



COMMONWEALTH OF AUSTRALIA

Official Committee Hansard

SENATE

COMMUNITY AFFAIRS LEGISLATION COMMITTEE

ESTIMATES

(Budget Estimates)

TUESDAY, 1 JUNE 2004

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SENATE

COMMUNITY AFFAIRS LEGISLATION COMMITTEE

Tuesday, 1 June 2004

Members: Senator Knowles (*Chair*), Senator Greig (*Deputy Chair*), Senators Barnett, Denman, Humphries and McLucas

Senators in attendance: Senators Barnett, George Campbell, Jacinta Collins, Forshaw, Greig, Humphries, Knowles, McLucas and Moore

Committee met at 9.07 a.m.

FAMILY AND COMMUNITY AFFAIRS PORTFOLIO

Consideration resumed from 31 May 2004—

In Attendance

Senator Patterson, Minister for Family and Community Services

Department of Family and Community Services

Executive

Mr Mark Sullivan, Secretary

Mr Wayne Jackson, Deputy Secretary

Mr Stephen Hunter, Deputy Secretary

Executive Directors and General Manager

Ms Cate McKenzie, Executive Director, Alliance and Delivery Frameworks Cluster

Mr Tim Youngberry, Executive Director, Budget and Financial Management Cluster

Ms Glenys Beauchamp, Executive Director, Community Development and Support Cluster

Ms Peta Winzar, Executive Director, Economic and Social Participation Cluster

Mr David Kalisch, Executive Director, Family and Children Cluster

Mr Robert Knapp, Executive Director, Strategic and Ageing Cluster

Ms Serena Wilson, Executive Director, Welfare Reform Cluster

Ms Catherine Argall, General Manager, Child Support Agency

1.1: Family Assistance

Mr David Hazlehurst, Assistant Secretary, Family and Children's Policy Branch

Ms Lynne Curran, Assistant Secretary, Family Payments and Child Support Policy Branch

Mr Tony Carmichael, Assistant Secretary, Family and Children's Services Branch

1.2: Youth and Student Support

Mr Jeff Pople, Assistant Secretary, Youth Bureau Programs Branch

Ms Kasy Chambers, Assistant Secretary, Youth Bureau Policy and Promotions Branch

1.3: Child Support

Ms Catherine Argall, General Manager, Child Support Agency

Mr Trevor Sutton, Assistant General Manager, Child Support Agency

1.4: Child Care Support

Ms Dawn Casey, Assistant Secretary, Child Care Services Branch

Ms Lee Emerson, Assistant Secretary, Child Care Benefits Branch

2.1: Housing Support

Ms Liza Carroll, Assistant Secretary, Housing Support Branch

2.2: Community Support

Mr Simon Rosenberg, Assistant Secretary, Community Branch

3.1: Labour Market Assistance

Mr Pete Searle, Assistant Secretary, Labour Market and Parenting Branch

3.2: Disabilities

Ms Frances Davies, Assistant Secretary, Disability Service Reforms Branch

Mr Glen Halloran, State Manager, Queensland State Office

3.3: Carer Support

Ms Peta Winzar, Executive Director, Economic and Social Participation Cluster

3.4: Aged Support

Mr Alex Dolan, Assistant Secretary, Seniors and Means Test Branch

Mr Barry Sandison, Assistant Secretary, Participation Strategies Branch

FaCS Across all outcomes

Mr Evan Lewis, Assistant Secretary, Early Childhood and Communities Branch

Mr Steve Jennaway, Assistant Secretary Budget Development Branch

Mr Nick Hartland, Assistant Secretary, Centrelink Relationships Branch

Ms Linda Powell, Assistant Secretary, International Branch

Mr Brendan Jacomb, Assistant Secretary, Legal Services Branch

Mr Andrew Herscovitch, Assistant Secretary, Ministerial and Communications Branch

Ms Kim Loveday, Assistant Secretary, Resource Management Branch

Ms Fiona Smart, Assistant Secretary, Service Delivery and Assurance Branch

Mr Robert Porteous, Assistant Secretary, Strategic Policy and Knowledge Branch

Mr Andrew Whitecross, Assistant Secretary, Strategic Policy and Knowledge Branch

Mr Bruce Smith, Assistant Secretary, Welfare Reform Taskforce

Mr Phil Lindenmayer, Chief Internal Auditor, Service Delivery and Assurance Branch

Mr Evan Mann, Senior Adviser, Special Advisory Group

Ms Patricia Pearson, Adviser, Special Advisory Group

Australian Institute of Family Studies

Dr Ann Sanson, Acting Director

Ms Catherine Rosenbrock, Manager, Strategy and Communications

Centrelink

Ms Sue Vardon, Chief Executive Officer

Mr Graham Bashford, Deputy Chief Executive Officer, Business

Mr Paul Hickey, Deputy Chief Executive Officer, Service Management

Ms Pat Turner, Deputy Chief Executive Officer, Customer Service

Ms Jane Treadwell, Deputy Chief Executive Officer, Business Transformation/CIO

Ms Charitee Davies, Acting General Manager, Strategic and Business Planning

Ms Katrina Edwards, General Manager, Strategic and Business Planning

Mr Robert Williams, Acting General Manager, Participation and Client Partnerships

Ms Christine Hagan, General Manager, Centrelink Call

Ms Carolyn Hogg, General Manager, Service Integration Shop

Ms Carmel McGregor, General Manager, People and Corporate Performance

Mr Glyn Tomlinson, Acting National Manager, Corporate Performance
Mr David Wilden, Acting National Manager, Workforce Capability and People Management
Mr Mark le Dieu, Acting National Manager, Workplace Relations and Policy
Ms Ann Steward, General Manager, Capability Creation and Management
Ms Elaine Ninham, National Manager, Capability Planning
Mr Trevor Smallwood, National Manager, IT Refresh Program Office
Mr Grant Tidswell, General Manager, Families
Dr Louise Tucker, General Manager, I&T Operations/I&T Service Executive
Mr John Wadeson, General Manager, New Business Solutions
Mr Mike Goldstein, Chief Auditor
Dr Helen McKenna, National Manager, Risk and Business Assurance
Mr Rod Gibson, National Manager, Contracts and Procurement
Mr Paul Cowan, National Manager, Debt Services
Ms Elayne Strahan, Acting National Manager, Participation Payments
Ms Jan Bush, National Manager, Retirement, Carers and Means Test
Ms Michelle Gunasekera, National Manager, Working Age Reform and Simplification
Mr Phil Richardson, National Manager, Detection and Review
Mr Colin Parker, National Manager, Property and Services
Ms Jo Gaha, National Manager, Business Alliances
Mr Marilyn Prothero, Chief Finance Officer and National Manager, Financial Services
Mr Karel Havlat, National Manager, Resource Management
Mr Robin Salvage, National Manager, Service Delivery Integration
Mr Hank Jongen, National Manager, Communication, Media and Marketing
Ms Sally Babbage, National Manager, Families and Child Care
Ms Jenny Thomson, Acting National Manager, Participation Services
Mr Darryl Alexander, National Manager, Participation Requirements
Ms Desley Hargreaves, National Manager, Social Work and Social Inclusion Services
Ms Barbara Causon, National Manager, Indigenous Services
Ms Ruth Freeman, National Manager, Customer Assessment and Referral Services
Ms Elizabeth Hampton, Business Leader, Service Recovery Team
Mr Stephen Connell, Business Leader, Service Recovery Team
Mr Peter Ball, Manager Centrelink International Services
Mr Peter Rock, National Manager, Multicultural Services
Ms Sheryl Lewin, National Manager, Future Capability
Mr Pat Fegan, National Manager, Business and Information Protection
Mr John Regan, National Manager, Area Network
Mr Greg Divall, National Manager, Rural and New Business
Mr Tony Barley, Acting National Manager, Customer Service
Mr Glenn Archer, National Manager, E-Business
Mr Graham Maloney, National Manager, Centrelink Call Operations
Mr Ian McShane, Group Director, Business Transformation
Ms Sheila Ross, Chief Customer Officer
Ms Margaret Hamilton, Dean, Centrelink Virtual College

Mr Dennis Mahony, Acting National Manager, Business Practices
Mr Brian Pacey, National Manager, Profiling and Reviews
Mr Brian Silkstone, National Manager, Customer Support
Ms Lynette Seeto, National Manager, Corporate Systems
Ms Robyn Kemp, National Manager, Environmental Management
Mr Paul Conn, National Manager, Business Intelligence and Information
Ms Peta Fitzgibbon, National Manager, Participation
Mr Brad Clark, National Manager, Project Services and Delivery
Mr Keith Bender, Business Manager, Families and Child Care

CHAIR—Good morning one and all. Welcome back. I declare open the public hearing of the Senate Community Affairs Legislation Committee considering the budget. The committee will now continue examination of the Family and Community Services Portfolio. I would like to mention that the minister will be a couple of minutes late. She has a couple of other things on the go at the moment but has indicated that she is happy for us to start. I would also like to welcome back Mr Sullivan and officers of the department. The committee has completed Centrelink and partially completed the budget and non-budget measures and output group 1.1. We will now commence with the Australian Institute of Family Studies and then continue with the remaining budget and non-budget measures, followed by outcome groups 1.2, 1.3 and 1.4. Outcomes 2 and 3 and related output groups will then be examined.

Senator JACINTA COLLINS—When we get to it, we will go back again to 1.1.

CHAIR—I forgot that but that was not intentional, I assure you.

Senator JACINTA COLLINS—That may not be today. We will see how we go

[9.08 a.m.]

Australian Institute of Family Studies

Senator JACINTA COLLINS—How often does the Institute of Family Studies board meet?

Dr Sanson—It generally meets three or four times a year.

Senator JACINTA COLLINS—Can you tell me how the board members are appointed?

Dr Sanson—The appointment of board members is laid out under the Family Law Act 1975 and they are appointments of the Governor-General on the recommendations of the minister.

Senator JACINTA COLLINS—Can you provide me with some indication of how long each board member has been on the board, their term and who appointed them?

Dr Sanson—I certainly can tell you who was on the board and for how long. Miss Diane Gibson is the presiding member of the board. She was appointed in July 2000 and was then reappointed in July 2003. Professor Donald Chalmers was appointed in July 1998 and reappointed in 2000 and 2003. The longest term for board members is seven years.

Senator JACINTA COLLINS—So there is a maximum term, is there?

Dr Sanson—Yes, there is a maximum term of seven years. Professor Alan Hayes was appointed in July 2000 and reappointed in July 2003. Mr David Kalisch was appointed in November 2002.

Senator JACINTA COLLINS—Oh, Mr Kalisch is on the board! I thought he was having a rest this morning.

Dr Sanson—Professor Frank Oberklaid was appointed in July 2000, and I became a board member when I became acting director in January 2003.

Senator JACINTA COLLINS—When in 2003 did you become acting director?

Dr Sanson—In January.

Senator JACINTA COLLINS—What is the status of the minutes of the board? I have noticed, for instance, that they are not on the web site. Are they publicly available?

Dr Sanson—I think they would be available upon request. We have not as a matter of practice put them on the web.

Senator JACINTA COLLINS—Could I have a copy of those minutes?

Dr Sanson—Can I take that on notice?

Senator JACINTA COLLINS—Okay. Is that something you need to take on notice, or is it something you can provide?

Mr Sullivan—No, we will take it on notice.

Senator JACINTA COLLINS—You need to take advice?

Mr Sullivan—We need to check on the nature of the body and whether the board's minutes are a public document or a document in confidence to the board.

Senator JACINTA COLLINS—A document in confidence to the board? Let me make that a two-level question then: if, for some reason, they are not publicly available or indeed it is considered that they are not available for this committee for some reason, could I ask that the board consider making them available to the committee?

Dr Sanson—I can certainly take that to the board.

Senator JACINTA COLLINS—Do these minutes recall all of the formal decisions of the board?

Dr Sanson—Yes, they do.

Senator JACINTA COLLINS—How do resolutions or decisions of the board generally get communicated to the minister?

Dr Sanson—There is no formal process for doing that but, in our general communications with the department and the minister, we would certainly communicate any particular decisions about courses of action.

Senator JACINTA COLLINS—You have been acting director for about 14 months. What is the ideal time line for directorial appointments?

Dr Sanson—I think that is probably a matter for me to pass on to the secretary to comment on. The length of time of directors of the institute until this time has been very varied. There

have been some that have been reasonably long appointments and others have been relatively short.

Senator JACINTA COLLINS—No, I want to know how long the position would be left vacant for.

Dr Sanson—I think it has been common for there to be a period of around 12 months or longer before filling a vacancy.

Mr Sullivan—The ideal time is the shortest time possible.

Senator JACINTA COLLINS—I appreciate that—much shorter than about 15 months?

Mr Sullivan—Yes.

Senator JACINTA COLLINS—Could I have the date of permanent appointment of each director since 1995, their term of appointment and their finish date and any temporary or acting arrangements—so, essentially, a time line of how the director position was filled since 1995 to today?

Dr Sanson—Yes. I will need to take that on notice. I am happy to provide that.

Senator JACINTA COLLINS—Can I get some details of how the selection process occurred for the appointment, for instance, of Mr Saunders to the position of research director of the institute?

Dr Sanson—I would have to take that on notice, too. That occurred before I was at the institute, so I do not have firsthand knowledge of that.

Senator JACINTA COLLINS—As you consider that, I am seeking to understand past practice.

Dr Sanson—Of research managers, deputy directors as well as the director?

Senator JACINTA COLLINS—Yes. Could I see the advertisement relating to that appointment, the job description and a summary of the recruitment process, including any board decisions, recommendations or suggestions in relation to that appointment?

Dr Sanson—The appointment of Peter Saunders to research manager?

Senator JACINTA COLLINS—That is right.

Dr Sanson—Yes.

Senator JACINTA COLLINS—And the details of the contract of appointment.

Mr Sullivan—As to the details of a contract of employment of a public servant, we will have to take that on notice.

Senator JACINTA COLLINS—It might be useful, Mr Sullivan, for sake of clarity if we can find a way to distinguish between ‘I need to take that on notice because I need time’ as opposed to ‘I need to take that on notice because I need to get advice’.

Mr Sullivan—I need to understand the nature of Mr Saunders’ appointment. As an ongoing or non-ongoing employee under the APS Act, there will not be a contract of employment.

Senator JACINTA COLLINS—Essentially, the act will then provide some detail.

Mr Sullivan—It is not a contract. We will give you the details.

Senator JACINTA COLLINS—Yes, the details of the appointment. Did the conditions vary from the previous appointment? If so, what is the difference between Mr Saunders' conditions and those of present incumbents?

Mr Sullivan—Without knowing the conditions under which Professor Saunders was appointed, we will have to take that on notice. If there is an AWA involved, I may not be able to divulge what is an AWA.

Senator JACINTA COLLINS—Yes, but you can then divulge that is an AWA.

Mr Sullivan—I can divulge that it was an AWA.

Senator JACINTA COLLINS—Then I would presume that the relevant public sector provisions in relation to AWAs would apply.

Mr Sullivan—It is not relevant public sector conditions in AWAs; Industrial Relations Act requirements are involved in AWAs. There are no special conditions around public sector AWAs.

Senator JACINTA COLLINS—Are there not generally conditions over when they can and cannot apply?

Mr Sullivan—No.

Senator JACINTA COLLINS—It varies from department to department, as I understand it.

Mr Sullivan—No. An employer can negotiate an AWA with any employee at any time.

Senator JACINTA COLLINS—That is not generally the practice, though, is it?

Mr Sullivan—It is quite often the practice.

Senator JACINTA COLLINS—Right throughout the public sector?

Mr Sullivan—It varies between employers. But, at that level, it is a common practice.

Senator JACINTA COLLINS—At which level?

Mr Sullivan—At a director of research or equivalent level, it is a very common practice to have an AWA.

Senator JACINTA COLLINS—Yes. Turning to the appointment of a director, who is responsible for the appointment?

Mr Sullivan—The minister.

Senator JACINTA COLLINS—Is that spelt out in the legislation?

Mr Sullivan—Yes, it is.

Senator JACINTA COLLINS—Can you detail for me the selection process that is involved?

Mr Sullivan—The minister is required to take a recommendation to cabinet to have her recommendation endorsed and then the recommendation goes to the Governor-General.

Senator JACINTA COLLINS—And presumably the department advises the minister on recommendations?

Mr Sullivan—The department may or may not provide advice as requested by the minister.

Senator JACINTA COLLINS—Or as requested by the board?

Mr Sullivan—No, the department would be requested for advice by the minister, not by the board. The board of AIFS does not direct the department.

Senator JACINTA COLLINS—So the communication process between AIFS and the minister does not involve the department?

Mr Sullivan—As I understand it, there is nothing in the act that requires communication between the board and the minister on the appointment of the director of AIFS. The board does not—

Senator JACINTA COLLINS—I am not necessarily asking about the act now; I am asking about the process. In terms of the process, I asked an earlier question about what communication occurs between the board and the minister.

Mr Sullivan—That would be up to the minister.

Senator JACINTA COLLINS—In practice, does AIFS generally communicate with the minister through the department.

Mr Sullivan—Not always.

Senator JACINTA COLLINS—But it occurs sometimes?

Mr Sullivan—They meet directly with the minister.

Senator JACINTA COLLINS—When was the last permanent appointment made to the position?

Mr Sullivan—It would have been David Stanton's appointment, which terminated in November—

Dr Sanson—He was appointed on 14 November 1999 and then terminated on 13 January 2003.

Senator JACINTA COLLINS—Once that position was terminated, did the minister seek the board's advice on a new appointment?

Mr Sullivan—I am not aware whether or not the then minister sought the advice of the board on an appointment, but she was considering possible appointments to the director's job.

Senator JACINTA COLLINS—Was considering?

Mr Sullivan—Yes.

Senator JACINTA COLLINS—Dr Sanson, are you aware of whether or not the minister sought the advice of the board?

Dr Sanson—I am not aware of any communication between the minister and the board from the time that I became acting director, but I do not know about communications that occurred before then.

Senator JACINTA COLLINS—When the position became vacant in January 2003, can you explain what then happened? Was an interim appointment made or was someone appointed to act in the position?

Mr Sullivan—Dr Sanson was appointed to act in the position.

Senator JACINTA COLLINS—Who made that decision?

Mr Sullivan—Minister Vanstone.

Senator JACINTA COLLINS—Is it the case that earlier this year a public servant acted in the position for about a week?

Mr Sullivan—That is true.

Senator JACINTA COLLINS—Who was that?

Mr Sullivan—Gwenda Prince.

Senator JACINTA COLLINS—Why was that?

Mr Sullivan—That was because under the act there is a time limit for an acting director to serve no longer than 12 months.

Senator JACINTA COLLINS—That is bizarre. Can you verify that if this had not been done then Dr Sanson would have to have been confirmed in the job?

Mr Sullivan—No. Dr Sanson was barred from acting as the director for more than 12 months. It would have meant that her appointment would have been unlawful.

Senator JACINTA COLLINS—Yes. So what did Dr Sanson do for a week?

Dr Sanson—I reverted to my role as deputy director.

Senator JACINTA COLLINS—Who made the decision to deal with this issue in this way?

Mr Sullivan—The minister.

Senator JACINTA COLLINS—Which minister?

Mr Sullivan—Minister Patterson approved the appointment of Gwenda Prince for a period—

Senator JACINTA COLLINS—A week.

Mr Sullivan—a week, and then approved the appointment of Dr Sanson after that.

Senator JACINTA COLLINS—The minister is not here. There might be a good reason why the minister is not here. It may be within the letter of the law, but I am sure it is not within the intent of the law to deal with these matters in this way—not to mention the impression it must leave amongst people filling these sorts of positions.

Mr Sullivan—The advice given to the minister was that it was a lawful process.

Senator JACINTA COLLINS—I am sure it is lawful.

Mr Sullivan—It is.

Senator JACINTA COLLINS—But it is not within the intent of the law, is it?

Senator MOORE—When the position becomes vacant is there any minimum time for appointment?

Mr Sullivan—No.

Senator MOORE—There is not. So, a week was just decided for that reason.

Mr Sullivan—Yes.

Senator JACINTA COLLINS—I am sure that had those framing it contemplated that people would circumvent the intention by filling the position for a week they might have dealt with that aspect.

Senator MOORE—Mr Sullivan, who is acting in the deputy director's position now while Dr Sanson is in the director's position?

Dr Sanson—We have now appointed Dr Alison Morehead as a senior research adviser, which is substantively the deputy director position.

Senator MOORE—Is that a permanent appointment?

Dr Sanson—No. That, at this stage, is a contract appointment.

Senator MOORE—Is that as a result of your higher duties, to all intents and purposes?

Dr Sanson—Yes.

Senator MOORE—So the term of that is pending your appointment?

Dr Sanson—To some extent. It is certainly pending the appointment of a permanent director.

Senator JACINTA COLLINS—Was there a deputy director when you needed to vacate the acting director position for a week?

Dr Sanson—No, there was not.

Senator JACINTA COLLINS—Does the board have any role in appointments?

Mr Sullivan—No formal role.

Senator JACINTA COLLINS—Can you provide me with a job description for the director's position?

Mr Sullivan—Yes.

Senator JACINTA COLLINS—What kind of—you will probably need to do take this on notice with the earlier details—academic or other qualifications have previous directors had?

Dr Sanson—Yes, we can take that on notice.

Senator JACINTA COLLINS—What qualifications might be regarded as essential for the position?

Mr Sullivan—Basically, the person who is the director of the institute leads a research institute and therefore needs to have qualifications in the field of research, preferably around family relationships, as well as a managerial capacity to be able to manage the institute, its staff and its budget.

Senator JACINTA COLLINS—So you would be looking for someone who has not only both research and managerial skills but also a fairly detailed standing in terms of research production?

Mr Sullivan—There is a balancing of those requirements.

Senator JACINTA COLLINS—What scope is there to vary the contract offered to a potential director to attract a suitable candidate? What is the range?

Mr Sullivan—The terms and conditions of the director's position are determined by the Remuneration Tribunal.

Senator JACINTA COLLINS—What is that range?

Mr Sullivan—It is probably better that I take that on notice and give you a copy of the determination.

Senator JACINTA COLLINS—When you do that, could you indicate for us where the acting director's position fits within the framework as well?

Mr Sullivan—Yes.

Senator JACINTA COLLINS—Has cabinet received a recommendation to appoint a new director?

Mr Sullivan—Cabinet has discussed the appointment on a number of occasions, but the process has not been concluded.

Senator JACINTA COLLINS—By saying that it has not been concluded, does that mean that no decision has been taken or adverse decisions have been taken?

Mr Sullivan—It may not mean either.

Senator JACINTA COLLINS—Has the minister sought advice about increasing the value of the contract that could be offered?

Mr Sullivan—As I said, that would be a matter for the Remuneration Tribunal.

Senator JACINTA COLLINS—How does the situation of AWAs work with the Remuneration Tribunal?

Mr Sullivan—The director will not be on an AWA. The director's terms and conditions are set by the Remuneration Tribunal. When I talked of an AWA, it was for an APS employee.

Senator JACINTA COLLINS—Has the board in any time in the last two years since Mr Stanton retired discussed the director's position, including the making of a permanent position?

Dr Sanson—There certainly has been discussion about the situation and the process, as we have understood it.

Senator JACINTA COLLINS—Has the board formally or informally made a recommendation about a permanent appointment to the minister?

Dr Sanson—No.

Senator JACINTA COLLINS—What about to the Prime Minister or the Prime Minister's office?

Dr Sanson—No.

Senator JACINTA COLLINS—Neither informally or formally?

Mr Sullivan—I do not know whether we know informally; we only know formally. Members of the board talk to the minister and possibly other ministers. As far as our knowledge is concerned, the board has not made such a recommendation.

Senator JACINTA COLLINS—Has the board expressed concern or communicated a preference to the minister about a permanent appointment?

Mr Sullivan—That is something between the board and the minister. I am not aware of it.

Senator JACINTA COLLINS—It may be between the board and the minister. The board itself might be happy to express itself.

Mr Sullivan—The board knows that it does not have a formal role in the process.

Senator JACINTA COLLINS—Equally, a board that has been dealing with such a lengthy process to achieve a permanent position may determine that it wants to express its concern.

Mr Sullivan—It may, yes.

Senator JACINTA COLLINS—And I am asking if it has.

Dr Sanson—No formal approach to the minister has been made.

Senator JACINTA COLLINS—Has concern been expressed about stability within the institute because of the government's failure to make an appointment to the board?

Mr Sullivan—No, I think the board has expressed its satisfaction with the acting director and with the way the institute is working.

Senator JACINTA COLLINS—How has it expressed its satisfaction with the acting director?

Dr Sanson—I suppose at board meetings. When we have presented reports of the institute in general, and research in particular, the board has been very happy with our level of productivity and the way things have been operating, and it has expressed that in the course of the meetings.

Senator JACINTA COLLINS—When does the minister anticipate a permanent appointee will be announced?

Mr Sullivan—As soon as possible.

Senator JACINTA COLLINS—What performance appraisal, if any, has the acting director participated in during her time in the job?

Mr Sullivan—The fact that Dr Sanson has had her contract as the acting director renewed on a number of occasions, is an expression of confidence. Certainly Dr Sanson has spoken to me on a number of occasions about her position as the acting director, and I have conveyed to her that she has the confidence of the minister and the department in performing the duties.

Senator JACINTA COLLINS—So she has been judged as performing suitably?

Mr Sullivan—She is performing suitably.

Senator JACINTA COLLINS—On the basis of your earlier comments, am I correct in understanding that the board minutes would not record in any form the board's view of the acting director's performance in the job?

Dr Sanson—I think the minutes would reflect the satisfaction with the progress of the institute during the time that I have been in the position.

Senator JACINTA COLLINS—And they do not go that further step of a recommendation about a permanent appointment?

Dr Sanson—No. They would understand that it is not their role to be making a recommendation as such.

Senator JACINTA COLLINS—In the absence of the minister, Mr Sullivan, is the minister aware of whether Miss Catherine Hakim has been interviewed in relation to this position?

Mr Sullivan—In terms of the minister looking for a candidate and making any recommendation, I do not think that we would expect the minister to go into who and under what processes anyone has been considered for the position, until such time as a recommendation has been made and accepted.

Senator JACINTA COLLINS—So you cannot confirm that?

Mr Sullivan—No.

