that have been historically put out over time.

**Senator BOYCE**—Have you benchmarked that against mainstream banking default rates or—

**Mr Gemmell**—I have spent a considerable part of my first six months trying to find some decent benchmarkings, none of which actually work terribly well. For any benchmark you come up with, there are 55 reasons why it does not really apply terribly well. But that does not help you come up with a judgment on whether or not you are doing well. We have done quite a considerable amount of work trying to get our minds around the question of whether this is performing to an adequate standard or not. Looking at the field we are in, which is small business—we are looking at non-commercial loans, or loans that the commercial market would not provide; we have got clients with no equity to put in, so they are highly indebted when they start and they have got little experience in business, so it is a pretty high-risk field that we are playing in—I have come to the conclusion that we are going okay. It is not outside the ballpark. It is nothing like what a bank would accept, but then they would not provide the

loans. But it needs to be improved, and we have to do things to make improvements. We have some plans underway to make improvements to try and reduce that.

**Senator BOYCE**—What are those plans? Does it include the sort of thing you were talking about before, like doing people a favour by not giving them a loan?

**Mr Gemmell**—Yes. One of the things we are rolling out is a new sort of front-end before you get a business loan. It is a program we call 'Into Business', which is trying to get people aware of what is involved, how complex it is to run a small business and what is needed to do all that, in order to have them more business ready and be able to satisfy us that they are business ready at the start. In small business a lot of failure will occur despite the best wishes of everybody, and that is just circumstance. We probably cannot do much about that and there will be a level-off of that. Where we can do better is making sure that our Indigenous clients who come in are actually ready to run a business. They might be terrific at driving a truck, but that does not actually make them very skilled at running a trucking business. If we can make sure they are ready then we are doing the right thing and they will be better off. So we are putting this new program in. It is a bit more intensive up front, but it is intended to ensure that the product at the end is better skilled and we can be more confident about giving the money so that they can actually run that business. Even then I have to say there will be things that—

**Senator BOYCE**—Small business, I think, generally has a reasonably high failure rate. Are there any minimum or maximum loan amounts for businesses?

**Mr Gemmell**—Yes. At the moment we do not go above \$2 million.

**Senator BOYCE**—That is a significant loan, though, for a new business.

**Mr Gemmell**—I think that is a huge loan.

**Senator BOYCE**—What about minimums?

**Mr Gemmell**—No. We have arrangements that go right down to microfinancing.

**Senator BOYCE**—Would you be able to tell me what the smallest business loan that you currently have would be?

**Mr Gemmell**—No. I can tell you that we have an arrangement with the National Australia Bank for microfinance enterprise loans that go down as low as \$500. I cannot tell you whether anyone has taken a \$500 loan.

**Senator BOYCE**—But it is available?

**Mr Gemmell**—It is there.

**Senator BOYCE**—You have just talked about the NAB microloans. Have you undertaken any of those? Do you do those in conjunction with NAB or do you just send people off to NAB?

**Mr Gemmell**—Yes, we do them in conjunction with NAB. NAB provide the money and we provide the support and analysis and that sort of thing.

**Senator BOYCE**—Could you tell me, again on notice, how many of those loans you have done in the last few years—that is, if you cannot do it now.

**Ms Rimington**—No, we can. Last year it was 10.

**Senator BOYCE**—And would you know what the average was of those or what the range was? Again, if you do not mind taking that on notice, that would be good.

**Mr Gemmell**—It is a pretty small product and it is rolling out pretty slowly at the moment. We are having a good look at it to see what the impediment to the take-up of this one is.

**Senator BOYCE**—I am also trying to get to the bottom of the fact that we have had anecdotal complaints about the fact that you will not lend small amounts. That might be going back to your earlier point about trying to get people business ready, but I am trying to understand why people are saying that.

**Mr Gemmell**—I do not know. I have to say that in some ways we find small amounts a lot easier to swallow than big amounts. But we do have arrangements for the whole spectrum, so any information we can get about why people are having problems with it and accessing it. It may be a question of knowledge. It may be a question of how we are treating them. Maybe we are dismissing the people who are coming in for small amounts. I do not know.

**Senator BOYCE**—In the business loans side of your activities, is that program undersubscribed?

**Mr Gemmell**—No, we are not particularly capital constrained in that. Because we have pretty rigorous processes for upfront analysing whether they are business ready, whether it is actually a business proposition in the first place, and many of the ideas are not, at the moment it is not capital constrained, so we could provide more if more people came in with good propositions.

**Senator BOYCE**—So what are your constraints there?

**Mr Gemmell**—Essentially in rough terms around two things. One, a lot of our clients are not actually ready and do not have the skills, capability and experience to run a business. Two, they actually do not have a commercial proposition that is viable. That is a pretty common one. I mean, they have got a good idea but they just have not got a business out of it.

**Senator BOYCE**—I guess what I am trying to get at is whether there is unutilised capital sitting in your business loans program, and if not where are you getting the money from for this program?

**Mr Gemmell**—We do receive annual supplementation from the government for this program, a budget appropriation.

**Senator BOYCE**—Is that open-ended?

**Mr Gemmell**—What do you mean open-ended?

**Senator BOYCE**—Well—

**Mr Gemmell**—No, it is a regular annual amount of money and we have to account for our spending on that. We do our best to do that. We would spend as much money on the program in our business support activities as we do on our loans.

**Senator BOYCE**—Can you give me that breakdown?

**Mr Gemmell**—Yes, we can give you that.

**CHAIR**—Senator Scullion has one question for Dr Harmer. Thank you very much to the IBA for your time. I think we called you once before and did not get to ask you questions, so it is good that we have actually had this interchange this afternoon.

**Dr Harmer**—I hope Senator Scullion’s question is a very general one because I do not have any support here.

**Senator SCULLION**—I am sure you will dodge and weave your way around it! ILC were not able to be here today but I want to ask about an omnibus set of bills introduced on Wednesday of last week. There were some disability payments and there was some rescheduling of land in the Northern Territory. There were also some changes to the role and responsibilities of the ILC. I met with them on Wednesday night and they were unable to provide to me exactly what that was about or the motive for that. I wanted to take this opportunity to get an explanation of why and what it is about.

**Dr Harmer**—I need to take that on notice, Senator. I have not got the detail and I do not think the minister will have either. The question is what are the changes—

**Senator SCULLION**—We have some legislation which basically says that we are going to change the responsibilities and the role of the Indigenous Land Council. It has already been tabled or whatever, put on the *Notice Paper*. I was struggling to try to find out exactly what it meant. Given that I have now talked to the members of the ILC I just happened to meet in Sydney that night—

**Dr Harmer**—If you had asked the question an hour or so ago, I would have had people here who would have been all over that.

**Senator SCULLION**—I had to negotiate to stick it on at the end. I will speak to the minister’s office in terms of getting a brief but I will have to do it some other time.

**Dr Harmer**—I can get you the answer and perhaps have someone phone you and talk you through the proposals. It would be a simple matter of getting one of my legal people who is across the details—

**Senator SCULLION**—I thought you may have been across it as an opportunity to see if you were across any of the motive behind it. No worries, mate. Thank you very much again.

**CHAIR**—Thank you as always, Dr Harmer, and to all your staff, and in particular the group that helped us coordinate today. Thank you, Minister, for your cooperation. Thank you to Hansard and the secretariat.

**Committee adjourned at 4.00 pm**