Senator JACINTA COLLINS—Can you confirm who paid for Ms Hakim's visit to Australia last year?

Dr Sanson—We invited her to the Australian Institute of Family Studies biennial conference in February last year. In the process of that, we organised a number of other visits for her. A number of government departments and politicians expressed interest in meeting with her, and we facilitated those meetings.

Senator JACINTA COLLINS—Did the minister meet with Ms Hakim? I would be surprised if she did not.

Mr Sullivan—Minister Patterson was not the minister when Ms Hakim came. Minister Vanstone did meet with Catherine Hakim when she was in Australia.

Senator JACINTA COLLINS—Did Minister Patterson?

Senator Patterson—Sorry that I am late.

Senator JACINTA COLLINS—We have actually been talking to you in your absence.

Senator Patterson—I had my ear half on it, but I had something else I had to do. I apologise.

Senator JACINTA COLLINS—That is fine. I am seeking to understand whether, during Ms Catherine Hakim's visit to Australia last year, you had the opportunity to meet her, Minister. You were not the relevant minister at the time, but you may have met her in other—

Senator Patterson—I have always been interested in this area. She gave a seminar and I attended the seminar. I think I might have said hello. I am not sure I had any more conversation than that, because there were a lot of people at the seminar.

Senator JACINTA COLLINS—That is why I would have been surprised if you had not met her through a seminar or the like. Can you confirm that negotiations have taken place with Dr Hakim in relation to the position of director of AIFS?

Senator Patterson—I am not going to confirm anything about the arrangements regarding the appointment. It is an ongoing issue. There are always discussions around these things, and they are confidential.

Senator JACINTA COLLINS—Can you give us any indication why it has taken so long to deal with this appointment?

Senator Patterson—I have had the experience of being on the Monash board and being involved in the selection of deans and professors. It can sometimes take a year or two. I noticed the other day that the Brotherhood of St Lawrence has taken over a year to appoint someone. It is a lengthy process. As the Secretary said, you would always like them to be faster, but it does not always work out that way.

Senator JACINTA COLLINS—I would like to go back to the issue of filling the position for a week. Were you the relevant minister at that stage?

Senator Patterson—Yes, I was.

Senator JACINTA COLLINS—Has any thought been given to changing the arrangements to require the appointment to occur within 12 months—otherwise, you go to some bizarre process of filling the process for a week to then go back to the earlier arrangements?

Senator Patterson—Are you suggesting that we should make it longer? I do not know. It was a 12-month period. I was advised by the department that it was a legal process.

Senator JACINTA COLLINS—It was within the letter of the law but perhaps not the intent.

Senator Patterson—The letter of the law is there. It may need to be looked at to extend it, given that sometimes these appointments take a long while. Also, even when you do make an appointment, it takes a while for a person to leave their previous position. These days people often have to give six months notice. So I think maybe we ought to look at it being longer. But, given that it was only 12 months and that the advice I was given was that this process was legal and that it was the approach to take, that is what I did.

Senator JACINTA COLLINS—Would you agree that it is not ideal that we circumvent the process by that type of measure—by bringing someone in for a week?

Senator Patterson—You might not think so, but it was legal and it also gave continuity to the institute.

Senator FORSHAW—Do you think it was appropriate? You may have felt it was necessary.

Senator Patterson—Yes. The advice I was given was that this was a process and that it was legal.

Senator JACINTA COLLINS—How often does this occur?

Senator Patterson—I do not know.

Mr Sullivan—I do not believe it happened before. The advice we were giving the minister was that Dr Sanson was clearly the most suitable person to act as director and that there was a 12-month limit on that and that, if you broke the appointment, it would be lawful. So we achieved the objective, which was that the most suitable available person act as director. I think the actual intent was that the best person act as acting director. We had to do it lawfully and break the acting period. I guess the alternative was to say that, while Dr Sanson would have been the most obvious and suitable person to act as the director, she could no longer act as the director. We did not want to do that. We felt that she was the most capable available officer to act as the director of the Australian Institute of Family Studies.

Senator JACINTA COLLINS—But you are not aware that that advice—that circumventing the arrangements by bringing someone in for a week was legal—has been applied in any other appointments?

Mr Sullivan—You talked about AIFS. I do not believe it has occurred at the Australian Institute of Family Studies, and that is the only thing I am talking about.

Senator JACINTA COLLINS—But you did seek advice on whether this was legal—

Mr Sullivan—Yes, we did.

Senator JACINTA COLLINS—and I am asking whether that advice advised you of whether this practice had occurred elsewhere.

Mr Sullivan—The advice advised us that it was legal.

Senator FORSHAW—Did the advice go to the issue of precedent?

Mr Sullivan—No, it just went to the interpretation of the act.

Senator FORSHAW—So it was a strict letter of the law reading in order to come up with a legal device to overcome—

Mr Sullivan—While it is strict, it is the law.

Senator FORSHAW—Let us not get into that debate; that will take us all day.

Senator JACINTA COLLINS—Who suggested this contrivance? Did it come from the department, or was it the advice back to you about how to deal with the situation?

Mr Sullivan—I do not think it is a contrivance. No-one suggested a contrivance. This is what was suggested. We were coming to a period of time where Dr Sanson had acted in the position for 12 months. We advised the minister that at the end of that 12-month period Dr Sanson could no longer continue to act as director. We advised the minister that Dr Sanson was the suitable person and was prepared to continue as the acting director. We proposed to the minister that if another person acted in the position for a short time there would be nothing to then stop the reappointment as acting director of Dr Sanson. So, in terms of achieving the outcome that Dr Sanson continued to act, we advised the minister that this is how you would do it and we advised the minister that we had sought and received advice that this was lawful.

Senator JACINTA COLLINS—Was the delay a result of there not having been a recommendation made to cabinet by the minister at that stage?

Mr Sullivan—As I said, the appointment had been discussed in cabinet on a number of occasions but there had not been an appointment made.

Senator JACINTA COLLINS—When did the process of appointing a permanent director commence?

Mr Sullivan—When the previous director resigned.

Senator JACINTA COLLINS—When was the first occasion on which it was at cabinet?

Mr Sullivan—I am not sure of the date. It would have been a few months after the resignation of the previous director, David Stanton.

Senator JACINTA COLLINS—I think that finishes my questions for the institute. Thank you very much. Dr Sanson, I have certainly not heard any different from what Mr Sullivan said through the course of these questions.

[9.42 a.m.]

Senator FORSHAW—I want to ask some questions about the one-off carers payment bonus. Is Ms Winzar here?

Senator JACINTA COLLINS—Do you want to do something in the meantime? There are a couple of other issues I can deal with before we go to 1.2. We can start on those.

Mr Sullivan—Are they in 1.1 or general?

Senator JACINTA COLLINS—The first is across outcomes. The second is, I presume, within your communications, or PR, area.

Mr Sullivan—About?

Senator JACINTA COLLINS—Video production. Firstly, I go to the across outcomes one. With respect to our questions on four-year forward estimates, we had asked written questions on notice—questions 126, 127 and 128. I was astonished—and we will come back to this later—at what the department had not yet done in relation to budget measures so far from yesterday, and I am equally astounded that you have provided information for the last six years on estimates of future years administered expenses and the assumptions underlying them but in these answers I am now told they are confidential.

Mr Jennaway—That is correct. I was asked to check with Treasury whether there were any concerns about those figures. What we have identified is that the Treasury parameters that are used to do our estimates are, essentially, confidential and by providing that data we have, in the past, effectively been giving you information which could be exposing the confidentiality of those Treasury parameters.

Senator JACINTA COLLINS—What do you understand to be the nature of those confidentiality issues?

Mr Jennaway—I do not have any detail on that other than the response we have received from Treasury that that was consistent with their view that it is not information that they put in the public domain.

Senator JACINTA COLLINS—Are you aware of this issue, Mr Sullivan?

Mr Sullivan—Yes, because I asked Mr Jennaway to check with Treasury whether or not we were to provide advice on what is their material.

Senator JACINTA COLLINS—But, as Mr Jennaway says, this is advice that has been provided to this committee for the past six years. I am trying to understand why, if that is the case, it was not identified in the past or, indeed, what has changed on this occasion that there are suddenly confidentiality issues.

Mr Sullivan—I think what has changed from the past is that we did not previously seek Treasury's clearance to the provision of their information and we have provided it. I asked that we seek Treasury's clearance and we did not get it.

Senator JACINTA COLLINS—So you actually sought Treasury's clearance?

Mr Sullivan—I asked Mr Jennaway to seek it. I was going through the questions and said, 'Whose material is this?' I was advised that it was Treasury's material, and I said, 'Have we sought Treasury's clearance to it?' There was a conversation which was around 'well, we just always provide this'. I said, 'I want to seek Treasury's clearance,' and we did not get Treasury's clearance.

Senator JACINTA COLLINS—And you had not sought Treasury's clearance in the past?

Mr Sullivan—I had not, no.

Senator JACINTA COLLINS—Had the department?

Mr Sullivan—No, I do not believe so.

Senator JACINTA COLLINS—Was it Treasury's information in the past or was it FaCS's information in the past?

Mr Sullivan—It is Treasury information; it is budget forward estimates information.

Senator JACINTA COLLINS—What information has FaCS provided to Treasury that forms the basis of these parameters?

Mr Jennaway—No, I think it is the other way around. They provide us with parameters which we use to estimate where we think outlays are heading based on their forecasts.

Senator JACINTA COLLINS—Without, at the moment, trying to go to this confidentiality issue, give me an example of what those parameters might be.

Mr Jennaway—They would provide estimates of customer numbers in, say, the unemployment area based on their forecasts of how they think the economy is trending.

Senator JACINTA COLLINS—On what basis would those sorts of parameters be regarded as confidential? They are basic assumptions in the formulation of a budget. This is what this estimates process is about. I am intrigued. I think the Clerk will be intrigued, too, when I get to him.

Mr Jennaway—That information was not provided to me. It was merely that—

Senator JACINTA COLLINS—Mr Sullivan might be able to help. I am sure Mr Sullivan would not just automatically accept some Treasury line that something was confidential now. I am sure he has done a little bit more research into the matter, anticipating that he was going

to be questioned on it, although this might have been one of those other areas in the PBS that he was testing me on to see if we found it.

Mr Sullivan—I had no doubt. The answer to you was very up front; it was that—

Senator JACINTA COLLINS—Treasury said no. Why? What is the basis for them saying no, and are they actually in a position to say no?

Mr Sullivan—You would need to test that with Treasury rather than me. Remember, they are saying no to me, and they have confirmed that they are saying no to me.

Senator JACINTA COLLINS—You did not seek an explanation as to why they were saying no to you?

Mr Sullivan—Not particularly.

Senator JACINTA COLLINS—You did not feel that it was your responsibility in dealing with this committee to ascertain the reasons for them saying no to you?

Mr Sullivan—I satisfied myself that it was Treasury material, and it is for Treasury to decide whether material which goes to their budget modelling, particularly in the out years, is available or is confidential to them. Of course, in our budget estimates you can see exactly where those modellings take us this year, because the parameters are disclosed in the budget papers in respect of growth, unemployment, CPI et cetera. Where those estimates go in future years is Treasury modelling.

Senator JACINTA COLLINS—But let me take this point to its logical conclusion. You will tell me that the answer to a question that I asked Ms Casey yesterday, for instance, about the calculation of new as opposed to existing child-care places is a Treasury estimate that is confidential.

Mr Sullivan—No. It is not a Treasury estimate that is confidential. We do all of that estimation.

Senator JACINTA COLLINS—This is why I am asking you—

Mr Sullivan—We do not do this estimation.

Senator JACINTA COLLINS—You do not do any of the estimation about customer numbers?

Mr Sullivan—We do some of it, but it is based entirely on Treasury's inputs and models.

Senator JACINTA COLLINS—It might be based on their models, but you provide the inputs in terms of anticipated customer numbers—yes?

Mr Sullivan—No. It is something between us and Treasury. It is clearly in Treasury's domain.

Senator JACINTA COLLINS—But you provide input. If you cannot provide me with the details as you have in the past in relation to Treasury's parameters, you can at least provide me with what the FaCS input is.

Mr Sullivan—The FaCS inputs would be reasonably easy. They are the existent populations.

Senator JACINTA COLLINS—Yes?

Mr Sullivan—And then Treasury, with their parameters, take over. We produce the gold book every month. It has all the numbers.

Senator JACINTA COLLINS—The gold book?

Mr Sullivan—You can look at that and see where our benefit numbers are trending and where they are—

Senator JACINTA COLLINS—And then Treasury takes over the assumptions on whether they might go up or down. So Treasury may put in an assumption that something is going to happen in the economy in six months time, and that will be the explanation for why customer numbers may have declined.

Mr Sullivan—It only goes to estimates processes—the estimate of expenditure. It does not go to any actual expenditure, because actual expenditure is determined by actual customer numbers. But they will, in terms of looking at the forward estimates of government outlays, use their modelling on our customer number base to determine where those estimates will go.

Senator JACINTA COLLINS—In the past in terms of budget papers Treasury would provide some general information about what their growth estimates were and a variety of the estimates they had taken. Ordinarily, we would have surmised more detail about those estimates you would deal with on a portfolio by portfolio basis, but you are telling me now that, with respect to past practice, Treasury is seeking to close the information in relation to more detailed issues about the assumptions that they have built into the budget, and we have to go to Treasury.

Mr Sullivan—No. There are measures in the budget papers which indicate the current year's parameters. They disclose things fully. You can look at our estimates and see that our estimates on Newstart would reflect those parameters, and they are disclosed in our budget papers. When you are looking at further forward years you have to go to Treasury and ask about the parameter assumptions that are based in forward further years because, as I understand it, they have never been part of the budget papers.

Senator JACINTA COLLINS—What is your understanding of Treasury's position? Will they say that those assumptions are confidential?

Mr Sullivan—Yes.

Senator JACINTA COLLINS—So they are asking the parliament to consider the budget in the context of forward estimates without being prepared to disclose their assumptions beyond one year.

Mr Sullivan—No. They have forward estimates disclosures in the budget papers, but you are now asking for the parameter changes. In respect of most of our client groups, it is not a matter of budget measures affecting Newstart numbers, which is the example we are using.

Senator JACINTA COLLINS—Is that for this year?

Mr Sullivan—Yes.

Mr Jennaway—In line with what Mr Sullivan is saying, I think it is the disaggregation issue that is, in getting down to every one of our different payment types—noting that they are

estimates—where the concern lies because of the confidentiality of the overall trend. What we do is break that down into something which is not in the public domain by customer type.

Senator JACINTA COLLINS—I must admit I still do not understand the confidentiality of the overall trend. Why is this a matter that Treasury would now regard as confidential?

Mr Sullivan—It is something you need to ask Treasury. I have no further information on what Treasury think or want out of this other than the fact that a clearance to provide this information was not given to me. It is Treasury data, therefore I cannot give it to you.

Senator JACINTA COLLINS—I understand that.

Mr Sullivan—And I do not think that me second-guessing Treasury has much point for you.

Senator JACINTA COLLINS—No, but the concerning element of this answer is not that this information is within Treasury's purview. The concerning element of this answer is that the assumptions underlying forward estimates are confidential. In nine years in this place, this is the first time I have ever been aware of such detail being sought. There is a basic issue of public transparency here. If you had said to me that it is because Treasury wants to manage how this information is managed, that is one thing, but to be telling us that it is confidential is a completely different issue. How does that fit with the charter of budget honesty?

Mr Sullivan—It is a discussion you should be having with Treasury.

Senator JACINTA COLLINS—I am still somewhat surprised that—

Mr Sullivan—I think you will find in the forward estimates that there is sufficient information in respect of the financials. What you are then asking is: what can we dig under that, and is your modelling available?

Senator JACINTA COLLINS—We want to know what assumptions apply with respect to how the forward estimates have been calculated. That is not an unreasonable question in budget estimates. This is why we are here. In Mr Kalisch's framework, these are the sorts of questions we are meant to be dealing with. As I said, it would be one thing for you to say to me, 'Treasury is now saying this information is within their purview. They would prefer for it to be dealt with there,' but what you have said in this answer is that this information is now confidential. Given issues such as budget transparency, I am astounded that you have not sought to satisfy yourself further as to why this has occurred. I am astounded.

Mr Sullivan—I think the consistent thing I have said to you is that you need to test with Treasury their attitude to the further release of the information to you. I talked about my request to Treasury to release the information from us, and I was told no.

Senator JACINTA COLLINS—You were told that it is confidential.

Mr Sullivan—Yes, but that is between them and us. You would test between you and them what they are willing to disclose.

Senator JACINTA COLLINS—With respect, the answer here indicates that the assumptions underlying the forward estimates are confidential, not that they lie with Treasury. I am quite happy to go to Treasury and test them, although I would highlight the point that the timing in terms of the provision of answers has led to some problems. I think Treasury is on

today or tomorrow. But, for six years, information that essentially establishes the baseline for the budget has been openly available. The lack of provision of that data is astounding. In relation to the next round of questions we now want to ask regarding the same issues, I presume your answer is that they now need to go to Treasury.

Mr Sullivan—I would have to hear the questions, but, if they are around the same issues, yes.

Senator JACINTA COLLINS—Let's try a different area. Is the production of PR related material—videos and such things—a cross-portfolio issue?

Mr Sullivan—Yes. We can look at the carer payment if you like.

Senator FORSHAW—The one-off carer bonus is set out on page 57 of the PBS. Can you outline to me what process at the moment the department undertakes to contact people who are receiving the carer payment when they have reached 65 and have the option of going onto the age pension?

Ms Winzar—Your question is not so much related to the one-off carer bonus but to the process that Centrelink has for transitions from the carer payment.

Senator FORSHAW—I think we asked some questions yesterday regarding the \$1,000 payment and the \$600 payment for those receiving the carer allowance. I am now interested in the process regarding people transferring from one payment to another.

Ms Winzar—This probably goes more to Centrelink's end of the business but my understanding is that, when people reach age pension age, Centrelink invites them to test their eligibility for age pension if they wish. That is not just in relation to people on carer payment but those receiving any allowance or benefit before age pension age.

Senator FORSHAW—I thought that might have been the case. Does Centrelink send out a letter?

Ms Winzar—That is my understanding, yes.

Senator FORSHAW—I suppose we would need to ask Centrelink for a copy of the sort of letter that goes out, but can you tell me from your knowledge how that is phrased or framed? I am trying to ascertain whether it is just by way of advice or whether there is some form of suggestion that people should look at transferring to the age pension.

Ms Winzar—I would have to get you an example of a relevant letter.

Senator FORSHAW—Would you do that?

Ms Winzar—There is no pressure on people to transfer to the age pension. Centrelink will offer advice to individuals about their respective entitlements under age pension or under their current payment because, depending on what their current payment is, they may be better off going onto an age pension or better off staying on the payment that they are on.

Senator FORSHAW—Could you expand on that? For instance, in what sort of situation would a person be better off going onto the age pension? Presumably the amount is greater. Would it be greater?

Ms Winzar—For some people it would be. If you were on Newstart allowance, for example, then clearly you would have an advantage in moving onto the age pension because of the more generous income and asset testing arrangements, less reporting et cetera and the higher rate.

Senator FORSHAW—What about the other entitlements that go with an age pension? Do they come into it as well?

Ms Winzar—Such as concession cards and so on?

Senator FORSHAW—Yes.

Ms Winzar—Yes, they would be relevant. You mentioned a carer payment recipient. The carer payment is a pension rate of payment and has the same means test that age pension has. If a carer payment recipient was also perhaps a part-time student then they might be getting a pension or education supplement. That is a payment which does not go to age pensioners, so that person might be better off staying on the carer payment.

Senator FORSHAW—Are you able to tell me how many people moved from the carer payment to the age pension in this current year or the previous year?

Ms Winzar—Over the last 12 months around 1,800 people have moved from carer payment to age pension.

Senator FORSHAW—Is that a 2003-04 figure or from a little bit earlier?

Ms Winzar—I am not certain about that. The information I have is just ‘in the last 12 months’, so I would assume it is probably the 12 months ending around about March this year.

Senator FORSHAW—Okay. About 1,800. Is that a fairly constant sort of figure? How would that compare with previous years?

Ms Winzar—I do not know the answer to that question. I can find that out if you wish. I have no reason to think that 1,800 in the last 12 months would be unusual in any way.

Senator FORSHAW—If you would not mind, could you give us some comparable figures for each financial year or 12-month period. If a person has moved from the carer payment to the age pension or if they are in the process of doing that, will they miss out on the one-off carer payment bonus?

Ms Winzar—If they were receiving carer payment on budget night they would receive the \$1,000 bonus. If they transferred to age pension before budget night then they would receive the \$600 bonus if they continued to have a care responsibility that gave them entitlement to carer allowance.

Senator FORSHAW—Gave them an entitlement to carer allowance?

Ms Winzar—That is right.

Senator FORSHAW—Would that mean that in those cases people would have been likely to have been receiving the carer allowance?

Ms Winzar—When I have a look at the 1,800 people who transferred from carer payment to age pension over the last 12 months, around about 1,000 of those continued to receive carer

allowance once they moved onto the age pension. That suggests they had an ongoing care responsibility of some significance. Some of the other 800 people who would have transferred from carer payment to age pension would have done so not just because they turned 65 but perhaps because their caring responsibilities had finished, either through the death of the other person or through their movement into an institutional setting et cetera.

Senator FORSHAW—Yes. But surely the factor that would mean they would transfer to the age pension would be because they turned 65.

Ms Winzar—Not necessarily.

Senator FORSHAW—Well, overwhelmingly—it would not come into contemplation, would it?

Ms Winzar—We do have a number of people who are over age pension age who are receiving carer payment.

Senator FORSHAW—I appreciate that but I am talking about people who were not 65 and who were receiving the carer payment. When they turn 65, they get a letter from Centrelink. That is what triggers, if you like, the consideration of going onto an age pension.

Ms Winzar—Yes.

Senator FORSHAW—If they cease being a carer, whether they are 65, under or over, the carer payment presumably ceases.

Ms Winzar—That is correct.

Senator FORSHAW—That might then lead to consideration of what the alternatives for payment might be if they are eligible for an age pension.

Ms Winzar—That is correct.

Senator FORSHAW—I appreciate what you have just said. But in either case it is turning 65 that is really the catalyst for considering moving to an age pension, isn't it, in most cases?

Ms Winzar—In the circumstances you outlined, that is correct.

Senator FORSHAW—I do not want to go around the tree about this all day but it stands to reason, doesn't it? It is logical. They are going to get a letter from Centrelink.

Ms Winzar—If the only change in their circumstances is that they turned 65 then it is quite likely that they will transfer to the age pension.

Senator FORSHAW—What about those people who have moved from the carer payment to the age pension before budget night and are not in receipt of a carer allowance? They are not going to be picked up by this measure. That is the case.

Ms Winzar—That is correct.

Senator FORSHAW—Any idea of how many? It is about 800 potentially, isn't it?

Ms Winzar—No, it will not be nearly that high. The number of people who have transferred from carer payment to age pension over the last 12 months is around 1,800, and of those 1,000 continue to receive the carer allowance after age pension age.

Senator FORSHAW—They are the ones who would then get the \$600?

Ms Winzar—That is correct. The 800 people who have transferred from carer payment to age pension in the last 12 months but who do not receive carer allowance either are not providing the level of daily care which would attract payment of carer allowance or, for many of them, have ceased their carer responsibilities altogether. So it certainly will not be 800 people who have transferred from carer payment to age pension in the last 12 months who miss out, because a number of those do not have a caring responsibility in an ongoing way.

Senator FORSHAW—Do I conclude from that that those who have moved on to the age pension but are still caring for someone would generally be in receipt of the carer allowance?

Ms Winzar—That is correct.

Senator FORSHAW—Can you take it on notice to tell us how many people would miss out on getting the care allowance?

Ms Winzar—I will not be able to find that information for you. The only way we could do it would be to get Centrelink to physically assess the care needs of and the care provided by all the people who have transferred off carer allowance and onto the age pension over the last 12 months or so. There is no easy way to ascertain whether those people who are not receiving carer payment and not receiving care allowance but who are over age pension age have a care responsibility.

Senator Patterson—You would assume that if they have they have applied for care allowance.

Senator FORSHAW—In the next financial year, 2004-05, what is the estimate of how many people on the carer payment would be eligible to qualify for the age pension? Do you know?

Ms Winzar—No, I do not know, but I have no reason to think that it would be much different from the 1,800 people who in the last 12 months have transferred from carer payment to age pension.

Senator FORSHAW—That could be calculated though, couldn't it?

Ms Winzar—If we did, what we would do would simply be to apply the ratio of the 1,800 people transferring from the carer payment divided by the base of the current carer payment population to our projected carer payment population next year.

Senator FORSHAW—How many people are on the carer payment? You have told me before, I know. While you are looking for that, I assume there is a number that you know are receiving it—

Ms Winzar—There were 81,222 carer payment customers as at March 2004.

Senator FORSHAW—For that 81,000, wouldn't you be able to fairly quickly ascertain how many are in the 64 to 65 age bracket?

Ms Winzar—Yes, I can certainly do that.

Senator FORSHAW—That is going to give us the answer, isn't it? What I am after is how many people next year are likely to move into the age bracket where they would become eligible for the age pension.

Ms Winzar—Yes, it certainly will. I do not expect it to be too different from the 1,800 who transferred in the last 12 months.

Senator FORSHAW—Can you do that for us anyway?

Ms Winzar—We can make that projection.

Senator FORSHAW—I think we asked questions yesterday about whether the bonus payments are on track to be delivered by the end of June. The answer is?

Mr Sullivan—Yes.

Senator FORSHAW—I have some questions on the carer allowance eligibility. How many carers in receipt of carer allowance are currently not living with the people for whom they care?

Ms Winzar—We are expecting that the extension of coresidence arrangements will cover around an additional 13,000 people by the end of the third year that it is introduced. My understanding is that there are about 11½ thousand people currently in that situation.

Senator FORSHAW—How many of those people are providing over 20 hours of personal care a week?

Ms Winzar—By way of clarification, that is 11½ thousand people who are not live-in, who are going to be providing at least 20 hours of care per week.

Senator FORSHAW—Okay, so that is what that figure is. Thank you.

Senator JACINTA COLLINS—Last year I went to a conference dinner for the national child protection awards in Sydney at the Convention Centre. It was a very large dinner engagement, and the keynote address was to be provided by Mr Anthony. It ended up that the minister gave the keynote address through a video. Subsequently, I have heard some other reports from the sector that the minister does, from time to time, send a video rather than attend a forum, so I was curious about how many videos the department is involved in producing for this type of purpose, where that production actually occurs, who is involved and what the cost is.

Mr Herscovitch—I would have to get back to you on that. I do not have that information with me. I am not sure that we would pick up the cost of all of those anyway.

Senator JACINTA COLLINS—Where else might the cost go?

Mr Sullivan—We will check. Certainly, there have been several occasions since I have been in Family and Community Services where both the portfolio minister and—

Senator JACINTA COLLINS—Is that Senator Patterson or Senator Vanstone?

Mr Sullivan—There have been occasions where Senator Patterson, Senator Vanstone or Minister Anthony have not been able to personally attend a function and have organised for a video message to be sent.

Senator Patterson—Sometimes the organisation will request that; other times you offer.

Mr Sullivan—I will get back to you and find out just how that is organised and who pays.

Senator JACINTA COLLINS—Is it an in-house or external production? What is the type of cost? On how many occasions has this occurred? I was somewhat surprised on this particular occasion because it was a keynote address that the minister did not attend on very short notice, which made me wonder what the current practices are.

Senator Patterson—As far as I am concerned—I cannot speak for Mr Anthony—if I do one of these, I do them downstairs in the parliamentary studio.

Senator JACINTA COLLINS—So it is not a departmental cost?

Senator Patterson—I presume it is costed to the department. The studio is booked—it is here; people use it for all sorts of purposes.

Mr Sullivan—We will check.

Senator Patterson—I think the department would have a list of the costs.

Senator JACINTA COLLINS—There is a lot more involved in the production of a video than just popping down into the studio, so I am curious about where and how that occurs.

Senator Patterson—There is the preparation of the autocue, if an autocue is used. It is a very quick procedure—it is not a great production.

Senator JACINTA COLLINS—How long might it take you to ascertain how frequently this occurs, Mr Sullivan?

Mr Sullivan—I do not think it should take us very long.

Senator JACINTA COLLINS—Will you be able to tell me by Friday on how many occasions it has occurred for Minister Patterson or Minister Anthony and the cost involved?

Mr Sullivan—I would hope so.

Senator JACINTA COLLINS—I would be also interested in any protocols that may apply to such matters.

Mr Sullivan—Protocols?

Senator JACINTA COLLINS—Yes. As I said, on this occasion I think there was some level of concern that the minister had committed to a keynote address and on very short notice then provided a video. Perhaps some might argue that the protocol in such instances should be to indicate a lack of availability rather than to on short notice just present a video.

Mr Sullivan—I do not think there would be a protocol for such a thing.

Senator JACINTA COLLINS—We will come back to this when you have further information. Unless there is anything further on the budget and non-budget measures that you want to come back to us on at this stage, we can move to 1.2.

Mr Sullivan—I think we have got some answers to questions from yesterday which could be read into the record. Tony Carmichael has got some.

Mr Carmichael—In answer to a question from last night about the cost of intensive playgroups and supported playgroups, I would like to confirm that the cost of an intensive playgroup is \$156,000 and the cost of a supported playgroup is \$8,300.

Senator JACINTA COLLINS—But you were going to break that down further for me too.

Mr Carmichael—I was going to give you a full list of all of the funded programs under services for families with children, but I have just got this information. That other information is available. I will just table it.

Senator Patterson—Can I go back a minute. Was there an implication in your previous question, Senator Collins, that Minister Larry Anthony had accepted an invitation but had a video made? I hope you were not making such an accusation, because those videos can be made very quickly when a person finds themselves available. I do not know whether that is what you were implying, but if you were—

Senator JACINTA COLLINS—I was not implying anything.

Senator Patterson—Good.

Senator JACINTA COLLINS—I was asking about the processes.

Senator Patterson—Yes, but I thought you may be implying that Minister Anthony had accepted knowing that he could not come. When I was in opposition I had been, on occasion, at functions where a minister has not been able to attend, and that is very understandable, and where a chief of staff or a senior bureaucrat has read the speech. It happens: you accept and then you cannot do it. I do not want there to be any implication—and I am sure you would not either—that Mr Anthony had in some way accepted to give a keynote speech and then—

Senator JACINTA COLLINS—No.

Senator Patterson—Good.

Senator JACINTA COLLINS—Going back to the cost of playgroups, my understanding is that you are yet to come back to us with a break-up of that \$156,000, for instance, in terms of what types of resources are provided, such as a staff person, cars and so on, line by line.

Mr Carmichael—That is by negotiation. We will run a tender process for that. The sorts of things we would be looking for are probably things like a support worker, an education worker or a social worker; sometimes that money will include the cost of a vehicle. It will be subject to a tender process, so there will be some variability in the composition of what that money would be used to fund.

Senator JACINTA COLLINS—But you do have some up and running now.

Mr Carmichael—Yes, we do. We have based these prices on an evaluation of those existing projects.

Senator JACINTA COLLINS—So you could give me a line by line run-down of how that is broken up in the existing ones.

Mr Carmichael—We like to purchase an outcome, which is the service provided, and we like services to provide that in a range of innovative ways. We could give you a range of models, but we do not seek input information from providers. When they tender for a service they will let us know how they can successfully provide the service for those dollars, but that can vary quite widely between providers. There is no real consistent way. The sorts of things that we look for in that service is that there are qualified and competent workers in the

program, and the sorts of workers we are looking for in that intensive one is a social worker or somebody with similar sorts of qualifications, somebody with child-care qualifications or similar. If they are working in an Indigenous community the model would be quite different from the model if they are working in, say, caravan parks or public housing estates. They are the sorts of target groups that we are looking at with the models.

Senator JACINTA COLLINS—If you could provide me with some examples of how the model is broken up so that I can understand how the imports are happening, that would be useful.

Mr Carmichael—Okay.

Senator JACINTA COLLINS—Do I usually deal with Youth Allowance here or elsewhere?

Mr Sullivan—You can do it here.

Senator JACINTA COLLINS—Let's deal with Youth Allowance first then. How many young Australians are on Youth Allowance (Other) because they are unemployed?

Mr Popple—There were 84,000 young job seekers.

Senator JACINTA COLLINS—On Youth Allowance (Other)?

Mr Popple—There are 35,000 on Youth Allowance (Other), and 49,000 on Youth Allowance who are job seeking.

Senator JACINTA COLLINS—Are most of these unemployed youth allowance recipients aged under 18?

Mr Popple—No. I have not actually got the breakdown in front of me, but most of them would be over 18.

Senator JACINTA COLLINS—Could you provide me with the detail of what age the majority of the unemployed youth allowance recipients are—perhaps a breakdown of the age profile? Might that be available by Friday?

Mr Popple—We will see what we can do by Friday.

Senator JACINTA COLLINS—How many unemployed job seekers on Youth Allowance have been unemployed for more than a year?

Mr Popple—I will have to take that on notice.

Senator JACINTA COLLINS—Is that something you could do for Friday?

Mr Popple—Again, we will see.

Senator JACINTA COLLINS—Are most of those youth allowance recipients who have been unemployed for more than a year under the age of 18?

Mr Popple—Again, I have not got it in front of me, but my understanding is that most of them would be 18 or over.

Senator JACINTA COLLINS—But you can check that for us?

Mr Popple—I think we provided quite a bit of this information previously in questions on notice in November and, possibly, in February this year. The numbers have not changed dramatically between those two points.

Senator JACINTA COLLINS—Did we deal with which state had the highest level of unemployed youth allowance recipients? Did you provide a state by state break-up?

Mr Popple—In previous answers, yes we have.

Senator JACINTA COLLINS—Would that have changed?

Mr Popple—I would not have imagined so, no.

Senator JACINTA COLLINS—Did we deal with regional areas?

Mr Popple—My understanding is that we gave a state by state breakdown last time. Actually, we did also include a lot of stuff on local government area, too, I think. That is my recollection.

Senator JACINTA COLLINS—And you do not believe that would have changed much from last time?

Mr Popple—Not from what we provided in February, no.

Senator JACINTA COLLINS—I would still prefer to keep the most up to date of that data, if that is easily updated.

Mr Popple—Some of that stuff might be a bit difficult to update. It is quite a complex run we have to do. I remember last time we did a question on notice it took several days to extract that, but we will see what we can do by Friday.

Senator JACINTA COLLINS—Again, we are looking for whether you have provided previously an update of the average length of time unemployed youth spend on Youth Allowance, and whether there has been a change there, by age group and also by SLA. What is an SLA? What sort of region is that?

Mr Popple—It is a statistical local area.

Senator JACINTA COLLINS—Is that what you have done previously? Is that what you have broken it into previously or was it by postcode?

Mr Popple—I think it was by postcode last time.

Senator JACINTA COLLINS—The statistical local area might be something, if you have not done that previously, that will take longer.

Mr Popple—I do not believe we would be able to do that.

Senator JACINTA COLLINS—At all?

Mr Popple—Not by Friday, no.

Senator JACINTA COLLINS—No; on notice, later.

Mr Popple—I would have to check. Obviously we extract this information from Centrelink, so it is how it is recorded by Centrelink. I would have to go back and check that.

Senator JACINTA COLLINS—Have you previously provided what percentage of unemployed youth allowance recipients have been on Youth Allowance continuously and transferred to Newstart allowance when they turned 21?

Mr Popple—I think that you have asked that before; yes, and again I will check.

Senator JACINTA COLLINS—You will provide an update on that. Can you also provide the average age of this group when they first received a youth allowance.

Mr Popple—Yes.

Senator JACINTA COLLINS—How many unemployed youth allowance recipients have been on Youth Allowance more than once before the age of 21? Have you extrapolated that previously?

Mr Popple—I do not believe so. Again, we will have a look.

Senator JACINTA COLLINS—See how you go—that may take a bit longer.

Mr Popple—I think so.

Senator JACINTA COLLINS—We also have a list of the number of long-term unemployed on Youth Allowance over one year by SLA and postcode. Can you break this down further into age groups and gender?

Mr Popple—We will endeavour to. We often find when we do the postcodes, especially when we start breaking the data down into various categories like gender or age groups and other areas like that, that we sometimes get down to such a point that the numbers are too low to provide because there are risks around privacy and stuff like that. So once we reach down to a particularly low level we cannot provide that data. I think we have indicated that previously in the answers we have provided. So with the sort of breakdown you are talking about there, when you are categorising them down to quite low levels, there might be a number of postcodes on which we will not be able to provide that. I just warn you in advance.

Senator JACINTA COLLINS—Okay. How many young unemployed people do you refer to the Job Network each year? Have you provided that previously?

Mr Popple—I do not believe so.

Senator JACINTA COLLINS—Of this group, how many are on benefits after a year and how many of those that get off benefit outcomes return to claim youth allowance? If it helps I will give the secretariat this in writing so that you can see it sooner rather than later.

Mr Popple—That would be useful.

Senator JACINTA COLLINS—I just have a couple of further questions on Green Corps on this one, so I might go to Green Corps next and then pass you these. How many participants received accredited training under the Green Corps program?

Mr Popple—All participants in Green Corps, as part of their participation in the program, undergo accredited training courses, usually around occupational health and safety and other areas, depending on what course they are doing. So that would just be part of their course. Provided that they spend long enough on the program, that they see the project through, they should have undergone that training. We look at 1,700 participants per year and, assuming that

they have all stayed for a reasonable length of time in the project, they all should have undergone some form of accredited training.

Senator JACINTA COLLINS—All of the training is accredited?

Mr Popple—There is a range of different modules but most of those modules would be accredited, yes. Sometimes there might be some additional training undertaken, depending upon the nature of the project, which would not be accredited.

Senator JACINTA COLLINS—When you say most, do you mean 99 per cent?

Mr Popple—Sorry; all projects have accredited training components but there might be some additional training on top of that which might not be accredited.

Senator JACINTA COLLINS—Of that 1,700, roughly what proportion would stay the appropriate length of time as opposed to moving into employment or onto other training?

Mr Popple—I believe we provided figures before on completion rates. I can check and provide that again for you. I do not know if we have records on how long they stay. The information is just whether or not they leave the project. But I can go back and confirm that.

Senator JACINTA COLLINS—Could you provide the accredited training outcomes delivered to participants for each year since the commencement of Green Corps, including the level of certification?

Mr Popple—I can provide that for the last two years, since we have had the new contract in place. I am not confident that I can provide that for previous years, when the program was run by the Department of Employment, Education and Training. It was transferred to us a couple of years ago. We will see what we have more recently. I am not confident that we have the data going backwards, but we will check.

Senator JACINTA COLLINS—Perhaps on notice, with the level of time involved there, you might be able to check with the other department whether they have retained that information, and we can look at that trend.

Mr Popple—Yes.

Senator JACINTA COLLINS—Can you provide me with the Green Corps final estimate for 2003-04 broken down into line items?

Mr Popple—We have the estimates, but we have not completed—

Senator JACINTA COLLINS—The internal budget.

Mr Popple—Yes. I do not think we have completed that yet. I am also not quite certain what you mean by ‘breakdown’. As far as we are concerned, the breakdown is basically between the participants allowance and money paid to the contractors, which is Job Futures and Greening Australia. I do not know what further level of breakdown you are after.

Senator JACINTA COLLINS—Do you receive a further level of breakdown from the contractor?

Mr Popple—No.

Senator JACINTA COLLINS—The contractor does not provide you with that level of information?

Mr Popple—What sort of things are you after? Basically it is outcome orientated.

Senator JACINTA COLLINS—I know, but I still like to understand inputs. I am just old-fashioned.

Mr Popple—We basically engage Job Futures and Greening Australia to undertake the Green Corps program for us. As I said, we separate out the participants allowance, but otherwise money is just paid for them to run the projects and do their own administration. I do not think we have any further breakdown.

Senator JACINTA COLLINS—That you have in terms of their costings. Just give it to me to the level that you do, then.

Mr Popple—We will.

Senator JACINTA COLLINS—Please give me the final estimate for 2003-04 and the budget estimate broken down to the level we have just discussed. What about the forward estimates for Green Corps?

Mr Popple—I think that we can provide you with the estimates for next financial year and 2003-04. I do not know if we have the breakdown beyond that.

Senator JACINTA COLLINS—In the previous estimates, the department indicated that Green Corps was being evaluated in the new financial year. Could a copy of this evaluation be provided upon its conclusion?

Mr Popple—The evaluation has not been completed yet. Once it is completed, I would have to take advice on that.

Senator JACINTA COLLINS—When is it due to be completed?

Mr Popple—We expect to complete it about August this year.

Senator JACINTA COLLINS—Did we clarify when we were seeking answers back from estimates?

CHAIR—It is normally five to six weeks.

Senator JACINTA COLLINS—Okay. What programs will the Youth Bureau Programs Branch and the Youth Bureau Policy and Promotions Branch be administering in 2004-05?

Mr Popple—The answer is basically the same as that we gave in the questions on notice in February. No additional and no fewer programs will be administered next year.

Senator JACINTA COLLINS—Could you provide the final estimates for 2003-04 and the forward estimates for 2004-05 under the Youth Bureau Policy and Promotions Branch broken down into line items for each program?

Ms Beauchamp—We may not have end-of-year actual expenditure figures before 30 June, but we will give you our best estimate.

Senator JACINTA COLLINS—Give me what you can as your best estimate broken down into line items. You understand what I mean by 'line item', don't you?

Mr Popple—No.

Senator JACINTA COLLINS—I mean internal budget.

Ms Beauchamp—We did provide very detailed information in the questions on notice. I am assuming that it is that kind of detail you are after.

Senator JACINTA COLLINS—That is right. That is why I thought you would understand on this one. Do the same again. Is Mr Popple still looking puzzled, or is it just the lighting?

Mr Popple—It is just the lighting. To be honest, I do not think that our information has changed much from what we provided you in February.

Senator JACINTA COLLINS—Update it. As you said, you can get closer to an estimate of your actuals.

Mr Popple—Most of that would be consistent with the appropriation given.

Senator JACINTA COLLINS—Yes. You can also give me the forward estimate.

Mr Popple—Yes.

Senator JACINTA COLLINS—I can then see how the internal budget may have changed. Can you provide us with the final estimate for Reconnect services for 2003-04, again broken up?

Mr Popple—We can. I think all these programs fall under what you just described.

Senator JACINTA COLLINS—Under the bureau?

Mr Popple—Yes.

Senator JACINTA COLLINS—Good. Then be specific about Reconnect. Would that earlier breakdown give me JPET?

Mr Popple—Yes.

Senator JACINTA COLLINS—Page 137 of the PBS states:

A needs analysis and selection process was completed in 2003-04 with new funding agreements to commence from 1 July 2004.

What are the differences between the old and new funding agreements?

Mr Popple—The main difference is basically the amount of money involved in them. The new contracts represent the fact that a selection process has been undertaken and that we now have new providers on board. Those contracts represent the successful outcome of the selection process and the dollars which have been allocated for the process. There have been some other minor variations to the contracts in a technical sense around reporting and areas like that but no significant change, and that was all done in the consultation process we did in undertaking the business allocation process. We consulted on what the contracts would look like, the performance requirements and stuff like that.

Senator JACINTA COLLINS—Is everybody happy now?

Mr Popple—Yes.

Senator JACINTA COLLINS—What are the minor variations in reporting?

Mr Popple—I do not have that detail in front of me. It is just setting out a reporting regime which was trying to align it with some of our other programs—Reconnect and Youth Activities Services.

Senator JACINTA COLLINS—Let us go to Mentor Marketplace. Give me the final estimate for 2003-04 broken up, the budget estimate broken up and the forward estimate. How far ahead can you give me in the forward estimates for Mentor Marketplace?

Mr Popple—We can give you 2004-05.

Senator JACINTA COLLINS—An answer provided to question on notice No. 78 from our last estimates says that Mentor Marketplace is terminating. Why is that?

Mr Popple—Because it is a terminating program.

Senator JACINTA COLLINS—It has not been refunded?

Mr Popple—Not at this stage.

Senator JACINTA COLLINS—It has not been encapsulated in any of the more recent mentoring announcements that the government has made?

Mr Popple—The program has not been extended at this stage.

Senator JACINTA COLLINS—Youth activities services: I would like the break-up of the 2003-04 final estimate, the budget into line items and, how far can you go in this forward estimate?

Mr Popple—2004-05?

Senator JACINTA COLLINS—That break-up too, please. In answer to questions on notice 129, 130 and 131, the department indicated that FaCS had contracted an independent consultant to provide an evaluation of this and the family liaison worker programs. It was anticipated for April. Has that evaluation finished?

Mr Popple—No, we are still finalising that at the moment.

Senator JACINTA COLLINS—When do you anticipate finishing?

Mr Popple—In June at this stage, by the end of this month. It will be due in June.

Senator JACINTA COLLINS—Could the results be provide on notice?

Mr Popple—I will have to seek advice on that.

Senator JACINTA COLLINS—Innovative and collaborative youth servicing pilots: the FaCS web site lists 26 innovative and collaborative pilots which have been approved and are operating. When did these pilots commence and how long have they been operating for?

Mr Popple—They commenced at different times. Most of them started when it was in DETYA and most of them are now wrapping up. They ran for different times. Some ran for 12 months, others for two years, so there is a range of different start and finish dates.

Senator JACINTA COLLINS—So they started in DETYA but they are in FaCS now.

Mr Popple—They transferred across to FaCS with the last administrative orders changes, when a whole lot of other youth programs transferred to FaCS a couple of years ago.

Senator JACINTA COLLINS—Were they announced in 2002?

Mr Popple—I believe they were but I would have to check.

Senator JACINTA COLLINS—So they transferred across pretty shortly after announcement.

Mr Popple—I believe so, yes.

Senator JACINTA COLLINS—Are you able to say when commencement—

Mr Popple—Some of them had started before that time. There had been pilots which led up to ICYS as well, so some had been going for a year or so before.

Senator JACINTA COLLINS—Right. When did the majority of them commence?

Mr Popple—Around 2002.

Senator JACINTA COLLINS—So there has not been any delay in their commencement?

Mr Popple—No, I do not believe so. Most of them have now come to a conclusion.

Senator JACINTA COLLINS—Can you explain the purpose of the pilots?

Mr Popple—They were part of the Commonwealth government's response to the Youth Pathways Action Plan task force. They were intended to promote more effective collaboration among service providers at the local community level and encourage ownership and accountability in communities for initiatives designed to assist young people between the ages of 12 and 25. They cover a wide range of types, from assisting with things like mental health in Rockhampton to trying to encourage collaboration between various youth services in locations in Maribyrnong and elsewhere in Victoria.

Senator JACINTA COLLINS—Are you able to give me a break-up of how much per budget year has been spent on the pilots, including this budget year?

Mr Popple—Yes. This budget year there was only \$100,000 spent, and that was on the pilot in Rockhampton. There has been no other expenditure this financial year.

Senator JACINTA COLLINS—And projected?

Mr Popple—None. I think we provided the breakdown. As I said, ICYS basically concluded at the end of last financial year. There was some additional money made available this year to assist the transition of one program, the one in Rockhampton. I think we have provided previously the breakdown of the expenditure in previous financial years. So there has been no addition to that.

Senator JACINTA COLLINS—If the last one is up to date, then I just need pretty much what you have given me now about the additional funding for Rockhampton. If it is not quite up to date, then update it and give it back to me.

Mr Popple—I will check the previous answers.

Senator JACINTA COLLINS—What happens once all of the projects are concluded? Is that it? There is nothing flowing from them?

Mr Popple—The projects included action plans to help maintain sustainability beyond the life of the funding. Most of the organisations were able to find other sources of funding. The

projects were also designed to develop a degree of sustainability. As I said, the only one for which we have extended funding into this financial year has been in Rockhampton.

Senator JACINTA COLLINS—Do you have a breakdown of those other sources of funding that they went on to?

Mr Popple—No.

Senator JACINTA COLLINS—Do you have an anecdotal understanding of them?

Mr Popple—Some of them were picked up by state government. I believe there was some funding provided by the New South Wales state government in some cases. The examples escape me at the moment. Others might have picked up other forms of Commonwealth funding, and others were able to establish themselves so that they were able to generate funding from within the community in which they were operating.

Senator JACINTA COLLINS—Which ones attracted other Commonwealth funding to continue?

Mr Popple—I do not have that information in front of me.

Senator JACINTA COLLINS—Could you provide that?

Mr Popple—I will try to.

Senator JACINTA COLLINS—I will be particularly curious as to whether there are any examples where that has occurred with Stronger Families.

Mr Popple—I will have a look.

Senator JACINTA COLLINS—Has there been any evaluation of these pilots?

Mr Popple—There is currently an evaluation under way.

Senator JACINTA COLLINS—When is it due to conclude?

Mr Popple—In the next couple of months.

Senator JACINTA COLLINS—Do you have any interim report on what outcomes have been achieved for participants?

Mr Popple—I have not seen the final report, but my understanding is that the evaluation has been quite positive. The pilots were particularly useful in encouraging collaboration between youth services in different locations.

Senator JACINTA COLLINS—But you have no detail on actual outcomes?

Mr Popple—Not with me. I do not have the final report here.

Senator JACINTA COLLINS—Has the department considered whether the pilots should or should not be extended?

Mr Popple—The pilots were for a fixed period. As I said, that funding finished at the end of last financial year and, with the exception of Rockhampton, there has not been any continuation.

Senator JACINTA COLLINS—Did you consider continuation of any projects other than the Rockhampton one?

Mr Popple—I think that is a matter of advice for government and not something I can comment on.

Senator JACINTA COLLINS—In general terms, given that the final evaluation has not been concluded, you said that you believe the results were quite positive. Can I take from that that the department considered these projects to be useful in providing transitional support to young Australians?

Mr Popple—I think you can conclude from that that the projects were useful. They performed the function that they were intended to do. As I said, I have not got the final report here. You asked for some anecdotal comments, and that is what I was providing.

Senator JACINTA COLLINS—But, in overall terms, would you say from experience that these services should continue?

Mr Popple—I think that is really a matter for the government.

Senator JACINTA COLLINS—Has the department been contacted by service providers about having the pilots continue, beyond the Rockhampton one?

Mr Popple—Some services did approach us about whether that was a possibility.

Senator JACINTA COLLINS—How many?

Mr Popple—From recollection, only about three or four at the most, I think.

Senator JACINTA COLLINS—So three or four on top of the Rockhampton one?

Mr Popple—Including the Rockhampton one, I think.

Senator JACINTA COLLINS—Okay.

Mr Popple—Sorry; make that on top of the Rockhampton one—I think probably about five representations were received.

Senator JACINTA COLLINS—A total of five?

Mr Popple—Yes.

Senator JACINTA COLLINS—What is your understanding of how many of them will be continuing?

Mr Popple—I really do not have that information.

Senator JACINTA COLLINS—Can you provide it on notice?

Mr Popple—I will endeavour to do so, yes.

Senator JACINTA COLLINS—We have got a total of 26.

Mr Popple—28.

Senator JACINTA COLLINS—One has been funded to continue for a period; what is the period for Rockhampton?

Mr Popple—Sorry?

Senator JACINTA COLLINS—When does Rockhampton's additional funding terminate?

Mr Popple—Rockhampton has been funded till the end of the calendar year. It was done in cooperation with the local community and with the state government. Overall they received the sufficient funds to continue for the remainder of this calendar year.

Senator JACINTA COLLINS—And I am interested in which of the other programs achieved their sustainability objective.

Mr Popple—Certainly. That would be part of the evaluation. As I said, that has not been completed yet, so I would probably like to get the results of the evaluation before commenting.

Senator JACINTA COLLINS—But you were going to provide me with your understanding of—

Mr Popple—My understanding, yes.

Senator JACINTA COLLINS—which ones had gained funding from other sources.

Mr Popple—If we have got that information available, I will try to do that.

Senator JACINTA COLLINS—You may also have information available on those you know are terminating—

Mr Popple—Yes.

Senator JACINTA COLLINS—because of a lack of funds. Youth initiatives: there are a number of youth initiatives that focus on the positive participation and contribution of young people, several of which I will now deal with. If we start with the National Youth Roundtable—can you please provide the final estimate for the roundtable for 2003-04, broken up into line items?

Ms Chambers—We can give you a to-date estimate at the moment, but I would prefer to take that on notice and provide it at the end of the financial year.

Senator JACINTA COLLINS—Similarly, I would like the budget estimate and the forward estimate. When you are looking at the breakdown to line items, I am looking at inputs for things such as the catering, printing and design, editing, travel, accommodation, consultancies, postage—those types of items.

Ms Chambers—Certainly.

Senator JACINTA COLLINS—The Indigenous Youth Leadership Group—again, I would like the final estimate, the budget estimate and the forward estimate, again into line items. In the last round of estimates the department indicated that it was looking at how applicants are sought and that one of the strategies being considered was talking directly to communities and community leaders. Has that happened?

Ms Chambers—It has, and we have increased the number of applications by about 20 per cent this year.

Senator JACINTA COLLINS—So how many have you got now?

Ms Chambers—I am just looking for the exact figures. It was a 20 per cent increase on last year, which brings it to 50 applications.

Senator JACINTA COLLINS—How does that compare to the roundtable?

Ms Chambers—The roundtable had 660 applications.

Senator JACINTA COLLINS—Have you identified any particular factors you think are still keeping these numbers fairly low?

Ms Chambers—We have worked fairly hard with some of the community groups this year and, while we are at the moment concentrating on getting in the applications to date—they actually only closed on 14 May—we are now looking at some of the information we gained from those conversations.

Senator JACINTA COLLINS—And have you identified any factors at this stage?

Ms Chambers—Nothing that I would like to comment on at this stage.

Senator JACINTA COLLINS—Is the travel a significant issue?

Ms Chambers—The travel is actually paid for by the funding for the National Indigenous Youth Leadership Group, so it should not be an issue of cost.

Senator JACINTA COLLINS—I do not mean the cost of the travel.

Ms Chambers—It is possible we will be talking to young people in the group, but again I would not like to make any comments on the conversations we have had to date, because we have not pulled them into a summary just yet.

Senator JACINTA COLLINS—On AFOYO, could you provide me with the final estimate 2003-04, the budget estimate and the forward estimates and, again, a break-up of catering, printing, design, editing, travel, accommodation, consultancies, postage et cetera?

Ms Chambers—Again, I would like to take those on notice.

Mr Sullivan—We will do these break-ups as well as we can. I do not think we can do a postage break-up, for instance, by these little things. We have a postage bill for the department. We will do what we can.

Senator JACINTA COLLINS—Similarly, for the YMCA youth parliament.

Ms Chambers—The YMCA youth parliament is simply a payment to the YMCA to provide that service. We do not have a breakdown of costs; we provide a one-off payment to them and we have a contract on certain outcomes with them.

Senator JACINTA COLLINS—So what was the payment this year?

Ms Chambers—The payment for this year was \$49,500 for the 2003 program. The program runs only every two years.

Senator JACINTA COLLINS—And for 2005?

Ms Chambers—We are currently waiting for the YMCA to come to us with a proposal. We have met with them post the 2003 youth parliament, and we are waiting on them to come back to us with a proposal.

Senator JACINTA COLLINS—Does the department do any work around the YMCA youth parliament that would be relevant?

Ms Chambers—We have officers who attend the youth parliament so that we can hear information that is being discussed. But, as I say, it is a one-off payment as a contract to the YMCA to produce that outcome.

Senator JACINTA COLLINS—There are no additional costs for the department other than staffing associated with the event?

Ms Chambers—Just staffing, yes.

Senator JACINTA COLLINS—I now refer to National Youth Week. What is the expenditure on that?

Ms Chambers—The expenditure is broken down into a couple of items, one of which is grants to state and territory governments. In addition to those grants the Australian government funds all the national promotional activities and coordinates National Youth Week. So there are two separate costings. The first one for 2004 was \$242,000. That is for the grants to state and territory governments. The budget for the national promotional activities and products was \$408,000.

Senator JACINTA COLLINS—The grants to state and territory governments are for what purpose?

Ms Chambers—They are for those jurisdictions to provide activities for the communities in their areas. They are often met with other dollars from the state and territory jurisdictions as well and from local government areas.

Senator JACINTA COLLINS—So in terms of the grants to states would you be able to give me a break-up of how much goes to each state?

Ms Chambers—I could not provide that here but we would be able to do so.

Senator JACINTA COLLINS—How can you break up the national promotional activity for me?

Ms Chambers—I am not sure how we have that divided, but we would probably be able to work it out into events and products.

Senator JACINTA COLLINS—That would be useful. What about travel within the events and products?

Ms Chambers—We will look at what we have and get that to you.

Senator JACINTA COLLINS—For instance, one of the reasons I am interested in the travel is that originally the launch of National Youth Week was scheduled to be held in Canberra but it was moved to Byron Bay, and I assume that there were some travel costs associated therewith. Firstly, why was it moved? Secondly, what were those travel costs?

Ms Chambers—I cannot provide you with the travel costs; I do not have the information in front of me. It was moved to Byron Bay for various reasons, some of which were thematic around opening National Youth Week in the most easterly point of Australia.

Senator JACINTA COLLINS—Why would we want to do it at the most easterly point in Australia, other than that it is the minister's electorate?

Ms Chambers—As I say, it was a thematic point about opening something at the most easterly point. Those were the reasons.

Senator JACINTA COLLINS—I did not see any indication in any of the material of this theme. Can you provide me with something that elaborated on that theme?

Ms Chambers—That was certainly our thinking. The minister's speech talked about that, and the event was a breakfast sausage sizzle.

Senator JACINTA COLLINS—That brings me to an issue about the department's web site. You have there a list of ministerial speeches. Who is responsible for maintaining this web site?

Ms Chambers—Is that the source web site?

Senator JACINTA COLLINS—No; I am on the departmental web site—facs.gov.au. I am going back now to a more general issue on communications, PR and the like. On the FaCS web site, under the 'Ministers' sub-element, you tend to put up speeches by ministers. If we go, for instance, to Senator Patterson's link, there are a couple of her speeches from this year and the latest media releases as well. For instance, last month, Minister Patterson spoke at the Families Australia Conference. We were just talking about ministers' speeches, and for Minister Anthony I have not seen the launch of Youth Week speech. I am not sure if it is on the site; I do not recall seeing it there. Sorry, the site has been updated: there is one speech this year for Minister Anthony. Prior to the speech he did on Friday at the Childcare Queensland Annual Conference, there were no speeches for Minister Anthony from this year. Is that simply because the site is not up to date? How do you select which speeches you put up and which ones you do not?

Mr Sullivan—I will have to find out.

Senator JACINTA COLLINS—Senator Patterson, the only reason I have gone back to this issue is that I am being advised that this theme about launching Youth Week at the most easterly point on Australia, which just happens to be in Minister Anthony's electorate, was indicated in the speech he gave on that occasion, and that speech has never been made available as far as I am aware. I am curious as to why it would not have made the web site.

Ms Chambers—We think it is probably on the source web site, through the National Youth Week web site. I cannot state that categorically, but I am pretty certain it is.

Senator Patterson—Senator Collins, I do not know whether there is a policy. Sometimes you just make a brief speech opening something, and I do not know how the decision is made about what goes on and what goes off. I have not been party to that.

Senator JACINTA COLLINS—That is why I was asking which area of the department tends to monitor this process and who is responsible for maintaining the web site. I am seeking to understand what expectations I should have about where I will find different material. I have just been told that this other thing might be on the source.

Mr Sullivan—Ms Chambers will be able to tell you all about this at next estimates.

Senator JACINTA COLLINS—It is Ms Chambers just for the youth area; I am interested right across—

Mr Sullivan—No; I mean for the whole communications group of the department.

Senator JACINTA COLLINS—Really? Is she having a change of job?

Mr Sullivan—Yes.

Senator JACINTA COLLINS—Congratulations.

Senator Patterson—Tomorrow it might be commiserations.

Ms Chambers—I have made a note that it might be of interest to you next time, Senator Collins.

Senator JACINTA COLLINS—Does that mean that you are going to be the one who will end up answering my videos question too?

Ms Chambers—I think so.

Senator Patterson—You might have just put her off, Senator Collins.

Ms Chambers—Never!

Senator JACINTA COLLINS—So this most easterly location theme—

Mr Sullivan—And it was closed in the centre.

Senator JACINTA COLLINS—Yes, I noticed that. I wonder what the protocols about these sorts of events are meant to be. For instance, I was not invited to any of them. The relevant MHR for Central Australia was not invited to the closing. Are there protocols that should be in place about who attends these publicly funded Youth Week celebrations?

Mr Sullivan—I do not think there are any formal protocols around them. I think we have discussed this before. It is a minister who needs to make a decision as to who is invited.

Senator JACINTA COLLINS—Let us have, in that context, the detail of precisely how much of the FaCS dollar is left to the minister's discretion about these types of events, particularly given that he is holding one of them in his own electorate. How much of that information can you provide me with now? How much of the FaCS budget was allocated to the National Youth Week event in Byron Bay?

Ms Chambers—I have the figures for the Byron Bay event. The approximate cost of the event—it is a little difficult to work it out any closer—was \$17,000.

Senator JACINTA COLLINS—Does that include the airfares for the state and territory representatives that were flown to Byron Bay?

Ms Chambers—I would have to check quite what is included there. I do not have the breakdown; I just have the figure.

Senator JACINTA COLLINS—Are you able to tell me how many of them ultimately did go to Byron Bay, as opposed to the originally planned event in Canberra?

Ms Chambers—Again I would prefer to check on that before I make a statement.

Senator JACINTA COLLINS—I am aware of some concerns that getting to Byron Bay was an issue and that some of the representatives would have preferred the event continuing to be at Canberra. It would have simply been easier in terms of, I presume, managing other

elements of their travel and their lives. Will you confirm with me whether the costs of attendance in Byron Bay came out of that \$17,000?

Ms Chambers—We will confirm that.

Senator JACINTA COLLINS—Who else was invited to the opening?

Ms Chambers—I do not know the full list. I can state that there would have been local schools invited, definitely, that there were local youth development groups invited, the Surf Life Saving group. But, further than that, I would rather come back to you.

Senator JACINTA COLLINS—There was a partner for the launch. Was it *Girlfriend* magazine?

Ms Chambers—There were several partners; *Girlfriend* magazine was one of them, yes.

Senator JACINTA COLLINS—How did *Girlfriend* magazine come to be involved?

Ms Chambers—I cannot answer how it came to be involved. In assessing the suitability of sponsors and partners we would look at their reach to the group that we are trying to market National Youth Week to. *Girlfriend* has been a useful partner in providing publicity particularly for the competitions associated with National Youth Week and the events.

Senator JACINTA COLLINS—Would there have been incorporated in this \$17,000 departmental travel costs as well?

Ms Chambers—I have not got what that \$17,000 relates to so I would like to come back to you on that.

Senator JACINTA COLLINS—Can you tell me why the local MHR in Alice Springs was not invited?

Ms Chambers—I cannot clarify that they were not invited.

Senator JACINTA COLLINS—I can.

Ms Chambers—Again, I need to take advice.

Senator JACINTA COLLINS—I can; so the question is: why were they not invited?

Ms Chambers—I would need to go back and look at that.

Senator JACINTA COLLINS—Mr Sullivan has suggested it is a ministerial decision as to who participates, but I would like to ascertain whether that was simply an oversight, whether the department would ordinarily have sought to involve the local MHR, whether the minister countermanded that approach, or whether it was simply an oversight.

Ms Chambers—That is something I would like to—

Ms Beauchamp—I think Mr Sullivan answered by saying that it was ultimately up to the minister; it is a ministerial event.

Senator JACINTA COLLINS—So the minister organised the attendance lists at his end for both events, or did he seek advice from the department?

Mr Sullivan—The minister seeks advice from the department. We provide that advice and then the minister makes a decision.

Senator JACINTA COLLINS—Department advice about that sort of event would ordinarily recommend the local MHR, would it not?

Mr Sullivan—You are asking now what advice did we provide a minister, and I do not think we will answer that.

Senator JACINTA COLLINS—No, I am saying ordinarily that would be the case.

Mr Sullivan—But I think you are going to jump from ordinarily to ask us does that mean specifically in this instance, and I think that is outside the scope.

Senator JACINTA COLLINS—In my view there is a clear oversight if an event like that occurs and the MHR has not been invited. I am trying to ascertain whether that oversight is the responsibility of the department or the responsibility of the minister.

Mr Sullivan—In the end the invitation list—if you regard it as an oversight—is the minister's. What you are asking is: did we advise him to or not? I am not going to answer that.

Senator JACINTA COLLINS—The minister is expending a significant amount of funds on a National Youth Week activity that turned into a local promotional activity for himself.

Ms Chambers—Can I make a delineation? The event at Yulara was a sponsored event. It was not, strictly speaking, a National Youth Week event; it was a sponsored event in celebration of National Youth Week.

Senator JACINTA COLLINS—It was advertised as the closing.

Ms Chambers—It was advertised as a ceremony based in Youth Week.

Senator JACINTA COLLINS—It was advertised as the closing of Youth Week.

Mr Sullivan—We will get some information on that.

Senator JACINTA COLLINS—Can you get information on the costs?

Mr Sullivan—The costs to the department?

Senator JACINTA COLLINS—Yes.

Mr Sullivan—Yes.

Senator JACINTA COLLINS—Can you also get any costs that have been absorbed by the department in other areas, including the general departmental travel costs associated with it—how many departmental officers went, for instance.

Ms Chambers—The cost of the Yulara event and the ministerial reception here in Canberra was \$135,600.

Senator JACINTA COLLINS—Which event was the ministerial event that occurred here in Canberra?

Ms Chambers—The reception in the evening during National Youth Week. It was a celebration of young Australian leaders and community role models.

Senator JACINTA COLLINS—The government also sponsored—or partly sponsored, I think; it might have been with the *Australian*—a youth forum at Parliament House in Canberra on the Monday of Youth Week. Who was invited to that forum?

Ms Chambers—That is the Step to the Future event.

Senator JACINTA COLLINS—I do not know, because it was not advertised in the Youth Week material. We only discovered it was occurring when we had a different event occurring.

Ms Chambers—It was part of the Step to the Future event. We have held eight of them throughout 2003-04 as part of an ongoing sponsorship. The event held here in Canberra was an additional event to our contract that was provided by the group for free.

Senator JACINTA COLLINS—Provided by which group for free?

Ms Chambers—The group that we work with there is called Step to the Future. I would have to check back on the invite list.

Senator JACINTA COLLINS—We were certainly monitoring what public or open type events were occurring during Youth Week, and this event did not feature in any of the advertising during the Youth Week process. Can you explain why that was the case?

Ms Chambers—I cannot. I do not think there was any reason that it was missed out. It may have been an oversight. There was certainly no reason to miss it out.

Senator JACINTA COLLINS—No—that is why we were astounded, particularly when some departmental officers seemed to take umbrage at the fact that we had an event occurring and that there was some confusion at the entry to Parliament House over which event people were attending. This one had not even been advertised as an event occurring in Parliament House.

Ms Chambers—It was advertised to Canberra schools, and three schools in the Canberra area were invited to attend free of cost.

Senator JACINTA COLLINS—But it was not put on the Youth Week promotional material?

Ms Chambers—No.

Senator JACINTA COLLINS—And that was essentially an oversight?

Ms Chambers—There was no other reason that it was not placed in that calendar of events.

Senator JACINTA COLLINS—I will look forward to more detail on the actual cost of the minister's Byron Bay jaunt, and I hope that we will have some clarity over exactly how much that measure actually cost the FaCS budget. I would also appreciate seeing a copy of the minister's speech of the launch and this 'most eastern point of Australia' theme. There was an underspend in the National Youth Affairs Research Scheme in 2002-03 and again in 2003-04 and an underspend is forecast again for 2004-05. Why is that?

Ms Chambers—The reasons were provided in answer to a question on notice, and the thrust of those reasons have not changed.

Senator JACINTA COLLINS—Take me back to the question on notice.

Ms Chambers—It was question on notice No. 134. Primarily, the reasons were around a delay in expenditure when the scheme was transferred from DEETYA to FaCS and then again

when MCEETYA decided that there would be an overall evaluation of the scheme and the new projects were put on hold.

Senator JACINTA COLLINS—Pending the evaluation?

Ms Chambers—Yes.

Senator JACINTA COLLINS—When was the evaluation due?

Ms Chambers—The evaluation has been completed, but that was the reason that there was an underspend in expenditure.

Senator JACINTA COLLINS—But we still have an estimate for 2004-05 of an underspend of \$100,000. Why is that?

Ms Chambers—Is that from the PBS?

Senator JACINTA COLLINS—I am assuming so.

Mr Sullivan—We do not normally budget an underspend this far out.

Senator JACINTA COLLINS—I know, and that is why I am trying to understand that.

Ms Chambers—The \$100,000, as I can see it, relates simply to projected expenditure, not to underexpenditure.

Senator JACINTA COLLINS—So you are projecting now to expend \$100,000?

Ms Chambers—We are actually projecting to expend \$120,000. The \$100,000 in the PBS is incorrect; it is due simply to a departmental oversight. It should read \$120,000. It does not affect the actual expenditure or the scheme, and it will be corrected in the portfolio additional estimates statements.

Senator JACINTA COLLINS—What does that expenditure relate to?

Ms Chambers—The scheme is funded by all jurisdictions within Australia. The Australian government expends \$120,000 and that is met by \$120,000 from the state and territory governments, totalling \$240,000. Those moneys then go into a fund which is administered by a special account by FaCS and the decisions on what that is spent on or on the research priorities are made by the committee overseeing that. The committee is made up of bureaucrats from states and territories as well as Australian governments.

Senator JACINTA COLLINS—What research is now occurring?

Ms Chambers—We have some research which is now finalised and awaiting publication and there is some that is being commissioned for the 2004-05 financial year.

Senator JACINTA COLLINS—What has been commissioned?

Ms Chambers—The projects that have been commissioned and are currently in train were commissioned in August and September 2003 and are expected for finalisation in late 2004. Do you want me to list the topics?

Senator JACINTA COLLINS—Yes, please. Have you previously provided them?

Ms Chambers—We may have provided them on a question on notice last time.

Senator JACINTA COLLINS—That is fine, then. There have been no updates to the projects since then?

Ms Chambers—There will be one change to the projects that are to be commissioned in 2004-05.

Senator JACINTA COLLINS—What is that?

Ms Chambers—It is on the role of Aboriginal and Torres Strait Islander young people in government and community decision-making processes. The tender brief rested very heavily on an assumption that ATSIC and ATSI were part of government. Given the abolition of those agencies and the mainstreaming to other Australian government agencies, we need to take back and have a relook at that tender.

Senator JACINTA COLLINS—While I am on that, we cannot find any trace of Minister Anthony's speech—from the source or on the National Youth Week web site. If you could provide that sooner rather than later so that we can establish this 'most easterly point of Australia' theme, I would appreciate it. Did you hear the speech?

Ms Chambers—I was not present there, no.

Senator JACINTA COLLINS—Did you prepare the speech?

Ms Chambers—No, I did not.

Senator JACINTA COLLINS—How do you know about the speech?

Ms Chambers—I did not prepare the speech but our officers had input into that speech.

Senator JACINTA COLLINS—Did you help develop the theme?

Ms Chambers—Yes, our branch did.

Senator JACINTA COLLINS—Whose idea was the theme?

Ms Chambers—These ideas grow and I guess they are fairly organic in nature, so I would not like to actually state that, but I am fairly certain that the idea came from within our branch.

Senator JACINTA COLLINS—From your branch—not from the minister's office?

Ms Chambers—Again, as I said, it is an organic development and I would not like to state that categorically.

Senator JACINTA COLLINS—I would be astounded if the Department of Family and Community Services' youth bureau came up with the idea that it would be a good idea to move the National Youth Week launch from Canberra to Byron Bay, the most easterly point of Australia, which just happens to be the minister's electorate. I would be astounded.

CHAIR—That is a view, not a question. Are there any further questions?

Senator JACINTA COLLINS—I have nothing further regarding youth and student support, so after the break we can move to 1.3, Child support.

Proceedings suspended from 11.31 a.m. to 11.43 a.m.

CHAIR—We now move to 1.3, Child support.

Senator JACINTA COLLINS—Has the agency provided input on a government response to the child custody report?

Ms Argall—Yes, we have.

Senator JACINTA COLLINS—When did you do that?

Ms Argall—Progressively over several months since the report was tabled.

Senator JACINTA COLLINS—On how many different occasions?

Ms Argall—I could not estimate. It is an ongoing dialogue, not a formal request for information.

Senator JACINTA COLLINS—When was the last occasion that dialogue occurred?

Ms Argall—I would suspect a month or more ago.

Senator JACINTA COLLINS—Has the agency provided advice to the department—

Mr Sullivan—The agency is the department.

Senator JACINTA COLLINS—on the Child Support Agency recommendations? For all intents and purposes it is?

Mr Sullivan—They are part of the department.

Senator JACINTA COLLINS—What information about the report and the government's response has the agency provided to members of the public who are making inquiries?

Mr Sullivan—There has not been a government response, so there is no information on the government response. If you want to access submissions to the inquiry you go to the committee.

Senator JACINTA COLLINS—Let's try the same question another way. So the government's response is pending or is due soon?

Mr Kalisch—The government's response is under consideration.

Senator JACINTA COLLINS—How many inquiries, written or oral, has the agency received from its clients about actions resulting from the report?

Ms Argall—I do not think that we would keep that sort of information. It may come up in general conversation as clients ring and speak to case officers about their particular cases. We were certainly expecting an increase in the level of calls following the tabling of the report. However, we monitored that very closely for the first several weeks after the tabling of the report and there did not seem to be any increase in the overall level of client inquiry.

Senator JACINTA COLLINS—So the anticipation by clients of a response from government appears to be minimal?

Ms Argall—What I am saying is that, in terms of the number of client inquiries, there is no evidence that there has been an increase as a consequence of the tabling of the report.

Senator JACINTA COLLINS—What involvement, if any, does the agency have in the drafting of legislation relating to child support?

Ms Argall—Again, we have a relationship with the core of the department which has responsibility for preparing the drafting instructions. As part of that process, the area preparing the drafting instructions would of course consult with us to ensure that whatever drafting is happening can be implemented effectively from an administrative point of view.

Senator JACINTA COLLINS—So you are the department but you are not the core of the department when it comes to the drafting of the legislation?

Mr Sullivan—The Child Support Agency is a prescribed agency within the department.

Senator JACINTA COLLINS—Yes, but their role—

Mr Sullivan—They have a relationship with our legal branch in respect of drafting, like any other part of the department has. It is a very similar relationship in the sense that the legal group are responsible for the preparation of drafting instructions but they are directed by the business owner. In this instance, in respect of child support, the business owners are both the Child Support Agency and the families cluster.

Senator JACINTA COLLINS—The families cluster is what?

Mr Sullivan—Mr Kalisch's division.

Senator JACINTA COLLINS—Mr Kalisch, in terms of your division, what changed with your new role which has you with Stronger Families and Communities as well?

Mr Sullivan—We have expanded the families cluster to incorporate another executive director. It is now what we term a group, which has the two executive directors and six branches. It is important to run it together.

Senator JACINTA COLLINS—Let us just have a diversion here so that I understand structurally what is happening. We have the families cluster, and we have two executive directors. Mr Kalisch is one. Who is the other one?

Mr Sullivan—Virginia Mudie.

Senator JACINTA COLLINS—What is under them?

Mr Kalisch—We are also changing the nature of some of the branches as well and some of the functions that they take responsibility for. There is the family payments branch, which is headed up by Ms Curran. She previously had the child support policy function. That is being moved to a branch that is going to look after family relationships and child support policy—headed up by Tony Carmichael, whom you met earlier. There is a family and children's policy branch, headed up by David Hazlehurst, whom you met earlier.

Senator JACINTA COLLINS—I have met several of these people many times earlier. I am just trying to understand the structural framework they are operating in.

Mr Kalisch—There is also a branch, early childhood in communities, headed by Evan Lewis, whom you met yesterday as well. Then there are the two childcare branches—one that Dawn Casey currently runs—

Senator JACINTA COLLINS—But she is moving on.

Mr Kalisch—She is moving on and Andrew Herscovitch will be looking after that branch. There is another branch on child-care benefits that Lee Emerson looks after.

Senator JACINTA COLLINS—Is that just on child-care benefits?

Mr Kalisch—It is on child-care benefits and broader policy aspects. The titles themselves do not necessarily give you a full picture of all of the different functions.

Mr Sullivan—We took the opportunity to move that. The Stronger Families and Communities Strategy was in the communities cluster before, but, with its emphasis now on early childhood, we have moved the Stronger Families and Communities Strategy into the branch that Evan Lewis now heads, which brings it into David Kalisch's domain.

Senator JACINTA COLLINS—So what do we have in the other domain under the other executive director?

Mr Kalisch—The six branches fall within a joint purview. I have more of a responsibility on the families side and Virginia Mudie has more of a responsibility on the children's services side, but we do have some overlaps. This is a new arrangement that is just slowly emerging now, so we have not had a full run at it yet.

Senator JACINTA COLLINS—Do you have a finalised description of it?

Mr Kalisch—I think the description I gave you is the finalised version.

Senator JACINTA COLLINS—No, I mean—

Mr Sullivan—We can give you a description of it.

Senator JACINTA COLLINS—Thank you. If there are changes, it would probably be helpful and might save us time in this sort of environment if I could just be kept up to date of what changes, structurally, occur within the department.

Mr Sullivan—We will send you one of our calendars.

Senator JACINTA COLLINS—I do not know that that will be frequent enough. It seems that you have a reorganisation almost every round, in one sense or another. Going back to where we were, what lead time is necessary between the legislation being considered by parliament and the implementation of system changes by the agency?

Ms Argall—That depends on the nature of the change and the level of complexity. It can be a very short or a reasonably significant time frame, so it really does depend on the nature of the change.

Senator JACINTA COLLINS—Can systems changes be made at any time, or does it need to be done at particular stages, such as annually, quarterly or at some other interval in terms of how your system is structured?

Ms Argall—We have an ongoing process of systems enhancement, so, in general, systems changes can be made on an ongoing basis. But, again, it depends on the nature of the change as to the timing of implementation. For example, if there is something around branch assessments, we have to be careful about the timing of the introduction of a change in an annual assessment. So on each occasion we would be evaluating the nature of the change, the impact on parents and the most appropriate time to have a date of effect for any new changes.

Senator JACINTA COLLINS—I am interested in the progress of the 2002-03 budget measures to increase employment of payers, which we have discussed in the past. Can you

provide an update on the measure announced last year to increase employment amongst payers without work?

Ms Argall—In general, I can. Trevor Sutton, the assistant general manager responsible for that program, can perhaps give you more information if required. We have been progressively implementing a multifaceted program which has several elements: one is an information element, the second is a referral element and the third part of the process will be to develop an integrated service delivery component with some of the employment services providers. So at this stage we are just evaluating that third part of the program.

Senator JACINTA COLLINS—How many people have participated?

Mr Sutton—Currently we have provided information to some 10,000 unemployed, newly separated parents—obviously predominantly non-resident parents. We have also provided them with a telephone counselling service which they may use if they wish. The status of the other two prongs in the program is that we are negotiating some pilots with the Job Network, and we hope to have those in place in the next couple of months, running from that point to the end of the calendar year, and we hope to have a national telephone support service in place by about September of this year.

Senator JACINTA COLLINS—Can you give me a bit more detail on what the Job Network pilots are hoping to achieve?

Mr Sutton—The pilots are hoping to integrate help around relationships and parenting with the current employment and job ready type interventions. They are looking at having a program that examines issues around relationships, in particular parenting roles and strategies to help parents deal with some of the issues they face after separation. This is part and parcel of also assisting them to get back into work.

Senator JACINTA COLLINS—Do you have any indicators of success in improving the level of pay for those going back to work?

Mr Sutton—We will be putting in place a comprehensive evaluation strategy, which will look at the outcome of those pilots as well as the other interventions we have mentioned. We will be looking at improvements over time in those areas, of course including employment outcomes but also looking at improvements in parenting such as contact with children and relationships with ex-spouses. We will be collecting information around all of those areas and looking for improvements. In addition, we will be looking at a control group, if you like, of parents who may not have had those interventions.

Senator JACINTA COLLINS—But at this stage it is too preliminary to have any indications, is it?

Mr Sutton—Yes.

Senator JACINTA COLLINS—What estimates were you aiming for?

Mr Sutton—By helping parents with their relationship and parenting issues we are hoping to get them back into employment a little faster—our estimates around that are for a couple of weeks faster. On average, most of these parents are unemployed for 12 months or more. Our estimates are that we will hopefully get them back into employment about seven per cent faster than the current rates.

Senator JACINTA COLLINS—Seven per cent faster—

Mr Sutton—Which is roughly two weeks.

Senator JACINTA COLLINS—How many per cent more?

Mr Sutton—That is an average across the whole 31,500 parents that we hope to target with this program over the next four years.

Senator JACINTA COLLINS—So there is not a percentage rate of trying to get more simply into work; the pace at which they get into work is what you have estimated?

Mr Sutton—We would hope for both, because some parents clearly do struggle over a long period, but, as you would appreciate with these types of programs, we are basically basing our estimates on the average time that it takes a parent to get back into employment. Our bet is that we can get them back about seven per cent faster by helping them with those other important issues they face after separation.

Senator JACINTA COLLINS—Can you provide us with figures of current debt recovery activity for 2002-03 and for 2003 to the present? How much child support was outstanding?

Ms Argall—There is currently around \$850 million outstanding in child support. The precise figure is \$858.8 million as at the end of April 2004.

Senator JACINTA COLLINS—And for 2002-03?

Ms Argall—It is \$844.1 million.

Senator JACINTA COLLINS—Do you have an estimate of what you think it will be by the conclusion of this financial year?

Mr Sutton—We do. We believe it will not be much higher than the \$858.8 million. We have actually reduced our debt—particularly our domestic debt—in this last financial year. The figure that Ms Argall has mentioned to you is our gross maintenance debt, which is made up of both international and domestic debt. We have been very effective this financial year in reducing domestic debt compared with previous years, when it has in fact grown.

Ms Argall—Just to put a number on that, domestic debt has declined by \$2.9 million this year but that has been offset by an increase in international debt of \$2.1 million.

Senator JACINTA COLLINS—Why do you think the international debt situation has occurred?

Ms Argall—The increase in the international debt is almost totally due to an increase in the numbers of cases, and the debt associated with those cases, being transferred by New Zealand.

Senator JACINTA COLLINS—What is that arrangement?

Ms Argall—We have a bilateral agreement with the New Zealand government to accept child support assessments of either country and, on acceptance of a case, the particular jurisdiction then takes the responsibility for collecting debt associated with those cases.

Senator JACINTA COLLINS—And there is no surprise that it has travelled further our way than back to theirs.

Ms Argall—We have got approximately the same number of cases being managed on either side of the Tasman at the present time. We have recently negotiated an agreement with New Zealand to accelerate the transfer of a backlog of cases between the two countries. There are approximately 1,000 additional cases that will be coming our way associated with that new agreement.

Senator JACINTA COLLINS—For 2002-03 and for 2003 to the present and then your estimated full year, could you tell me how many payers have outstanding payments?

Ms Argall—Perhaps I can just start with numbers of cases. Mr Sutton will try and find, in this enormous amount of information, the particular numbers we are looking for, but I will just give you some general information while we find the particular information. Of the 711,000 cases registered with the agency, as at the end of last year 2.9 per cent of those have debts of \$10,000 and above. Then, looking at cases with debts between \$5,000 and \$10,000, they represent 3.7 per cent of cases. Eleven per cent of cases have debts between \$1,000 and \$5,000. Cases with debts between \$261 and \$1,000 make up 8.8 per cent. Cases with zero to \$260 of debt make up 73.5 per cent. That is the total break-up of the case load.

Senator JACINTA COLLINS—So 26.5 per cent have debts above \$261.

Mr Sutton—I have some figures which are not based on financial years but which might be of some help. Up to December 2002, the number of cases with no debt was 439,928, and that represented 61.4 per cent of our case load. From that you can actually work out the numbers with debts. The total case load at that stage was 717,057. In December 2003—to give you a December to December snapshot—the number of cases with no debts was 456,326, or 62.7 per cent of our case load. In other words, there was an increase in the number of cases with no debts between December 2002 and December 2003.

Senator JACINTA COLLINS—What was the basis of the figures that Ms Argall was just giving me where we got to 73.5 per cent?

Ms Argall—That was as at 31 December 2003.

Mr Sutton—And they would have been figures representing the amounts of debt owed between zero and \$260. So that incorporated the 62.7 per cent that I mentioned to you, and 10.8 per cent who would have had debts between \$1 and \$260. That is where the 73.5 per cent comes from.

Senator JACINTA COLLINS—Which is important, because in many cases that can just simply be an administrative debt.

Mr Sutton—Absolutely.

Senator JACINTA COLLINS—Would that have been about the same in that December 2000 period?

Mr Sutton—Yes, it was. It was slightly higher, at 11.2 per cent, for the \$1 to \$260 debt range.

Senator JACINTA COLLINS—How many cases were being actioned by debt recovery teams? What snapshot can you give me there?

Ms Argall—I think we have had this difficulty before. All cases are progressively being actioned on an ongoing basis. When there is a client inquiry on any case, as part of our procedural guidance case officers should be looking at whether there is an outstanding debt and seeking to have a discussion about that outstanding debt when the opportunity arises. In addition to that, we have our intensive debt collection teams who are actioning debt in a more focused way, and over and above that we have our debt management services stream that is managing some of the more difficult debt cases.

Senator JACINTA COLLINS—Can you tell me how many are in the intensive debt collection team stage and how many are at the debt management services stream stage?

Ms Argall—We will see what information we have with us; otherwise we may need to take some of that on notice.

Mr Sutton—This is a project that started at the beginning of the year; it was a new budget measure. The intensive debt collection team have actioned close to 13,000 cases to date. That has resulted in \$15.3 million in additional collections. That is net collections—that is above the existing collections that would have otherwise been made on those cases, so it is actually a net figure. It has also reduced debt—through corrections et cetera where the assessment may not have been correct—by around a further \$10 million. Just to give you a little bit more detail on that, 222 of those parents have received child support payments for the first time, a fact which we are very proud of. That has amounted to those parents getting on average about \$2,600 in child support for the purposes of the children.

Senator JACINTA COLLINS—But you cannot tell me what they have subsequently lost from other income support after that, can you?

Ms Argall—In terms of the way the child support formula operates and the relationship with family tax benefit, there is an income threshold of around \$1,500, over and above which only 50c in every dollar is lost for additional child support.

Senator JACINTA COLLINS—So if they have any income other than their family support, bringing their total income up near that threshold, they would have lost 50c in the dollar of that \$2,600?

Ms Argall—Over the income threshold, yes.

Senator JACINTA COLLINS—So that is that team. How about the next stream?

Mr Sutton—Our debt management services stream at any one time has about three per cent of our case load. Roughly, that would equate to about 35,000 clients at any one point in time: parents who we would be focusing our intensive debt collection activities on.

Senator JACINTA COLLINS—That is almost three times what is in the other intensive debt collection teams.

Mr Sutton—That is correct. The debt management services team is much more highly resourced—it is a major part of our existing business. Our intensive debt collection team was a budget measure in the last round of budget measures. It has roughly an ASL of about 75 people, so it is a much smaller operation than our debt management services area, which accounts for about 15 per cent of our agency resources.

Senator JACINTA COLLINS—So what determines whether a case goes into the intensive debt collection team as opposed to the debt management services stream?

Mr Sutton—They are very similar in nature. In terms of the debt collection team, we are tackling cases which despite all our efforts, including efforts by our debt management services teams, we have not been able to collect child support on. So this is really the hard end of debt collection. As I said, the results that we have been able to get have been, I believe, quite significant in terms of returns in child support collections. That is by having that very strong focus.

Senator JACINTA COLLINS—At what cost?

Mr Sutton—The cost is about \$30 million over four years to raise an extra \$130 million in additional child support.

Senator JACINTA COLLINS—And are you on track?

Mr Sutton—Yes, we are.

Senator JACINTA COLLINS—Better than on track?

Ms Argall—On track.

Mr Sutton—No, I would say we are on track at the moment.

Senator JACINTA COLLINS—What snapshots can you give me about the average amount outstanding being actioned by debt recovery teams or debt recovery processes?

Ms Argall—I am not clear how you differentiate that question from the information we have just provided you with.

Senator JACINTA COLLINS—Of those cases, either in the intensive debt collection team or in the debt management services stream, what would be the average debt being sought for recovery?

Ms Argall—In relation to the debt management services stream, we have handover rules that apply before a case will be transferred from our collection support stream to the debt management services stream. Usually the make-up of the cases transferred, if there is no other income or asset stream that could be garnished by some of our administrative measures, are more likely to have non-salary and wage characteristics and they are likely to be debts of a reasonably significant size—say in excess of \$5,000.

Senator JACINTA COLLINS—It is too difficult to—

Ms Argall—In terms of categorising debt and the work we did in preparation for the intensive debt collection measure, we analysed outstanding child support under 12 categories of debt, which include characteristics of income for clients in three broad categories: beneficiaries of a welfare payment, salary and wage clients and non-salary and wage clients. Within those three categories there are subcategories that we have identified which look generally at the nature of the relationship in relation to lodging tax returns, which gives us some information about the complexity and difficulty associated with debt. That is the basis on which we are characterising debt and the basis on which we are then not just looking at a single category but focusing on particular categories of debt as, if you like, the first cabs off the rank.

For example, some of our first efforts with the intensive debt collection team were to look at debtors who had a salary and wage income stream and whether we were optimising the capacity to collect debt with an arrears component. We then went on to look at some of the non-salary and wage categories to get a balance in the sorts of cases that that team was focusing on. So we are getting a spread across 12 categories based on information that is available to us about the techniques that we need to apply to each of those categories and how much resource effort we have to put into them to deliver a dollar return on child support. That is the basis on which we approach the collection of debt, both within the intensive debt collection and the debt management services stream. We are using the learnings from our intensive debt collection activities to inform and improve the work of our debt management services stream, and vice versa of course.

Senator JACINTA COLLINS—If you do not have an average debt easily identified then I will not pressure you.

Ms Argall—We have information against 12 categories on the numbers of parents with debt under each category and the associated debt. So producing an average debt figure is reasonably easy to do. That information could be available if you are interested.

Senator JACINTA COLLINS—Yes, thanks.

Mr Sutton—If you are interested in that, I can give you that information now. The average debt overall is about \$4,278. That is as of December 2003.

Senator JACINTA COLLINS—Are these the ones who are in the debt recovery process?

Mr Sutton—This is all cases. As Ms Argall was saying, out of the 12 debt categories we go in and select cases based on some other criteria for selection into the intensive debt collection team and the debt management services area. Obviously there is a range of average debt across those categories.

Senator JACINTA COLLINS—If you could provide me with the table with the categories and the debt rather than read it out, that would be useful. How many people have been denied overseas travel because of outstanding debts? Do we have a snapshot?

Ms Argall—Yes, we do. Since 1 July 2001, when this provision was introduced, we have issued 79 departure prohibition orders. That means we are advised that someone is seeking to leave the country, and that then is an opportunity to negotiate the payment of child support arrears. Total arrears associated with those cases were \$1.6 million, and collections as a result of those departure prohibition orders now total \$677,928.

Senator JACINTA COLLINS—That relates to?

Ms Argall—The collections as a result of having a departure prohibition order in place. That means we have been notified and we have been able to negotiate.

Senator JACINTA COLLINS—What was the \$1.6 million again?

Ms Argall—That is the debt associated with those cases.

Senator JACINTA COLLINS—Once you have made one of those orders, how successful is that in preventing someone from going overseas?

Ms Argall—Experience shows that it has been very successful in enabling us to collect child support arrears. Of course, we would only put a departure prohibition order in place if there had been successive attempts to contact a payer and to negotiate a payment arrangement.

Senator JACINTA COLLINS—Going back to the child custody report, has the minister sought advice from the agency on possible legislative changes? Am I correct in inferring that from the earlier discussion we had?

Ms Argall—As part of the department, there is a consultation process that goes on between the department and the minister in relation to recommendations.

Senator JACINTA COLLINS—And that includes potential legislative changes?

Ms Argall—Yes.

Senator JACINTA COLLINS—At any time has the minister asked for advice or expressed a view that reform of child support in response to the child custody report not be pursued or not be pursued via legislation because of any difficulties with getting measures through the Senate?

Ms Argall—I am not aware of that.

Mr Kalisch—No. He has certainly indicated some frustration at past measures not being passed by the Senate, but he has taken the recommendations that the committee has presented quite seriously and we are assisting with the process that government is engaged in.

Senator JACINTA COLLINS—These are the bipartisan recommendations from the committee inquiry?

Mr Kalisch—Yes.

Senator JACINTA COLLINS—Are you aware of a recent *Canberra Times* article in which the minister has indicated that there will be no changes to child support legislation this year, even though the child custody inquiry recommendations were bipartisan?

Mr Kalisch—I am aware of that article.

Senator JACINTA COLLINS—Can you explain what might have caused the delays?

Mr Kalisch—Government is still considering its response.

Senator JACINTA COLLINS—Are there any complications in drafting changes that have been sought that are generating the delays?

Mr Kalisch—These are not easy issues. Despite the fact that there are bipartisan recommendations, the recommendations still need proper consideration, and government is undertaking that.

Senator JACINTA COLLINS—So the delay is at the consideration stage, not at the departmental work stage.

Mr Kalisch—There are issues that government want us to provide some advice on, and I understand they are seeking advice from other stakeholders as well.

Senator JACINTA COLLINS—Ms Argall said it was a good month since she has had dialogue.

Mr Kalisch—We have had more recent contact with ministers.

Senator JACINTA COLLINS—That concludes the questions to the Child Support Agency.

Proceedings suspended from 12.24 p.m. to 1.39 p.m.

ACTING CHAIR (Senator Humphries)—We might get started. In the absence of the chair, I have assumed control of the committee.

Senator JACINTA COLLINS—See if you can do any better.

ACTING CHAIR—It would be very hard to improve on the performance of my colleague Senator Knowles but I will do my best.

Senator JACINTA COLLINS—Can I ask you to ask for forward estimates information?

ACTING CHAIR—No, you cannot ask that. I will ask, though, if I may, a couple of questions about software purchasing. I understand that the officer who is most likely to be able to answer those questions is not here, so I am happy for these questions to be taken on notice. When I have done that, we will resume with output group 1.4, child care support.

I am hearing reports about open source software delivering savings in government and I understand it is the policy of the government to allow agencies to make individual decisions about software purchasing. I was wondering if I can be told what the policy of FaCS is with respect to open source software purchasing and acquisition and a description of whether that has been seen as a successful policy from the point of view of the department. Is it possible or desirable to expand open source approaches to software purchasing. Does the department have a different policy in different areas? For example, is Centrelink on a separate platform for the purchase of software from the rest of the department, and so on?

Mr Sullivan—We would take that question as a separate question to us and Centrelink and we will get two sets of answers.

[1.42 p.m.]

ACTING CHAIR—Thank you very much for that. We will return to output group 1.4.

Ms Casey—I have some answers to questions you asked last night. Would you like those now?

Senator JACINTA COLLINS—Yes.

Ms Casey—I have most of them. The three new family day care schemes that are likely to be approved are all not-for-profit providers. You asked about the number of private provider applications. I have a table here. We have the information on the applications and those that are likely to be approved, divided up by private and not-for-profit. I will table that.

On the family day care funding you asked what the costings included. That was into the child care support program. That was operational subsidy, DSUPS money, support for new services and some money for quality assurance. You asked about the percentage of funding for new services in outside school hours care. Of the \$30,000, \$20,000 funding was provided for new services. All of the family day care funding was for existing services. You asked for the centre based long day care DAS funding.

Senator JACINTA COLLINS—Sorry; just going back, all of the—

Ms Casey—All of the family day care funding costings were done on existing service funding.

Senator JACINTA COLLINS—How then do you deal with three new services?

Ms Casey—We would find that from the child care support program costings.

Senator JACINTA COLLINS—This is part of why the broadband is overcommitted, is it?

Ms Casey—Not really. We pay operational funding and we factor into operational funding costs based on the EFT of a family day care service. They often do not need their full EFT so we often overestimate what we might actually be expected to expend. That money can then be used to fund new services.

Senator JACINTA COLLINS—Going back to the family day care funding, what was the order of the funding under those different categories—operational subsidy, DSUPS, new services and quality assurance?

Ms Casey—Support for new services, operational subsidy and DSUPS. What did you want?

Senator JACINTA COLLINS—The amounts.

Ms Casey—For operational funding we had \$2.027 million; DSUPS, \$126,000; support for new services, \$16,000; and quality assurance, \$133,000. That gave a total of \$2.302 million.

Senator JACINTA COLLINS—On to OSH.

Ms Casey—I gave you the OSH last night, I think.

Senator JACINTA COLLINS—Yes, I think you did. The new information you gave me just now was that \$20,000 of the \$40,000—

Ms Casey—No, \$20,000 of the \$30,000. The first \$10,000 were purely for existing services, to meet existing demand, and then \$20,000 of the \$30,000 were costed to allow for new service establishment.

Senator JACINTA COLLINS—But then in the costings that are in the budget, which are essentially a combination of budget measures and non-budget measures, it is actually \$40,000—so \$20,000 of the \$40,000 is new places.

Ms Casey—Yes, new services.

Senator JACINTA COLLINS—So that is 50 per cent new places?

Ms Casey—Yes. There is 50 per cent additional funding provided for set-up and establishment of those services.

Senator JACINTA COLLINS—How is that phased?

Ms Casey—It is phased all in the next financial year. So those places we anticipate allocating out by 1 July, and if they are new services they would get their set-up and establishment funding.

Senator JACINTA COLLINS—Were there other areas?

Ms Casey—Yes, you asked for the DAS long day care funding for the period which was converted to Stronger Families. For the 2000-01 year we actually do not have that figure available for DAS. That is the year we changed from the COS system to the new child-care funding system, so we do not have the actual total amount there. For 2001-02 we spent \$7.355996 million, and for 2002-03 we spent \$8.026521 million. To date for 2003-04 we have spent \$5.769 million.

Senator JACINTA COLLINS—Is there some reason why that has been declining?

Mr Kalisch—It has actually grown.

Senator JACINTA COLLINS—No, it has declined. Is that because it is just the year to date?

Ms Casey—It is the year to date, yes.

Senator JACINTA COLLINS—What is your estimate for this year?

Ms Casey—I have not got that figure, but I do not see any reason why it would be declining if a service is entitled to it. The only reason it would decline is if there are more services being provided in that area and it is no longer declared a disadvantaged area subsidy. But, as I said last night, if they are entitled to receive DAS funding they can get it.

Senator JACINTA COLLINS—Have you previously given me the disadvantaged area subsidy areas?

Ms Casey—I probably have, but I could take that on notice to get to you.

Senator JACINTA COLLINS—If you could. They remain fairly stable, do they?

Ms Casey—Yes.

Senator JACINTA COLLINS—Going back, while we are here, to the PPI, when it was first established what were the estimates for how much would be spent for it?

Ms Casey—For PPI we had no allocation in the first year, 2000-01. We had \$1.509 million in 2001-02, we had \$3.044 million in 2002-03 and we had \$3.061 million in 2003-04.

Senator JACINTA COLLINS—So, when it was first rolled out as a Stronger Families measure, its funding over four years was \$7.5 million, was it?

Ms Casey—It was \$7.614 million.

Senator JACINTA COLLINS—Over four years?

Ms Casey—Yes.

Senator JACINTA COLLINS—So now we have \$12.8 million over four years in Stronger Families?

Ms Casey—It is \$12.8 million under the long day care incentive scheme.

Senator JACINTA COLLINS—I thought I remembered you correcting me yesterday to \$12.8 million. Was there anything else from yesterday?

Ms Casey—You asked me about the site in Victoria that I mentioned we had joint funding with. I could not remember its name. It is St Arnaud, a rural town in Victoria, which you probably know. It is a multi children and family service. The Victorian government put in \$250,000, the Northern Grampians Shire Council put in \$164,000 and FaCS put in \$120,000 to fund the child-care portion of the building, and that was capital funding. The funding will cover family day care coordination.

Senator JACINTA COLLINS—I have been criticised for suggesting capital funding, but you are actually doing it, aren't you?

Ms Casey—We do some capital funding, but we do it in a joint venture like this, where the state government, the shire council and we all put in some money. It also includes a maternal and child health area.

Senator JACINTA COLLINS—This is what you criticised me for suggesting, Minister, I think in January, but the department does it to a degree already.

Senator Patterson—I would never criticise you, Senator Collins. I would argue with you but never criticise you.

Senator JACINTA COLLINS—It is capital funding of \$120,000?

Ms Casey—Yes. It was to fund the child-care portion of a building.

Senator JACINTA COLLINS—Then presumably for the additional number of places CCB—

Ms Casey—In the future it is expected that CCB will cover costs by the centre, but the centre may be eligible for future funding under the broadband if other initiatives like the child-care links program or something else come up. They could apply for those.

Senator JACINTA COLLINS—What is the child-care links program?

Ms Casey—I gave you information about it at the last estimates hearings. It was funded under the Prime Minister's early childhood initiative, where we funded certain services to set up more holistic arrangements with other children's services and maternal and child health arrangements within that community.

Senator JACINTA COLLINS—How much is with that one?

Ms Casey—We have 19 child-care links projects currently being set up and \$2.9 million in funding, which was part of the Prime Minister's \$10 million commitment to the Stronger Families and Communities Strategy for early childhood intervention and prevention projects.

Senator JACINTA COLLINS—Going back to the St Arnaud funding, how many other similar arrangements are there?

Ms Casey—I am trying to get you a couple of examples of other ones in other states and territories. We are compiling that data now, so hopefully I can get that information to you today.

Senator JACINTA COLLINS—Where does the money come from?

Ms Casey—It comes from the child-care support program.

Senator JACINTA COLLINS—Is there a subprogram that capital funding for joint projects resides with?

Ms Casey—There has always been some funding that we have paid for capital funding and minor capital upgrades, and we have put some money for some capital projects in through the child-care broadband.

Senator JACINTA COLLINS—Could you give me a breakdown of the capital funding for long day care places that have been provided over the last—I do not want to give you a task that is going to be too difficult, but I would like to see a trend—

Ms Casey—I can tell you that this financial year we have spent \$1.45 million.

Senator JACINTA COLLINS—In the next financial year we have the \$3 million that the minister announced and the new \$8 million that was only just announced on the weekend. Is that the total?

Ms Casey—There could be other arrangements. The best way would be to have a look at the new child-care support program that the minister will be launching tomorrow and have a look—

Senator JACINTA COLLINS—Would we be better doing this subprogram on Friday?

Ms Casey—I think you will see the arrangements that we currently have. The minister went out to do the consultations around the child-care broadband because of the complexity of it and the need to have a clear focus on the importance of delivering child care to families and children. The new program has that focus, so the arrangements that are currently in place will change to some degree. What we are talking about is a different arrangement that will be in place, and it is very hard to talk about that until the minister has launched it. Whilst in the past we have funded, under a very complex model, different arrangements for capital funding, I think you will find that when we move to the new arrangements the objectives of the child-care program and how we will be doing that will be much clearer.

Senator JACINTA COLLINS—How difficult would it be to look at the trend over the last decade of the amount of capital funding that has gone into long day care places?

Ms Casey—It would be very difficult because we have changed. The child-care program was in the department of health, and that moved over so we changed financial systems. It would be very difficult to pull that data out.

Senator JACINTA COLLINS—What would be a manageable period?

Ms Casey—We could probably do the last three years. It is from when we changed from the COS system that we do not have a lot of that historic data.

Senator JACINTA COLLINS—What is COS?

Ms Casey—It is the child-care operating system that the department of health had. Then it moved over to FaCS and it was no longer continued, so a lot of that data has been lost in that transition.

Senator JACINTA COLLINS—As I said before, in the last few months the minister has come up with about \$11 million for capital upgrades. When was the last time capital upgrades were provided for?

Ms Casey—We need to be very clear about what capital upgrades are. Different types of funding arrangements have been done in the past. Several years ago the government did fund major capital upgrades, but that has ceased.

Senator JACINTA COLLINS—When did that cease?

Ms Casey—I would have to check the date of that.

Senator JACINTA COLLINS—Was it about 1996?

Ms Casey—I thought it was 1999, but I can clarify that and come back to you.

Senator JACINTA COLLINS—I have come across a couple that were done around the 1996 era. I have not come across any from 1999.

Ms Casey—I would need to check that data for you. The idea was that we were moving more into investing in families and children and supporting those families by making child care available. We continued our minor capital upgrade program, but that diminished over the last few years because of the constraints on the funding that was available in the broadband. However, we did continue it to some degree. We have always been open to it and have supported through the objectives of the child-care program some funding to put money into capital where it was one of our flexible and innovative programs or our arrangements in rural and regional areas where we needed to provide some additional support—and we did joint ventures. Those sorts of arrangements have continued under the objectives of the broadband. It has been in various guises, but if you are referring to major capital upgrades we did stop doing those. I will give you a date for when we stopped doing that.

Senator JACINTA COLLINS—Regarding the \$8 million in funding that has just been announced, I have seen the guidelines for the \$3 million, but what are the guidelines for the \$8 million?

Ms Casey—Sorry, what are you talking about? The minor capital upgrades?

Senator JACINTA COLLINS—The extra capital funding for upgrades that the minister announced on the weekend—the extra \$8 million.

Ms Casey—He actually approved funding up to \$7.764 million from the applications that came in from his announcement of the \$3 million.

Senator JACINTA COLLINS—Is that what has happened?

Ms Casey—That is what has happened.

Senator JACINTA COLLINS—It does not read that way in the media.

Ms Casey—Did you interpret it as different programs?

Senator JACINTA COLLINS—From the media I read, it appeared to me as if he was announcing that there was now further scope for those that might want to apply for capital upgrade funding, not that he would increase the \$3 million.

Ms Casey—I am not sure in which announcement he mentioned the \$3 million. There were two announcements on the weekend. One was about the \$7.7 million for the minor capital upgrade, and the other press release that I read was on encouraging service providers to provide for our long day care incentive scheme.

Senator JACINTA COLLINS—I saw that one.

Ms Casey—They were the two media releases that came out on the weekend.

Senator JACINTA COLLINS—I have been confused in thinking that the \$7.76 million was on top of the original \$3 million. What he has actually done is funded \$7.76 million out of what he announced was going to be \$3 million—that is a great trick!

Ms Casey—It was potentially \$3 million.

Senator JACINTA COLLINS—Where has that money come from?

Ms Casey—It has come from the child care support program.

Senator JACINTA COLLINS—From the extra allocation into that?

Ms Casey—No. No extra allocations have gone into that program.

Senator JACINTA COLLINS—Budget measures gave you some extra funding for that.

Mr Kalisch—That is from 2004-05 onwards.

Senator JACINTA COLLINS—So the broadband is overcommitted?

Mr Kalisch—No.

Senator JACINTA COLLINS—The advice to cabinet was wrong; it is not overcommitted.

Ms Casey—The broadband was overcommitted.

Mr Kalisch—It was.

Senator JACINTA COLLINS—It was, but it is not now. How did that happen?

Ms Casey—That happened because we have had to constrain a lot of the spending around the child care support program.

Senator JACINTA COLLINS—So you put the brakes on a little bit too heavily and now you have some surplus?

Ms Casey—No. We had planned that some of the arrangements would come into place in December, when the minister did plan to announce the redeveloped child care broadband program, but he was given permission to come back to cabinet to seek additional funding. Some of the constraints that we had expected to be lifted in December continued within the programs, so we found that we had funds available that could be committed for this financial year only. We could not forward commit them until the redevelopment was finalised, so we had some funds available that were able to be directed within the objectives of the broadband, and one of the objectives is to support particularly the community based sector in providing quality child care.

Senator JACINTA COLLINS—What is the order of the funds that are now available that you had previously treated as committed?

Ms Casey—At the moment the minister has approved \$7.764 million from the child care broadband.

Senator JACINTA COLLINS—How much more scope is there for this financial year?

Ms Casey—One of the things we constantly do is monitor the forward commitments under the broadband and the estimated expenditure, but, because of the nature of the program, they fall or rise on a monthly basis. For example, we would estimate that there would be X number of children receiving the special needs subsidy, and in a given month or two months that number may drop or may rise. So it is quite a constant battle to keep monitoring the expenditure under those demand driven programs. I mentioned earlier the operational funding that we provide to family day care. That continues to rise and fall depending on the utilisation of those family day care schemes. So it is not easy to predict the program's final expenditure; it is a constant juggling act. We aim to fully commit the funds that we have available.

Senator JACINTA COLLINS—But, as Mr Kalisch just said, at the moment you do not regard yourselves as overcommitted.

Ms Casey—We are working to live within the commitment of the funding and not overcommit this financial year.

Mr Kalisch—What we aim to do is spend not one dollar more and not one dollar less than the allocation. It is a very substantial battle.

Senator JACINTA COLLINS—The minister just found almost an additional \$5 million. The simple question I have is: between now and the end of the financial year, how much more scope do you think is for additional money to be found out of the broadband?

Ms Casey—At the moment we are trying to get a handle on that. I anticipate there will be some further funds available but not of any great magnitude.

Senator JACINTA COLLINS—I am going to have to pin you down on what you regard as a great magnitude because the last time I think you told me something was insignificant it ended up being 27 per cent. What do you regard as being not of great magnitude?

Ms Casey—You are pinning me down without my financial statements. It would probably be in the vicinity of \$5 million to \$7 million.

Mr Kalisch—We are talking about a program that has an allocation of around \$200 million.

Senator JACINTA COLLINS—I know. I have seen releases about some of the upgrade funding. Do we have a list of all of the funding that the minister approved?

Ms Casey—I have a break-up by states of the recommended funding that the minister has approved. Do you want that?

Senator JACINTA COLLINS—Yes, but also by service and locality would be helpful, if you can.

Ms Casey—I do not have that. I could obtain it. I can give you the break-up by state of the dollar amounts, if that is useful.

Senator JACINTA COLLINS—I am happy to wait until you can give me the amounts by service.

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

Senator JACINTA COLLINS—Is that something you could provide me before Friday?

Ms Casey—Hopefully. There are 569 of them. It is quite a list.

Senator JACINTA COLLINS—Was there anything else from yesterday?

Ms Casey—There was a further one I needed to clarify. Last night I talked about the long day care incentive scheme and the—

Senator JACINTA COLLINS—I did not read that overnight. I was planning to revisit some further questions.

Ms Casey—I just wanted to clarify something. Under the private provider funding that we had in the past, we did give funding for children under 36 months at a higher rate than we did for children over 36 months. Under the private provider incentive we paid \$26.50 per place utilised for children under 36 months and \$17.80 per place utilised for children over 36 months. Under the long day care incentive scheme, for babies under 24 months they will get \$30 per place and for babies over 24 months they will get \$15 per place.

Senator JACINTA COLLINS—So at the start of the PPI the incentive was for children under 36 months?

Ms Casey—Yes. We have changed it to under 24 months because it more accurately reflects the need for that age group to be provided with places. What a baby place is classified as varies between each state and territory.

Senator JACINTA COLLINS—Yes—and what their regulations provide in terms of staff carer ratios is pretty much the critical issue, isn't it?

Ms Casey—Yes. I think the only question I am missing now is giving you some more information about our arrangements where we have flexible arrangements with state governments. Hopefully, I will be able to provide you with that today. I will also get you the information on the minor capital upgrades.

Senator JACINTA COLLINS—You may find that when we start 1.4 there will again be a growing list. But I will probably hit the barrier of 'wait until after tomorrow night'. We will start on the child-care access hotline. What are the operational costs associated with the hotline for the 2003-04 financial year?

Ms Emerson—I will take that on notice and get it for you by the end of today.

Senator JACINTA COLLINS—You may need to do that for a few more of these questions in relation to the hotline. Monthly reports for the 2002-03 financial year show that the minimum monthly average call length was three minutes and the maximum monthly average call length was four minutes. What was the minimum monthly average call length for the 2003-04 financial year?

Ms Emerson—That is this current financial year. Is that what you are asking about? We will not have a complete picture of that until the end of the year.

Senator JACINTA COLLINS—No—that is all right. Actually, I do not think you will be able to give me sensible break-ups for some of these until the end of the financial year anyway, so we will leave that. Regarding the national standards for out-of-home care, on 4 March a ministerial release titled 'Helping organisations to protect children' announced \$300,000 to the Australian Council for Children and Youth Organisations to implement the

national roll out of their pilot for standards for out-of-home care. Was there a tendering process for the allocation of these funds?

Ms Casey—In talking about out-of-home care, do you mean foster care arrangements?

Senator JACINTA COLLINS—Yes. Are you going to tell me I need to go back to outcome 1?

Ms Casey—Yes.

Mr Kalisch—The person responsible for that program is not here. Perhaps if you can give us that question we can take that on notice.

Senator JACINTA COLLINS—No, we will do it when we go back to outcome 1.

Mr Kalisch—On Friday?

Senator JACINTA COLLINS—Or late tonight—one of the two.

Mr Kalisch—If it is just one question, then—

Senator JACINTA COLLINS—We have got lots of other outcome 1 questions. Essentially, all we have done so far are some of the areas where I have an interest in 1.1. There is a lot more material in 1.1 that we need to cover yet.

Mr Kalisch—We understood that you had finished 1.1.

Senator JACINTA COLLINS—No, only my direct portfolio interests in outcome 1. There are broader family and community services issues in outcome 1. I was focusing just on the children and youth aspects of outcome 1, because I thought it was a discrete unit that we might be able to deal with last night. What is the progress to date with the Commonwealth 2004 Census of Child Care Services?

Ms Emerson—Most of the questionnaires have gone out into the field. We are just about to go out to vacation care services in Tasmania, and I think we have got Queensland still to go. The response rate, so far, has been quite promising. We are already up to 76 per cent return rate, and we are in full production mode at the moment.

Senator JACINTA COLLINS—Yes, I found that from my own experience. We have been doing some research on waiting lists in centres and the response rate is extraordinarily high.

Ms Emerson—In the one that I am reporting to you?

Senator JACINTA COLLINS—No, in some separate research that I have been involved with. I was very impressed with the response rate coming in from child-care centres. Is that the experience with the census, too?

Ms Emerson—It may well be. We do quite a lot of follow-up and go back to services directly and assist them with any incomplete answers, things like that.

Senator JACINTA COLLINS—We are onto one of my favourite subjects: planning. From some material circulated, it seems that advice to government has been that in the longer term it would be desirable to move to a consistent administration for all models of child care, either by removing all planning controls on outside school hours care and family day care or by reintroducing planning controls for long day care. Has this issue progressed in any way?

Ms Casey—That is an issue that we do provide advice to the minister on, and he is taking the related issues into consideration.

Senator JACINTA COLLINS—But there has been no progress?

Ms Casey—I would not say there has been no progress. We have been providing advice to the minister and he is considering the options that are available to him in that regard.

Senator JACINTA COLLINS—In fact, some of that advice was actually to suggest that perhaps a consultation process should occur with the current allocation of planned places to ameliorate the potential disquiet of people in the long day care sector. That was not acted on, was it?

Ms Casey—I am not quite sure I understand what the advice was there: that we use the current allocation of OSH and family day care places?

Senator JACINTA COLLINS—No, that with the current allocation of OSH and family day care places it might be advisable to also have a consultation process about future planning to ameliorate some of the concerns in long day care about the lack of planning.

Mr Kalisch—We provide a range of advice to the minister and he considers that.

Senator JACINTA COLLINS—But there has been no action, has there, on that issue?

Mr Kalisch—We keep providing advice around a range of issues and we keep having a dialogue with the minister.

Senator JACINTA COLLINS—You are misunderstanding my question. I am not asking about your advice; I am asking, have there been any decisions and actions occur in that area?

Mr Kalisch—There have been no government decisions in that area.

Senator JACINTA COLLINS—Each estimates session we request information about unmet need in outside school hours care. To some degree some of that has changed now you have been through the expressions of interest process, hasn't it?

Mr Kalisch—We provided that information to you last night.

Senator JACINTA COLLINS—Is the system itself now going to change about how you deal with assessments of unmet need into the future?

Ms Casey—Not specifically. We will be reassigning places, as we continue to do, so we would continue to work with the sector to hand back places that they are not utilising. We would be reallocating those to areas where there is a need. But at the moment all of our unmet qualified need will be met through the reallocation process. However, we will be continuing to go through the same process of identifying where people have expressed a need for more places and looking at reassigning those places where they are needed.

Senator JACINTA COLLINS—What scope for growth is there now in the current allocation?

Ms Casey—I think in family day care in particular there is considerable scope because we knew that was already a considerable amount of unutilised places out there, and again we have met with the National Family Day Care Council to talk about further encouragement and they are working with us and the sector to hand back unutilised places. So there is

considerable scope in the family day care field. I think we have met all the identified demand from outside school hours care services, both new and existing, and we have had quite a good response from the outside school hours care sector in handing back unutilised places. So we should be able to meet the future needs at this stage.

Senator JACINTA COLLINS—For how long?

Mr Kalisch—That is a bit of crystal ball gazing, Senator.

Senator JACINTA COLLINS—It may be a question of ball gazing, but at the same time it is also a question of how we prevent the problems that occurred to date from recurring.

Mr Kalisch—The places that were announced over the last 12 months were very substantial increases and you have not seen increases of that level for quite a number of years.

Senator JACINTA COLLINS—There was quite a backlog, wasn't there?

Mr Kalisch—It would be something that we will continue to monitor and provide advice to government on that situation and they can reconsider again in the future budgets.

Senator JACINTA COLLINS—How do you plan to monitor in the future: in the same way as you have in the past?

Mr Kalisch—Using the same processes.

Senator JACINTA COLLINS—Or are you planning another round of expressions of interest?

Ms Casey—We monitor the demand from services, so we would continue to receive applications from services for new places or for existing places and we would continue to keep track of that and advise the government of the demand that is growing and our ability to meet that need through a reallocation process. That would be an ongoing process that we would be looking at, as we currently do.

Senator JACINTA COLLINS—Detail for me what scope you think there is for growth for OSH. How many of the current 40,000 are yet to be allocated and how much scope do you think there is in reallocation?

Ms Casey—We are currently going through the validation process, which is almost finalised, and then we go through a process of offering those services that have been validated and approved. We offer those places to the services. We anticipate having all those 40,000—10,000 are already out there, so of the OSH 30,000 that came out in the budget we anticipate having all of those allocated by 1 July. Then we would be able to continue to look at the situation and we would continue to have a small pool of places that we would move around as we have done in the past. I can provide you, as I usually do, with the table of the allocation of places from December 2003 to April 2004, if you would like that.

Senator JACINTA COLLINS—That would be helpful. We have had all these new places allocated for 1 July. We then get to 1 January 2005, when there is likely to be some further growth in demand. How is the system going to manage that?

Ms Casey—There is also a drop-off in demand at the end of 2004, when children leave primary school.

Senator JACINTA COLLINS—But there is a net growth.

Ms Casey—There could be a net growth. We already have a small pool of places left over from the 40,000 that we have, plus we continue to work with the sector to increase the size of that pool and to continue to have a pool of places that we can reallocate. As Mr Kalisch said, should we see that the demand is exceeding that, we would be providing advice to government and seeking additional places.

Senator JACINTA COLLINS—I am sure you would be providing advice to government and seeking additional places. The difficulty in this area has been the preparedness of government to act on that advice. They have acted here but there does not seem to be anything catering to the natural growth that will occur beyond 1 January 2005. By the time we get to 1 January 2006 you will have a further level of growth. While the announcement in relation to family day care has accommodated some growth, the OSH one has not, has it?

Ms Casey—I would not say it has not. As I have said, we already have a small pool of places. From the numbers I gave you, we still have a small surplus left over from the places we had compared with what was unvalidated or was anticipated to be validated.

Senator JACINTA COLLINS—What is the small pool?

Mr Kalisch—I think Ms Casey gave you those figures last night: of the 30,000 places announced in the budget there is a validated need for 26,900—3,100 extra places in addition to those that we can get from reassignment. As you would realise, talking about 1 January 2006, that is well after the next budget.

Senator JACINTA COLLINS—It is well after the next budget.

Mr Kalisch—And we can put it in place relatively quickly.

Senator JACINTA COLLINS—Yes, but as you and I both know, we have been through several budgets where little if any allocation had been made in this area, which is what allowed it to build to the level of the 40,000 that finally this budget has dealt with. When was it that we first started to need to deal with levels of unmet demand in OSH of any significant order?

Ms Casey—In 2001 demand was estimated at around 32,000 places. Five thousand places were provided in the 2001 budget and from July 2002 we addressed demand through the reallocation process, of which we gave 15,000 OSH places back out through the reassignment process.

Senator JACINTA COLLINS—Prior to 2001—it did not just suddenly come to 32,000—how long had it been building?

Ms Casey—I came into this job in 2001 and there was not a huge demand at that stage. There was a demand and we had just received the 5,000 places in the budget prior to when I arrived, and that had met a lot of the demand.

Senator JACINTA COLLINS—I am sorry, did I misunderstand what you said? I thought you said that in 2001 there were 32,000.

Ms Casey—No. In 2001 we got 5,000 places.

Senator JACINTA COLLINS—I thought you said just prior to that that in 2001 there was an estimated unmet demand of 32,000.

Ms Casey—And we were meeting that demand through the reassignment process. So it was probably around the time that I came that demand was increasing, but I cannot talk about what was occurring prior to that.

Senator JACINTA COLLINS—Okay. Can you inform me of your understanding of the current situation with respect to supply and demand in long day care?

Ms Casey—It is a tricky one. What we measure in outside school hours care and family day care is demand from services, not demand from families. That is how we address through our planning system the supply/demand issue. Because the government has uncapped the supply of long day care places we actually do not monitor demand for long day care services. If we did, we would probably have to say that there was no demand, because if they want places they can have them. So it is a complex issue about what we are actually measuring there.

We are aware from some of the data we have available that there are areas where the needs of long day care are not being met. However, we are also aware that there are other areas where we are almost reaching an oversupply stage. So I was thinking about what data might be useful to you. In the past we have mentioned some of the data that we have available through our planning and advisory committees, which I am happy to table. This gives you a breakdown by local government area of the population of zero- to four-year-old and five- to 12-year-old children. It identifies the number of places that are available in those local government areas—the number of places per population of children. I am happy to table that information. That is some of the data that we use in looking at the situation in long day care around Australia. You might find that useful.

But you have to bear in mind that that is not the only data that is available. A lot of those parents might be looking for long day care close to their child's school or close to their place of work. There may be different demographic arrangements that come into all of those local government areas. It is not data that you can take and use to say, 'We need more long day care per child in this area.' But I am happy to table that because you might find that useful.

Senator JACINTA COLLINS—I will find that extraordinarily useful. I have been somewhat frustrated that it has taken this length of time to get access to that type of information. I have been even more frustrated with some of the material that has been leaked from cabinet-in-confidence advice, which actually had information about locations that have been identified as having areas of unmet need when I have been asking similar questions through this process time after time.

Mr Kalisch—As I understand the data that Ms Casey has just given you, that was readily available information. It was around a number of places in different forms. We have given you it in the past.

Senator JACINTA COLLINS—Local government area?

Mr Kalisch—I am not sure about the local government area dimension but we certainly gave you some detailed area statistics. The other aspect was around some of the population data, which is just drawn from ABS sources.

Ms Casey—I have mentioned that data in the past but I was not asked for it.

Senator JACINTA COLLINS—I have had discussions with Mr Sullivan, too, in the past in terms of some of the work the department was doing on geo-mapping. Unfortunately, none of those discussions led to any of that material really being made available to us; but I am presuming that is the sort of material that has informed things such as this leaked cabinet brief, which was actually able to identify particular areas where the department regards there to be unmet demand.

Ms Casey—That is some of the data that we would be using in, for example, looking at where we may allocate the 30 new services that we anticipate setting up out of the new funding we have received. But it is not just that data. We will also be working closely with our planning advisory committees around the local arrangements and the local issues. And we would be working with the different demographic information that we have available—and our PACs—to actually identify where the areas of greatest need are.

Senator JACINTA COLLINS—With respect to the PACs, while we are on that issue, why is it taking so long to get advice on confidentiality in relation to what information you can provide there?

Ms Casey—That was a difficult issue, mainly because of the arrangements we have. We had two issues we needed to clarify: one issue was the legal arrangements around the confidentiality of some of the information that is discussed and provided to those PAC members; the other issue is around the arrangements under which those members become a member of a PAC. Many of them, while they represent a particular peak body, are there in their own right as an experienced member of that state or territory, so they provide advice around areas, and they had concerns about I guess their liability around the advice they provide to those PACs. If we are going to change the arrangements under which those PACs meet, we need to give them advice around the changed arrangements and the fact that their information will be documented and minutes could be provided to this committee and would be publicly available. I guess there is a trust and ethical issue here around us going back to now the PAC and saying that we will be in future providing documented minutes of their meetings.

Senator JACINTA COLLINS—Will you be?

Ms Casey—We are happy to do that, but we have not done it yet, because I needed to come back and inform you that we have also sought legal advice and the advice is that we can give you the information but we would prefer to do it from here on in rather than go back, because of the arrangements and the understandings we had with the PACs.

Mr Kalisch—So we would change that understanding of the PAC members from now on.

Senator JACINTA COLLINS—I understand that issue. I am just wondering in terms of the past considerations whether one way to deal with that may simply be to give the PAC members a right of review before past information is released.

Ms Casey—I guess that is one. But I guess one of the things I want to do is to clarify this. I am not sure whether we have both been talking on the same levels about what a PAC is and what advice it gives, so I just want to be really clear that PAC meetings are convened and chaired by our department and they are held as required, often twice a year. They have no statutory—

Senator JACINTA COLLINS—It is not often twice a year.

Ms Casey—They usually meet when we have places to allocate, and in the past we have not had a lot of places to allocate. I want to be clear that they have no statutory roles or responsibilities and they receive no funding and make no decisions as such. They do not receive or approve applications for child-care places and they do not allocate places to services. What they do is provide advice to the department on the areas that need child-care places. Then that advice is taken into account by the secretary or the delegate of the secretary in assigning places out. So virtually the information I give you at the estimates committee is based on the advice of the PACs. So we actually take that advice. It is then put into recommendations from our state and territory offices which come to national office for approval for the reallocation or the assignment of the places through the process that is coming on now. In the past they have provided advice on areas where new centres were needed, but now they have mainly had a focus on the outside school hours care and family day care places.

Senator JACINTA COLLINS—Is it right that in the past they provided advice on even where long day care centres may be needed?

Ms Casey—Yes, they did. It says here that since the supply controls were removed on long day care in 1999 FaCS have focused more on family day care and outside school hours care.

Senator JACINTA COLLINS—Have they ever dealt with problems associated with the removal of the supply controls in 1999?

Ms Casey—Have they ever dealt with it?

Senator JACINTA COLLINS—Yes. Have they dealt with that issue? Have they provided advice to the department about the impact of that issue?

Ms Casey—Not that I am aware of, no.

Senator JACINTA COLLINS—They have essentially accepted that their parameters have shifted, and they have not dealt with—

Ms Casey—It has been very clear in their terms of reference what they are required to do when they come together and meet to provide advice on areas of need. Our different state and territory offices look at different issues around utilisation, and the child-care census will provide us with a lot of detail on long day care, once we have that new data. But the actual role of the PACs has not been around that since 1999.

Senator JACINTA COLLINS—You mention, for instance, the new 13 centres. Will they not be providing advice there?

Ms Casey—Not at this stage, no, unless we specifically ask them to. But our state and territory offices will be working with the sector. They have already started, particularly in the

Indigenous area, to work with them on identifying areas of greatest need and where we might be able to set up those services. Those will be done very much in conjunction with the community.

Senator JACINTA COLLINS—How many of the 13 new centres are envisaged for the Indigenous community?

Ms Casey—We envisage at least six—an estimated six will be Indigenous.

Senator JACINTA COLLINS—Under what sort of model?

Ms Casey—It would be developed in consultation with the community, and the ones that we are currently working with the Indigenous communities on are around, first, identifying what the needs of that community are and, then, working to establish a service that meets those needs. Particularly in the Indigenous community, you cannot just take a model in and apply it; you need to work out what is best to meet that community's needs.

Senator JACINTA COLLINS—But it is not envisaged at this stage that it simply be six additional NACs?

Ms Casey—No.

Senator JACINTA COLLINS—In your answer to my question on notice No. 85(c), you state that for PPI the department, through the national planning system, identifies areas of high unmet demand. Could you please identify those areas?

Ms Casey—For the PPI?

Senator JACINTA COLLINS—Yes.

Ms Casey—I would have to take that on notice.

Senator JACINTA COLLINS—Is it a short-term or a longer term notice issue?

Ms Casey—I think we could do it short-term; I will have to check.

Senator JACINTA COLLINS—The answer refers to 'through the national planning system', but the national planning system for long day care does not involve the PACs, does it? So essentially it is through departmental considerations.

Ms Casey—It would be, yes.

Senator JACINTA COLLINS—Okay.

Ms Casey—However, if our PAC were meeting, it would not pre-empt our state and territory offices asking for advice about issues, as they are able to do. I am not saying that they necessarily would do it, but they could—they would have the option of seeking their advice if they needed to.

Senator JACINTA COLLINS—I think the language you used earlier was fairly careful about areas of oversupply. You said that you had identified some areas that would be close to or at oversupply.

Ms Casey—We have had advice—but it is ad hoc; it is not substantiated data—around where there could be areas of oversupply.

Senator JACINTA COLLINS—What are those types of areas?

Ms Casey—There has been some advice from the Western Australian state government. They are expressing concerns about the number of services that they are licensing that are coming on board in Perth. We have had some advice or received representations from the long day care private peak body, raising concerns that there are a number of services being set up in areas where they feel there is potentially an oversupply, and we have sought further data from them about that, which has not come to us at this stage. So they are some of the examples where we do receive information.

Senator JACINTA COLLINS—What locations are they principally concerned about?

Ms Casey—I think, from the long day care peak body, they were in Queensland and Tasmania.

Senator JACINTA COLLINS—Darwin is another case that was raised with me.

Ms Casey—That has been raised; but, again, we need to see some substantial data before we can act on a lot of that information.

Senator JACINTA COLLINS—What sort of data would you need?

Ms Casey—You would need to know that the services were being set up. We often hear representations that there are going to be two new services set up in a particular area. That happened in Tasmania, for example. What happened was that private providers or corporates expressed an interest in buying certain sites to establish, but then they never proceeded with setting up those two services. So you need to wait to see where the data is.

That is often the dilemma that we work with, because this is a three levels of government issue. Local governments approve a service setting up in a particular area. They do not care about the commercial viability of a service, but they say, ‘Okay, I approve you to set up a butcher’s shop or a child-care centre on that location.’ Then the state government looks at the licensing requirements and the arrangements from the state government perspective. From the Commonwealth government perspective, we only hear about it when a service starts to apply for CCB funding.

Senator JACINTA COLLINS—This is post 1999?

Ms Casey—Yes.

Senator JACINTA COLLINS—Within the current system, the Commonwealth no longer really cares about commercial viability either.

Ms Casey—No, that is not true. That is the nature of the current situation and some of the issues that arise from the current situation, but, as we said before, we provide advice to government on that and those issues are being considered.

Senator JACINTA COLLINS—The advice that you provided about planning for OSH and family day care acknowledges that, if the cap were removed, destabilisation of existing quality services could occur. Isn’t that in fact what is occurring in long day care?

Ms Casey—I am not sure that I said destabilisation could occur.

Senator JACINTA COLLINS—Certainly ‘destabilisation’ is the word that was in the version of some advice that I saw.

Mr Kalisch—Are you talking about a certain report that we cannot talk about?

Senator JACINTA COLLINS—That is right. I just do not want Ms Casey to think that I am putting words in the department's mouth.

Mr Kalisch—The other aspect is that long day care is quite different in some of its structures and establishment costs, compared to family day care and outside school hours services.

Senator JACINTA COLLINS—Absolutely. The commercial viability issues are, if anything, probably far more critical.

Mr Kalisch—Yes, as well as the establishment costs and all of the other infrastructure required for long day care centres. In that sense, I do not think it is reasonable to assume that whatever advice we may or may not have given around family day care or OSH is directly transportable to long day care.

Senator JACINTA COLLINS—I am certainly not assuming that. I am picking up on some other things that I have read about the advisability of consistency in planning—and that has not come from me.

Mr Kalisch—And those aspects we will talk about with the minister.

Senator JACINTA COLLINS—In terms of areas of unmet need, so far Penrith, Blacktown, Melton, Brimbank, Hume, Wanneroo, Joondalup and Stirling have been identified. Are there any other areas you would add to that list?

Mr Kalisch—I am not going to talk about that list at all. I am not sure what document you are quoting from.

Senator JACINTA COLLINS—I am not quoting from a document; I am reading from my notes.

CHAIR—It is a hypothetical question. You cannot expect the officer to answer a hypothetical question.

Senator JACINTA COLLINS—Okay. What locations would you currently regard as being areas of unmet need?

Ms Casey—We are talking about the whole of Australia here. There are lots of areas, particularly in rural and remote areas. In any state or territory I could give you a whole list of areas where the severity of the need varies. I cannot provide that information.

Mr Kalisch—Can you be a bit more specific here, Senator? That unmet demand could be as little as one place, or it could be 50, 10 or 15 places.

Senator JACINTA COLLINS—I am indicating 'significant' in the same sense as you would regard suggestions that areas such as Penrith, Blacktown, Melton, Brimbank, Hume, Wanneroo, Joondalup and Stirling are significant areas of unmet need.

CHAIR—What numbers are you talking about? That was the question.

Senator JACINTA COLLINS—We do not know the numbers.

CHAIR—What is the focus of your attention? Are you saying unmet need at 5, 15 or 500 places?

Ms Casey—I have actually provided you a whole lot of information by local government area across Australia on the number of services that are available in each local government area. From that, you could probably go through the list and highlight exactly where there is potential tension around those issues. Then, as I said before, you would need to look at those and look at other issues that may be pertaining to that area and why one area may have thousands of children in that age group and only two long day care centres. There may be good reasons. It may be that there are already five new centres about to be established and opened up in that area. That is the sort of data that you would need to be thinking about in looking at that issue. So I think I have actually given you that data.

Senator JACINTA COLLINS—Yes, you have; I have got that here. That is why I am asking you about it now. In the context of this data, I have identified eight areas where the department has acknowledged significant unmet need. I am asking: are there further areas, in terms of bringing this up to date, that would be regarded as significant as those areas?

Mr Kalisch—If you could give us a more specific question we could have a look at what we could provide to you.

Senator JACINTA COLLINS—What areas have a level of unmet need as significant as Penrith, Blacktown, Melton, Brimbank, Hume, Wanneroo, Joondalup and Stirling?

Mr Kalisch—We will look at what information we have and come back to you, but—as I think has been recognised at previous estimates hearings—we have a light touch overview on long day care unmet demand because of the nature of the system and the ability of the market to respond without us intervening.

Ms Casey—We would do that on a state by state basis. For example, for the 13 new services that we will set up we will be looking very closely at the areas of most significant need, and the same with the private provider long day care incentive scheme. There is a definition in those guidelines when you read them around unmet need. We have had to give a lot of thought to that definition, because unmet need can be that there is no family day care scheme in the local government area. It could mean that there are three long day care centres but no outside school hours care service. So you actually get into quite a complex discussion when you discuss what are the issues around unmet need.

Senator JACINTA COLLINS—That is why I am asking you the question that way. I appreciate that you have given me this level of information. I also appreciate what you have told me, which is that there is a mixture of other factors, information about which is not presently available to me but is within the purview of the department. My simple question is that in relation to those areas of unmet need, where it has been assessed it is significant, are there other areas that you would regard in present-day terms as being at a similar level of unmet need?

Mr Kalisch—I thought I had already committed to looking at what we could get you.

Senator JACINTA COLLINS—In relation to the oversupply issues, Ms Casey referred a moment ago to the concerns of the private providers in long day care that had been raised. Has any analysis been done of the allocation of CCB over and above areas where you understand there may be an area of oversupply?

Ms Emerson—CCB is an entitlement to families.

Senator JACINTA COLLINS—Yes, I know that.

Mr Kalisch—It just goes to children in care.

Senator JACINTA COLLINS—Yes, I know that, too.

Mr Kalisch—I am trying to understand the question.

Senator JACINTA COLLINS—In a very crude sense—and I do not mean this of the minister but in terms of this analysis—the minister indicated, for instance, that 40 per cent of children are in some form of Commonwealth assisted child care in Queensland. The national average is 30 per cent. Queensland is one of the areas where it is regarded that there are problems of oversupply. I am trying to understand the extent to which oversupply is actually leading to market driven demand that might account for that extra 10 per cent of usage in Queensland.

Ms Casey—You have to be careful about saying that Queensland is one of the areas where there is oversupply.

Senator JACINTA COLLINS—Some areas of Queensland.

Ms Casey—Yes. Queensland actually has, at the moment, the highest demand for our OSH and family day care places, and they seem to have a higher utilisation rate for child care per se.

Senator JACINTA COLLINS—What is the utilisation rate for OSH and family day care?

Ms Casey—I have not got that information available to me. I could find out.

Senator JACINTA COLLINS—I would be interested to see if the discrepancies are the same in other forms of care, as it appears to be—although the minister's figures would have been all forms of care. I would be interested in a break-up by forms of care.

Ms Casey—So what you are after is the break-up in Queensland of family day care, outside school hours care and long day care services?

Senator JACINTA COLLINS—We presently have—courtesy of the minister last week—a figure of 30 per cent of children accessing some form of Commonwealth assisted child care in the nought to five age group. We also have the figure for Queensland, which is 40 per cent. I would like to understand what the percentage is for Queensland if you break that up into the different types of care.

Ms Emerson—So you actually want to know the proportion of children? So it is the utilisation in terms of the proportion of children in the population? We will have to work that one out for you. We should have the data to do that.

Senator JACINTA COLLINS—It would be interesting to see if that trend around Queensland is higher across all forms of care or if it potentially relates to just uncapped care, and whether there is some level of market driven demand in Queensland. The reason that I ask this—and again these are anecdotal problems that have been raised with me and may well have been raised with the department as well—is that we understand that there are some cases of long day care centres offering discount child care to ensure that places in areas of

oversupply are being used to take up the advantage of CCB. Alternatively, some services may be offering additional days at no charge. Do you know of cases like that?

Ms Emerson—We deal with a range of issues to do with fee charging practices generally, often from compliance perspective, because some of those packages could be in breach of the requirements around CCB approval. We have a number of those issue we are currently looking at.

Senator JACINTA COLLINS—I suppose it is a bit like tax—you have some avoidance arrangements and some evasion arrangements. So you have some arrangements which are presently legitimate within the system—although in a systemic sense you might want to deal with them—and some that are clearly outside of the system?

Ms Emerson—That is true.

Senator JACINTA COLLINS—A classic example I think would be centres encouraging people to register their children for more days than they actually use.

Mr Kalisch—We have a strategy that we work on with Centrelink around this. Centrelink are quite active in this area, and we are always working with them around ways to improve those compliance strategies.

Senator JACINTA COLLINS—What can you tell me about the incidence of these types of practices?

Mr Kalisch—I will check to see whether we have that.

Ms Emerson—I do not have that data.

Senator JACINTA COLLINS—Do I need to talk to Centrelink on compliance issues in relation to this? There is meant to be a Centrelink person here, by the way. I was assured that there would be someone from Centrelink right throughout today.

Senator Patterson—I will check that. They were going to be here all day yesterday.

Senator JACINTA COLLINS—Ms Vardon said that there would still be a Centrelink person throughout today. But I am happy to defer it until tomorrow, if that is convenient.

Senator Patterson—I would prefer not to be here tomorrow.

Senator JACINTA COLLINS—Not tomorrow—I mean Friday.

Senator Patterson—I wish I did not have to be here Friday, either. I keep mentioning it.

CHAIR—I did think that someone from Centrelink was going to be here all day today.

Senator Patterson—So did I. They are chasing it up. I was of that understanding too, so we need to chase it up. Can you hold the question? If it is not, we will get someone over from Centrelink.

Mr Kalisch—If we can give you a broad answer, that might satisfy you.

Ms Emerson—We do not have that specific information—sorry.

Mr Kalisch—It is really difficult to expect that Centrelink would have that in terms of aggregated information. They would no doubt deal with anecdotes and examples on a centre-by-centre basis. I am not aware of any aggregation of that information.

Ms Emerson—As you would expect, we look into the issue. We would do some analysis around the breadth of an issue and get accounts of how many times a certain sort of activity takes place. But then we would have to look into where the boundaries start to become a risk of noncompliance with the rules and regulations. It is that sort of area of fuzzy data at the moment.

Mr Kalisch—But we have a risk and compliance strategy around CCB that Centrelink has developed with us.

Senator JACINTA COLLINS—How much detail can you give me on that?

Ms Emerson—What sort of detail are you looking for?

Senator JACINTA COLLINS—If you have a risk and compliance strategy, what is the strategy?

Ms Emerson—It is basically a document that we have.

Senator JACINTA COLLINS—I presume this is a document that you do not want publicly available because it will then advise people of how you are going to assess risk and compliance.

Mr Kalisch—There is a certain moral hazard in releasing too much information, although we understand your need to know certain things.

Senator JACINTA COLLINS—Where does that leave us then? How much can you tell me?

Mr Kalisch—That might be something that it is worth while giving you a private briefing on.

Senator JACINTA COLLINS—I am also interested in the strategy—some of which you may be able to cover now, some you may not—you have in place for assessing these issues about CCB. I cannot exactly recall the phrase that Ms Emerson used a moment ago, but are you looking at some of these issues at the moment?

Ms Emerson—Yes, we are.

Senator JACINTA COLLINS—What is the process involved there?

Ms Emerson—Essentially, we have an ongoing discussion and work with the Centrelink partners in the Family Assistance Office. As issues come up, we address those, and we usually have a couple of issues on the boil at any particular time.

Senator JACINTA COLLINS—What issues do you have on the boil at the moment?

Ms Emerson—As examples?

Senator JACINTA COLLINS—Yes.

Ms Emerson—The one you raised is actually one of the ones that we are looking at in some detail at the moment—that is, fee-charging practices which involve packaging of care, which may involve services wishing to get families to sign up for more days of care than they may actually wish to use. That is a good example. Another example would be around the use of the special child-care benefit, and we are having a close look at that. That is an issue you have raised in the past and we are following up.

Senator JACINTA COLLINS—Are there any others?

Ms Emerson—I think that they are two good examples. There are a number of other issues. If it suits you, we would prefer to talk separately on those.

Senator JACINTA COLLINS—I am also interested, in terms of the incidence of, say, package of care arrangements, to see whether the reports of such instances—even though they may be anecdotal—actually align with other reports of oversupply.

Ms Emerson—We probably have two quite distinct data sources we are looking at. Some of it is anecdote and tip-off, and perhaps Centrelink can provide you with some more information about where some of the information is coming from of people reporting concerns around that data. Regarding the areas of oversupply, quite different statistical models and methodologies are used, so it is something we will certainly try and look at, but I do not have the information at hand at the moment.

Senator JACINTA COLLINS—Perhaps the best thing to do on this particular issue is to ask you to look in the shorter term with what you may be able to provide me on notice in a public sense, but at the same time, once you have done that evaluation, we might look at organising a private briefing and going through that in detail.

Ms Emerson—Certainly.

Senator JACINTA COLLINS—I do not want to say ‘take it on notice’ and then two months later we finally get answers and decide to have a private briefing. I would rather do it sooner rather than later. While I am on fee-charging practices, one problem that does seem to be allowable within the system is related to the hours of sessional care that providers are able to charge for. You may have a child in care whom you want to be in care full time, five days a week. However, because your centre operates sessions that are 12 hours, they charge you for 12-hour sessions, even though you may not use 12 hours, and end up precluding you from being eligible for the fifth day of CCB.

Ms Emerson—Yes, that is true. That is one of the more extreme examples, but sessional charging practices are within the guidelines.

Senator JACINTA COLLINS—Has the department looked at any way that you could deal with an issue like that through regulation?

Ms Emerson—It is one of the areas that we are constantly looking at in terms of our overall review, and it is on the list.

Senator JACINTA COLLINS—If you are a regular nine to five, full-time worker, are you able to qualify for the extension of the 50 hours or would you not be eligible?

Ms Emerson—You would not generally be eligible if you were a nine to five worker and your work related care needs were less than 50 hours.

Senator JACINTA COLLINS—Even though your provider can charge you for those 50 hours over four days?

Ms Emerson—That is correct.

Senator JACINTA COLLINS—But it is on your list of issues for review.

Ms Emerson—Yes.

Senator JACINTA COLLINS—Has it gotten to the stage that any recommendations have been put to the minister?

Ms Emerson—No.

Senator JACINTA COLLINS—Is it fair to say that there is quite a number of these sorts of issues, with the application of CCB, that a review could deal with?

Ms Emerson—There are a number of issues that we are looking at because it is a very complex system. Fee setting is at the discretion of services themselves and the business decisions they make, so we look at our regime around CCB to make sure that it is up to date and is keeping abreast of current practices. So that is the sort of analysis we are doing. There are a number of areas which might be seen as a little bit vulnerable to being used fairly freely, so we give them a priority.

Senator JACINTA COLLINS—Have you ever done any assessments of what proportion of CCB might be being misapplied?

Ms Emerson—No.

Senator JACINTA COLLINS—Have you ever looked at mapping the work force participation rates in particular regions against their level of usage of CCB?

Ms Emerson—I am not aware that we have done that work.

Mr Kalisch—One of the difficulties is getting some of that labour force participation data by very small regions. As you are aware, the ABS does produce some small area labour statistics that they work with DEWR on. I think it is DEWR that uses some of the ABS data, but it is still very aggregated regions—from my recollection, it is still around 20 to 25 regions in Australia—so it is not down to the level of considerable disaggregation you are generally looking at in this child-care area.

Senator JACINTA COLLINS—Can you purchase data on smaller regions?

Mr Kalisch—Because the ABS does it on a sampling basis, generally aside from the census times, you cannot get down to a smaller region and still produce statistically significant results. The census gives you an opportunity to do that, but that is only every five years.

Ms Emerson—We certainly look at it nationally and on a state basis, and we are still looking at about 90 per cent of all care being work related care. The issues that we are picking up are probably more at the marginal end, but we are giving them particular focus.

Senator JACINTA COLLINS—As I said to you before, it is back in a very crude sense. Even comprehending why the utilisation rate in Queensland would be 10 per cent higher is something that you have not really unpacked.

Ms Emerson—They are good questions, and they are questions that we will be pursuing.

Senator JACINTA COLLINS—I am interested in understanding how many child-care centres are provided within the public sector. Is that sort of data readily available?

Ms Emerson—Not from our systems it is not.

Senator JACINTA COLLINS—In terms of your list of child-care providers, it would not be readily identifiable which ones—

Ms Emerson—It would not be readily identifiable, no.

Mr Kalisch—Just to understand the question, is this workplace provided child care by public sector agencies?

Senator JACINTA COLLINS—Yes.

Mr Kalisch—Is that Commonwealth only or state?

Senator JACINTA COLLINS—I am going to try to get state figures as well, but we are starting at Commonwealth at the moment. This is part of my ongoing curiosity about salary-sacrificing arrangements.

Mr Kalisch—We can look at the data we have that might fit the bill, but we do not have it in a readily accessible form, as I understand it. We will look at what we could extract that is not too onerous.

Senator JACINTA COLLINS—Essentially, the direction I was looking for was the Commonwealth public sector, then the state public sector—I might use other avenues to track that down if you are unable to help—and then the corporate sector.

Ms Emerson—I think we would have to go through our lists manually and try and identify the titles in terms of the owner-sponsor names, which is a pretty substantial task. That is why I say there is potentially information there that might be what you are seeking, but it depends on how much detail you need or whether there is another way we can come up with the information.

Senator JACINTA COLLINS—I think it is a worthwhile task. Other than just my immediate curiosity, I think it is important for the Commonwealth to try and quantify precisely what is happening in the salary sacrifice of child care. It is my frustration—and I will be dealing with this with the Taxation Office as well—that we are presently unable to quantify that, and I would like to try to. If you can advise me of a more effective way of quantifying how many places this ruling might have application to, it would be appreciated.

Mr Kalisch—We will look into what is possible and feasible. We have many worthwhile tasks that you are talking to us about today aside from this.

Ms Emerson—I do not think you can make a safe assumption that all the organisations you are specifying would actually have salary-sacrificing arrangements in place for the people who attended that service, because that is actually a private arrangement between employer and employee and it would vary a lot. It depends on the nature of the service being provided and the arrangements that are around it—for example, some of the arrangements could be that the service was assisted to be established in a certain area and that that is the nature of the relationship. There might not be any salary sacrificing involved in the payment of fees or, for some individuals in that service, there might be a salary-sacrificing arrangement but others who have sought financial advice about the situation would have found it not to be particularly beneficial and would have opted for a normal child-care benefit entitlement. Once again, it is a matter of what you would like to get out of the data.

Senator JACINTA COLLINS—What I am looking for is an estimate of how many child-care places would be being salary sacrificed.

Ms Emerson—We cannot provide that information.

Mr Kalisch—You are really getting into tax dimensions and individual workplace arrangements.

Senator JACINTA COLLINS—Tax will not be able to tell me that either—

Mr Kalisch—We certainly cannot.

Senator JACINTA COLLINS—because they will not be able to differentiate salary sacrifice of child care as opposed to other issues, which is why you need to come at it from the other end, from the point of view of those places that are likely to be attracting salary sacrifice.

Ms Emerson—Once again I am suggesting that there is not an equation that neatly matches those two things.

Senator JACINTA COLLINS—I understand it will not be neat.

Ms Emerson—And you get people who are not employees using the services; you get people who are not into those arrangements. I can look at whether we can get—

Senator JACINTA COLLINS—That is why, for instance, if you can provide me with a list of centres that you think are likely to be applying such arrangements, further work can then be conducted on clarifying with those services—and I am not necessarily suggesting further work for the department; there could be independent research to this—the proportion of children in those services that are attracting those arrangements.

Ms Emerson—The other way of coming at that issue might be if I can get some data on applicants for CCB who have indicated they have a salary-sacrificing arrangement or have treated the income test in a particular way. I can look into that and see if there is any data.

Mr Kalisch—I do not know that we are going to get too much further this afternoon, so let us take it away and look at what is possible.

Senator JACINTA COLLINS—Because in most cases people will not be applicants for CCB, will they?

Mr Kalisch—A lot will not. It is hard to know.

CHAIR—Can we move on? We are really going around in circles.

Senator JACINTA COLLINS—We are moving on. I do not think we thought we were going around in circles. We are all trying to get a handle on the same issue—the department for its own purposes.

CHAIR—You just seem to be asking the same question in a thousand different ways. We should move on.

Senator JACINTA COLLINS—We were actually exploring how we might be able to get to some useful material on it. JPET funding.

Senator MOORE—JET.

Senator Patterson—Senator Moore has been asking too many questions; she needs to settle down.

Senator JACINTA COLLINS—Sorry, JET. I am on JET. Could you provide me—and this is probably an update—with the number of children, families, parents and services receiving JET child-care assistance in 2003-04 by state and territory?

Ms Casey—I have everything but that. I will have to come back to you with that. It will not take too long.

Senator JACINTA COLLINS—As I said, it is more of an update from last time. Similarly for the 2004-05 estimate. Was the level of demand for assistance met within the annual appropriation for 2003-04?

Ms Casey—At this stage, yes. For the 2003-04 financial year we have not spent our full allocation yet. But we are hoping to with the current projections.

Senator JACINTA COLLINS—Are you able to provide details of the total and state by state breakdown for year 2003-04 budget expenditure of the broadband and SPP, the broadband other and cashed out CCB block funded expenditure?

Ms Casey—I tabled that at the February estimates. We have not finished the financial year, so I cannot give you an update on that. But the information I provided you at the last estimates was that break-up of the 2003-04 year. That is what you are asking for now. I have already given it to you.

Senator JACINTA COLLINS—We cannot go further than that one?

Ms Casey—No.

Senator JACINTA COLLINS—Is there any present waiting list for SNSS funding?

Ms Casey—No, there is no waiting list at all—not a single child waiting.

Senator JACINTA COLLINS—Except those concerned with the change in eligibility.

Mr Kalisch—What change?

Senator JACINTA COLLINS—Weren't the guidelines changed? Hasn't the minister received concerns about those who are no longer within the scope of SNSS funding in relation to the level of medical intervention involved in their care?

Ms Casey—Yes. There are a few children. But all of the children who were receiving that have been grandfathered. New arrangements for new children coming on have met the new guidelines. Those are the couple of representations that you are probably referring to.

Senator JACINTA COLLINS—When were they grandfathered?

Ms Casey—When we brought in the new arrangements.

Senator JACINTA COLLINS—Does that grandfathering follow the child if the child moves from one state to another?

Ms Casey—It is the service that receives SNSS funding, not the child.

Senator JACINTA COLLINS—I know. If the parents of a child who has been grandfathered—

Ms Casey—The service that is providing the service to the child while the child is there would be grandfathered. If the child moves to another service, a SUPS worker and the provider would work with the parents and the inclusion support worker to work out whether that new service was able to include the child or whether they would need to be supported. A child may be ineligible around their medical intervention needs, but they may have other needs that would qualify them for special needs assistance.

Senator JACINTA COLLINS—Let us just look at those arrangements that were grandfathered.

Ms Casey—The hypothetical case that you were talking about where a child had purely medical intervention needs, they had been made eligible under a previous system and they moved interstate would be one of the one-off situations that our state and territory officers would take into consideration, and they would look at that situation.

Senator JACINTA COLLINS—I think some people would be very happy to hear that assurance. So there is scope within—

Ms Casey—The guidelines always had a paragraph in them that one-off cases would be considered and particular instances would be looked at.

Senator JACINTA COLLINS—How many cases of this nature have been raised with the department and/or the minister?

Ms Casey—About medical intervention?

Senator JACINTA COLLINS—Yes.

Ms Casey—I do not have that information. Only a few have come to our notice. We have only had a couple of ministerials on those; I have only seen a handful of them. The grandfathering was for two years, from 1 July 2003 to 30 June 2005.

[3.18 p.m.]

Senator JACINTA COLLINS—I now move to output 1.1, Aboriginal and Torres Strait Islander innovative services and playgroups. Could you explain to me what the ATSI innovative expenditure refers to? It appears to be unique to Queensland. Is it?

Mr Kalisch—We understood earlier that you had a few more questions on output 1.1 around the children's services that we could do today. We have officers coming back again who were here yesterday.

Senator JACINTA COLLINS—Do you want to do 1.1 now or later?

Mr Kalisch—A bit later, the officers are still on their way.

[3.19 p.m.]

Senator JACINTA COLLINS—I now move to output 1.4, Multifunctional aboriginal children's services. How many MAC services are currently operating?

Ms Casey—Thirty-four MACS are operational—25 rural, nine urban, 11 in New South Wales, six in Victoria, three in Queensland, five in Western Australia, five in South Australia, one in Tasmania and three in the Northern Territory.

Senator JACINTA COLLINS—Has that been consistent over the last few years?

Ms Casey—We have had a couple that have closed, but it has been fairly consistent.

Senator JACINTA COLLINS—Which ones have closed?

Ms Casey—There was one in Darwin, and there was one in Kempsey that burnt down.

Senator JACINTA COLLINS—Just those two, is it?

Ms Casey—They are the two that I know of, yes.

Senator JACINTA COLLINS—The Darwin one was required to close—is that the case?

Ms Casey—Yes. There were a lot of issues around that service, some around the quality of the care of those children and some around the accountability and financial arrangements of that service. But we are working with that community to identify what is the best way to meet the Indigenous community's child-care requirements, and community consultations have begun on that. We will be looking to work with the community to establish a service that meets their needs.

Senator JACINTA COLLINS—What time frame are you looking at?

Ms Casey—I believe the consultations have started already, and as soon as possible we would be looking to work with the community. In the meantime, all of the families who have children—and there are only very small numbers of children in that service—have all been provided with alternative care arrangements.

Senator JACINTA COLLINS—They have been?

Ms Casey—They have been—and support and counselling has been provided to all of those families in the arrangements that are in hand.

Senator JACINTA COLLINS—What were the care issues?

Ms Casey—There were some issues that the Northern Territory government had around licensing, OH&S and safety. There were also some issues around the work force and the quality of care that was being provided to those children. There were multiple issues with that service so that in the end it was in the best interests of those children to provide alternative care while additional arrangements could be put in place to provide a service that actually meets the needs of the community. There were only, I think, 16 children in that service at the time we had to close it.

Senator JACINTA COLLINS—Sixteen at the start of the closure process?

Ms Casey—Yes.

Senator JACINTA COLLINS—Or 16 after it eventually wound up?

Ms Casey—Sixteen at the start of the closure. It was operating with around 16 children in it, so it was a very expensive form of care. Some of that was to do with the quality of care that was being provided.

Senator JACINTA COLLINS—How many places was it able to provide?

Ms Casey—I think it was—

Mr Kalisch—Thirty-two.

Ms Casey—thirty-two.

Senator JACINTA COLLINS—So there was only an occupancy rate of 50 per cent.

Ms Casey—And there is a need to find an arrangement that meets the needs of that community now.

Senator JACINTA COLLINS—How typical of MACS would you say that particular service was?

Ms Casey—I would not say it was typical. We have some excellent MACS, some really high-quality ones—some that have gone through our voluntary quality accreditation process and been accredited. So we have some very high-quality MACS.

Senator JACINTA COLLINS—That one was going through the quality accreditation process too, wasn't it?

Ms Casey—It was in the early stages of its establishment; it was not in the latter stages.

Senator JACINTA COLLINS—That happens to be the only MACS that I think I have seen. Which would you recommend as a high-quality service?

Ms Casey—I have been to the one in Victoria; I was quite impressed with that.

Senator JACINTA COLLINS—Where is the Victorian one?

Ms Casey—I do not know, not being from Victoria. Julian Pocock could take you to that one; he took me to show it to me. They provide a very good, comprehensive range of services.

Senator JACINTA COLLINS—Is it urban or rural?

Ms Casey—It is urban. There is also a very good one in South Australia—a very high-quality one. We could get you the names of those if you would like to visit them.

Senator JACINTA COLLINS—If you could, thanks. Picking up on some of the issues that related to this Darwin MACS centre, can you tell me what assistance, if any, is available to MACS to ensure appropriate management?

Ms Casey—All of our MACS are able to receive our R&A and IST services. They can get SNSS and SUPS assistance.

Senator JACINTA COLLINS—I am talking about management.

Ms Casey—Some of that would come through our R&As and ISTs; they can have management assistance there. But our NT office would have been working very closely with them over the period when they have not been able to produce their financial reports and to assist them in doing that, but they have been consistently not providing those reports. Our office and the Northern Territory government have been working with that service to assist them to lift the quality of the environment and the care that is provided. Lady Gowrie service in particular in the Northern Territory has been working with that service to assist them.

Senator JACINTA COLLINS—You probably cannot provide me with an update on expenditure for in-service training either.

Ms Casey—For in-service training I probably can. For this financial year?

Senator JACINTA COLLINS—Yes.

Ms Casey—This year funding through the child-care broadband for professional support is \$13.7 million, but that takes into account R&As, ISTs and SUPS R&As. In the last financial year, 2002-03, for IST services we provided \$3.1 million. Last financial year we spent \$4 million on resource and advisory agencies, \$3.1 million on in-service training and \$4.2 million on supplementary resource and advisory agencies, giving a total of \$11.3 million. This financial year I have a figure of \$13.7 million we have been allocated for those three services. I have not got the break-up of the actual IST for this financial year.

Senator JACINTA COLLINS—Can you give me a state-by-state breakdown of this expenditure?

Ms Casey—I will see if I can do that for you this afternoon. We will have to give you that one. I can give you a state-by-state break-up of the number of services.

Senator JACINTA COLLINS—I will wait until you can give that with the expenditure. Moving on to Children's Week—

Ms Casey—That is 1.1.

Senator JACINTA COLLINS—Okay. Resource and advisory grants. I am interested in what you anticipate to be total expenditure for this program for the year 2003-04 and what your estimate is for 2004-05.

Ms Casey—It is the same as the IST. I have given you the full break-up for the R&A, IST and SUPS workers, which were lumped together as \$13.7 million.

Senator JACINTA COLLINS—You did too. Can you do state-by-state for that as well?

Ms Casey—Yes.

Senator JACINTA COLLINS—And an explanation for how it is actually calculated.

Ms Casey—We contract agencies like Lady Gowrie to provide that. It is through a funding agreement. So for our R&As and ISTs we enter into a funding agreement with them. We are renegotiating many of those agreements now.

Senator JACINTA COLLINS—Is that on a state by state basis?

Ms Casey—It is on a service by service basis at the moment. Each state would negotiate with a certain group of providers, and each of those providers would have a funding agreement for that period of time. At last estimates we talked about the fact that the minister has extended their agreements for another 18 months. All of the issues around the way we provide professional support to child-care services are being reviewed as part of the child-care support program.

Senator JACINTA COLLINS—Has there been some recent relief for Queensland in terms of in-service training, or is that anticipated?

Ms Casey—That is anticipated.

Senator JACINTA COLLINS—We will wait until tomorrow night! Regarding family day care, can you update the last one in terms of anticipated total expenditure for 2003-04?

Ms Casey—The one I gave you in the last estimates would be our estimate.

Senator JACINTA COLLINS—It is the most up to date. What is the total estimate for 2004-05?

Ms Casey—I think you will have to wait until the redevelopment is announced.

Senator JACINTA COLLINS—Tomorrow?

Ms Casey—Yes.

Senator JACINTA COLLINS—We will revisit it on Friday. Do I need to do that for in-home care?

Ms Casey—I have given you in-home care.

Senator JACINTA COLLINS—We have done in-home care, but have we done all elements of in-home care?

Ms Casey—Yes.

Senator JACINTA COLLINS—What about innovative services?

Ms Casey—Do you want the break-up for innovative services?

Senator JACINTA COLLINS—Yes.

Ms Casey—That is in the break-up that I have given you.

Senator JACINTA COLLINS—But that will not be the 2004-05 estimates.

Ms Casey—Again, I think you should wait until—

Senator JACINTA COLLINS—Okay. Is it the same for occasional care?

Ms Casey—Yes.

Senator JACINTA COLLINS—We were discussing whether to deal with the forward estimates of some elements of the broadband. What is your preference?

Mr Kalisch—Are you looking at just the aggregate forward estimates?

Senator JACINTA COLLINS—Yes.

Mr Kalisch—With the aggregate forward estimates we can give you the total figure for the broadband, because that was provided in the estimates paper.

Senator JACINTA COLLINS—Sorry, the disaggregate. In this particular question it is occasional care.

Mr Kalisch—I think we need to wait until after tomorrow night.

Senator JACINTA COLLINS—I can understand that; otherwise someone like me could actually work out those areas you were happy to respond to and those you were not and interpret what the announcement will be.

Mr Kalisch—You could interpret what you think it might be.

Senator JACINTA COLLINS—That is right. Why don't we do this on the basis that on Friday morning we will get the disaggregated broadband estimates for 2004-05. Is that an easy way to avoid going through this for each disaggregated component of the broadband? I am in the outside school hours care area now. What is happening with respect to childhood

obesity? There has been foreshadow after foreshadow after foreshadow. Is this still within FaCS, or has this moved over to sport?

Mr Kalisch—There is a national task force on obesity run from the Department of Health and Ageing.

Senator JACINTA COLLINS—What funding has it got?

Mr Kalisch—You would have to ask the department of health. I think they are going to be here tomorrow and Thursday.

Senator JACINTA COLLINS—Do you have any information on the Australian Sports Commission pilot, or would you suggest that I would need to ask Health? Do I need to do it through sport?

Mr Kalisch—You would have to ask the Australian Sports Commission.

Senator JACINTA COLLINS—I think we might have dealt with most of the PPI stuff. Ms Casey, is there an update from the last occasion on PPI?

Ms Casey—I think I gave that to you last night.

Senator JACINTA COLLINS—You may have.

Ms Casey—I gave you all the information on PPI last night.

Senator JACINTA COLLINS—Has there been any new centres since the last list you gave me?

Ms Casey—I gave you that last night. I think we provided that in a question on notice, but since last estimates we have approved five additional services: in Ballan, Condobolin, Manilla, Quirindi and Kapunda. I think we have provided all that information to you in a question on notice.

Senator JACINTA COLLINS—Yes, you did. I am asking you if there is any further update to that.

Ms Casey—No, because that is the end of that. Now we have gone out and advertised for the Long Day Care Incentive Scheme. Those applications will close next month.

Senator JACINTA COLLINS—You are coming back to me about other upgrades similar to St Arnaud. Can you provide the details of the costs associated with the consultation process to date on the broadband?

Ms Casey—We gave you that—

Senator JACINTA COLLINS—I know, but how up to date is that?

Mr Kalisch—It has not changed.

Ms Casey—That was up to date. We had finished the consultations as at the last estimates, and there has been no further funding provided for the consultation. Community Link provided their report, and I gave you the latest figures. Since then, the work has been done within the department.

Senator JACINTA COLLINS—So the transition between when they gave in their report and the announcement tomorrow night involves no costs external to the department?

Ms Casey—No; it has been all hard work in the department.

Senator JACINTA COLLINS—Who is funding the dinner tomorrow night?

Ms Casey—The minister is hosting the launch. It would come out of the Child Care Support Program as part of the launch.

Senator JACINTA COLLINS—How broad is the number of people attending?

Ms Casey—The Child Care Reference Group are the attendees, as are the directors of my team who have worked on it—

Senator JACINTA COLLINS—So it is not broader in terms of those—

Ms Casey—and some members of our executive.

Senator JACINTA COLLINS—It has not extended further into participants in the consultation processes?

Ms Casey—No. Because the Child Care Reference Group were the key advisor to the minister on that, he decided that it was appropriate that they should be the ones to receive the launch. However, all the members of the deliberative forum will receive information.

Senator JACINTA COLLINS—They are meeting the next day, aren't they?

Mr Kalisch—Yes.

Senator JACINTA COLLINS—In terms of outside school hour places and the growth in the number of places, on the last occasion we ascertained how many of the places were provided as block places. In your response to question 38, you have indicated that, of the 354,000 places in 1998, 27 per cent were block funded.

Ms Emerson—My section provided that advice.

Senator JACINTA COLLINS—Does that mean that that 27 per cent of places were not counted as places in the earlier figures? I am trying to understand the meaning I am meant to ascribe to that. We have been cautioned as to the veracity of the growth figures, but I am still a bit in the dark over what meaning I am meant to ascribe to that 27 per cent.

Ms Emerson—I understand that is correct, but I will double-check that for you.

Senator JACINTA COLLINS—What is correct?

Ms Emerson—That they were not counted previously.

Senator JACINTA COLLINS—So when the minister talks about growth figures of 72,000 places in 1996, growing to 230,000 in 2002, early on in that period there were 27 per cent of places that were not being counted?

Ms Emerson—There were 27 per cent of the 134,000.

Senator JACINTA COLLINS—That are not counted.

Ms Emerson—That I do not think were counted in that earlier figure.

Senator JACINTA COLLINS—If we go back to 1996, when the minister counts there being 72,000 places, how many block funded places were there? That figure relates to 1998.

Ms Emerson—That is correct. I would have to find that out for you to get a precise figure, but I anticipate it would be somewhere around the 1998 figure.

Senator JACINTA COLLINS—So the real growth estimate probably should be 72,000 plus 27,000. That is almost 100,000.

Mr Kalisch—Let us get you a precise figure before you start drawing assertions.

Senator JACINTA COLLINS—I was hoping that was what you might have given me last time.

Ms Emerson—We answered precisely the question you asked.

Senator JACINTA COLLINS—I know, but I was asking it because I was seeking to ascertain what the real growth was in that chart. The discussion was about the caution that had been provided in the chart. At the time, Ms Casey thought that the proportion of block funded places would not be significant. You have now been able to tell me it is 27 per cent, which I think is significant and will have a significant impact on the level of growth the minister claims to have occurred over the period.

Ms Emerson—We will clarify our understanding and the 1996 number. Is that what you would like to know?

Senator JACINTA COLLINS—Yes, thank you.

[3.45 p.m.]

CHAIR—We will now move to output 1.1, Family assistance.

Senator JACINTA COLLINS—I will clarify some things, because I think Mr Kalisch might have misunderstood. Last night I was dealing with child-care related 1.1 matters. There are still considerable numbers of family assistance 1.1 matters that we have to deal with.

Mr Kalisch—Is this around playgroups and some of the other children's or family services, not family tax benefit?

Senator JACINTA COLLINS—Yes, the child-care related 1.1 ones. However, I express an air of caution, because the boundary between what is child-care related in 1.1 and what is families related may well be a bit blurred, which Mr Kalisch will understand.

Mr Kalisch—There certainly are some multiple sources of funding that cross over.

Senator JACINTA COLLINS—All I was seeking to do last night was to occupy a small period of time by getting some issues out of the way. What is the expenditure this year for Children's Week?

Ms Casey—I might have to take that on notice. There has been a change in which program funded Children's Week. In the past it has been funded by the child-care broadband. I will see if it is in my one-offs, but it more appropriately fitted with 1.1 rather than my child-care program, so we moved it.

Mr Kalisch—This is one of those areas where it was being funded under the broadband but did not have a close fit with the broadband objectives.

Senator JACINTA COLLINS—With the broadband being overcommitted as it was, it was probably quite convenient that it moved to another area.

Mr Kalisch—It was certainly good administrative practice to find a more appropriate home for it.

Ms Casey—I can probably give you that answer. If I do not have it here, I can find it for you this afternoon.

Senator JACINTA COLLINS—What is the estimate for next year as well?

Mr Kalisch—We will get that for you.

Senator JACINTA COLLINS—I want a state by state break-up and the basis on which it is funded. I suppose it is a bit similar to Youth Week. Is it the same sort of structure?

Ms Casey—It is pretty much funding that is given to each state and territory. They get a small amount of funding to assist with activities for Children's Week. My recollection is that we also gave some additional funding to the national body that was in Queensland. So last year the Queensland office got some additional funding because of the national body and the coordination role, and then each state and territory got a certain amount of money. It was a small contribution towards the activities for Children's Week.

Senator JACINTA COLLINS—In that can you also explain what Commonwealth funded events occurred, if there were any events under the national funding?

Ms Casey—We just pay a contribution to the events that happen nationally in each state and territory. We do not actually fund an event. Each state body that funds Children's Week would put on a number of events and activities to which parents would be invited, and there would be publicity. We make a contribution to that. We do not fund events.

Senator JACINTA COLLINS—So you do not have things like a Byron Bay most easterly point launch?

Ms Casey—No. Our funding goes in with a whole lot of other funding that helps to support that activity. I have been told that each state gets \$2,000, which is what I thought it was, and I think we gave another \$2,000 or so to the national body.

Senator MOORE—Does the information about that event have the FaCS logo on it?

Ms Casey—I cannot say that exactly, but we would probably have some acknowledgment that FaCS was a sponsor of the week.

Senator MOORE—Can we get that information when you give Senator Collins her answer—about the promotional process and the acknowledgment process for the FaCS contribution?

Mr Kalisch—Sometimes it is a challenge for state governments to recognise Australian government contributions.

Senator MOORE—They are always grateful, I would imagine.

Mr Kalisch—They are grateful for the money, but they are not necessarily so quick to give credit for where the funding has come from.

Senator JACINTA COLLINS—Let us go to national standards for out of home care. What was the tendering process for the allocation of these funds, if any?

Mr Kalisch—Can you give us a little more information?

Senator JACINTA COLLINS—On 4 March a ministerial release titled ‘Helping organisations to protect children’ announced \$300,000 to the Australian Council of Children and Youth Organisations to implement a national roll-out of their pilot standards for out of home care. Was there a tendering process? If so, what was it? If not, what was the alternative process?

Mr Carmichael—I do not have the exact details but I do know the project. The organisation were chosen, based on a ministerial decision, because they had been doing some work in this area already. They were running a pilot in Tasmania and Victoria, and they were then given some additional money to develop a nationwide approach to protecting children in out of home care situations.

Senator JACINTA COLLINS—On what basis was the ministerial decision informed? Was there an assessment done on who had the capacity to do that or was it just the minister’s decision?

Mr Carmichael—It was a ministerial decision.

Senator JACINTA COLLINS—I wish I had this sort of access to money.

Mr Carmichael—We would have provided advice on the quality of the project to date and what other activities were happening in that arena.

Senator JACINTA COLLINS—But it was not a process that was open for other organisations to seek to roll out themselves?

Mr Carmichael—It was not a tender process, no.

Senator JACINTA COLLINS—Were there any other organisations that were seeking support to do a similar project?

Mr Carmichael—I was not aware of any of the specificity of that project. They are now working with other nationally based organisations to implement that aspect of protecting children. It particularly goes to looking at police checks and verifying the credentials of workers working with children.

Senator JACINTA COLLINS—I am told that Aboriginal and Torres Strait Islander innovative services and playgroups comes under 1.1. I am seeking the expenditure estimate for 2003-04 and the estimate for 2004-05 with a state by state breakdown.

Mr Carmichael—What was the name of that?

Senator JACINTA COLLINS—It is Aboriginal and Torres Strait Islander innovative services and playgroups. I have got it in two components: one is ATSI innovative services—for Queensland only, it appears—and the other one is ATSI playgroups.

Mr Carmichael—They were specific projects, they were pilots, so there is not recurrent funding on those. I will find the details for you, though. Did you want to know what the specific projects were doing or the nature of a national program, because they were a couple of innovative projects that were undertaken within some unexpended funding through the broader playgroup program. There is no ongoing program around those particular projects, but I can provide the details on notice of those particular projects.

Senator JACINTA COLLINS—What was the funding available within the playgroups allocation? You seem to suggest that there was surplus funding in the playgroups allocation.

Mr Carmichael—It was under the program Other Services for Families with Children, so it was a broader pool of money. They were some specific projects funded within the broader pool.

Senator JACINTA COLLINS—And you can provide on notice the amounts involved in those pilots and what they were doing in them?

Mr Carmichael—Yes.

Senator JACINTA COLLINS—It looks like we brought you back for not a huge amount of issues, but thank you. We can move to outcome 2.

Proceedings suspended from 3.58 p.m. to 4.21 p.m.

CHAIR—I call the committee to order. Senator Greig has some questions.

Senator GREIG—There are three areas of rent assistance that I want to explore briefly. Firstly, the AIHW report released on 14 May this year that provides a profile for rent assistance recipients in June 2002 identifies more than 17,000 income units with people who are living with dependent children in board and lodgings or lodgings only. Given that this sort of insecure accommodation is often a form of homelessness, is the department doing anything to work specifically with these families to assist them in finding more secure accommodation?

Ms Carroll—The department have a range of programs. Certainly, through SAAP, the Supported Accommodation Assistance Program, which is a specific homeless program, we work with families and other people who are at risk of homelessness or who come into homelessness. As to the specific issues around rent assistance, we would not necessarily pick up all those people if they did not come to the attention of some of the other broader services that are available.

Senator GREIG—Further to that, does the department have any way of checking on the 42,500 people over the age of 65 receiving rent assistance who pay more than 30 per cent of their income in rent? Is there a program to ensure older Australians on low incomes are adequately housed? And what of the almost 10,000 people who are paying more than 50 per cent of their income in rent? Presumably their circumstances are not going to improve while living in private rentals or in boarding which is not safe or secure.

Ms Carroll—There are two major programs to assist people, and they are rent assistance and the Commonwealth-State Housing Agreement. So, while rent assistance is paid to both older Australians and anyone who is in the rental market, a number of those people would be eligible to be on priority lists with the state government housing authorities, and the Commonwealth-State Housing Agreement provides funds to those housing authorities.

Senator GREIG—Finally, there are 49,000 people with disabilities receiving rent assistance who pay more than 30 per cent of their income on rent—I understand 9,000 pay more than 50 per cent: what programs are there to ensure that their housing is safe and accessible and meets their specific needs; and has there been any investigation into their ongoing housing needs?

Ms Carroll—Again, the Commonwealth-State Housing Agreement—under the priority housing the state governments have—would give priority to people with a disability that were on some sort of income support payment, and they specifically ensure that the housing is appropriate to the needs of those people.

Senator GREIG—But there is no specific program aimed at those 49,000 people?

Ms Carroll—There is no additional payment to their rent assistance payment.

Senator GREIG—Thank you.

Senator GEORGE CAMPBELL—Ms Carroll, can I take you to the Commonwealth-State Housing Agreement on page 172 of the PBS. About halfway down that section it says:

Two key areas of focus under the 2003 CSHA—

Commonwealth-State Housing Agreement—

are the reduction in workforce disincentives and an increase in the level of private sector involvement in social housing.

Can you outline to us what steps have been taken to reduce work force disincentives under the 2003 CSHA?

Ms Carroll—Essentially, the way that works is that each of the state or territory governments in their bilateral agreements put out indicators of ways that they might be able to improve work force disincentives. A significant one is the rent-setting policies of state and territory governments—to see if there are any specific work force disincentives around those or around the location of, for example, their public housing. So what the state and territory governments put into their bilateral agreements is some specific targeting: they might be realigning their stock closer to public transport, areas where there is greater work force participation or more places for people to work.

Senator GEORGE CAMPBELL—How does that relate to work force disincentives?

Ms Carroll—There may be barriers—in either the location of the housing or the actual rent-setting policies of the state and territory governments—which might create work force disincentives. For example, the housing may be a long way from public transport, making it very difficult for people to access the work force because they cannot access public transport, or there may perhaps be large tracts of public housing together, therefore making it difficult for all of those people to access work in that local area. The idea is for state and territory governments to look at ways that they can either shift their housing—looking at where it might be located—or, in particular, to look at their rent-setting policies.

Senator GEORGE CAMPBELL—So this is essentially about aligning the availability of housing stock with labour market demand?

Ms Carroll—Yes.

Ms Beauchamp—That is part of it. In some jurisdictions the governments' rent-setting policies could be a work force disincentive. For example, if you are on income support and get a job, you pay a proportion of your income on rent and, as your income rises, your rent may also rise, until it gets to a proportion of market rent. From an Australian government

perspective we need to be reassured that that does not provide a disincentive to people in public housing to undertake employment.

Senator GEORGE CAMPBELL—What—the differential in the rent cost?

Ms Beauchamp—Yes.

Senator GEORGE CAMPBELL—You say that these are set out in state government—

Ms Carroll—They are agreed under the bilateral agreement between each specific state or territory government and the Australian government. So the actual initiatives that each state or territory government might undertake might be different, depending on what the most significant issue is in their state or territory.

Senator GEORGE CAMPBELL—How do you monitor those initiatives?

Ms Carroll—Within those agreements we set out specific outcomes and reporting arrangements, and the state and territory governments report to us annually against those performance indicators.

Senator GEORGE CAMPBELL—Is it possible to make those agreements available?

Ms Carroll—They are all still under development at the moment. Once they become available, I will have to confirm their public status, because they will not be just Australian government documents.

Senator GEORGE CAMPBELL—So they have not actually been developed? They are not in practice—is that what you are saying?

Ms Carroll—No, they are not in practice right now. The multilateral agreement has been agreed, but we are still negotiating each of the state and territory bilateral agreements. We have just about finalised those negotiations.

Senator GEORGE CAMPBELL—The second important part of that is the issue of private sector involvement in social housing. What has been done in that area—what are the key issues, or the steps that are being taken to encourage that involvement?

Ms Carroll—Again, it is different in each state and territory—and they are part of the bilateral agreements as well. A state or territory government might go into a partnership with a particular company to provide affordable or low-cost accommodation in particular areas. It can vary from state to state—and it is to try to attract a different set of investments.

Senator GEORGE CAMPBELL—Are any of these agreements in place yet, or are they still in negotiation?

Ms Carroll—It is all part of the same agreement.

Senator GEORGE CAMPBELL—So none of these have actually been negotiated?

Ms Carroll—They are in the final stages of negotiation at the moment.

Ms Beauchamp—I should say that, whilst they are all still being negotiated, there are some elements of those initiatives being undertaken, particularly in states and territories, where they are partnering with the ecumenical housing sector and the community housing sector to try and leverage additional funds into the provision of public housing or social housing.

Senator GEORGE CAMPBELL—Can you identify any examples of where this is occurring?

Ms Beauchamp—Probably the Brisbane Housing Company is one, and I think locally in the ACT we have got the community housing company.

Senator GEORGE CAMPBELL—Under the Commonwealth-State Housing Agreement, is there funding set aside to promote these particular objectives?

Ms Carroll—There is a five per cent dividend within the Commonwealth-State Housing Agreement. Each of the state and territory governments has to meet those particular objectives to get that five per cent of their Commonwealth-state funding.

Senator GEORGE CAMPBELL—So they have got to meet both objectives?

Ms Carroll—Yes.

Senator GEORGE CAMPBELL—In terms of private sector involvement, what is the benchmark there?

Ms Carroll—They need to be able to demonstrate how they have attracted or are in the process of attracting additional investment.

Senator GEORGE CAMPBELL—Is there a benchmark figure?

Ms Beauchamp—No, not at this stage. It really does depend on the circumstances of each jurisdiction. For example, if you compare a place like the Northern Territory with Tasmania or New South Wales or Victoria, there are very different environmental circumstances in each place and therefore they each have very different capacities to attract private sector investment in housing.

Senator GEORGE CAMPBELL—And, if they do not attract that private sector investment, they lose the five per cent?

Ms Beauchamp—What we are in the process of negotiating is what they can do to attract that investment in social housing within their jurisdiction, so we are looking at it on a case by case basis.

Ms Carroll—For example, one state or territory might invest more of their own money, outside of their Commonwealth-State Housing Agreement funds, to attract investment in social housing on a sort of partnership basis—with, as Ms Beauchamp said, another provider. We would look at all that additional funding they had put in together.

Senator GEORGE CAMPBELL—But at the end of the day the benchmarks that relate to both these areas will be built into the agreements?

Ms Beauchamp—That is correct.

Ms Carroll—Yes.

Senator GEORGE CAMPBELL—And you will measure performance against those benchmarks?

Ms Beauchamp—Yes.

Ms Carroll—Correct.

Senator GEORGE CAMPBELL—And that will determine whether the five per cent is payable or not?

Ms Carroll—That is right.

Ms Beauchamp—Yes.

Senator GEORGE CAMPBELL—How do you evaluate the balance between both objectives? Some states might be very successful in attracting private sector funding, for example; others might be very successful in dealing with the disincentive issue, but they might not be able to attract the private funding.

Ms Carroll—Part of what we have ensured in the development of the bilateral agreements is that the performance indicators and the measurements against those performance indicators are quite realistic, so that there is a realistic outcome, year by year, for state and territory governments against each of those measures. For example, in a bilateral agreement they might report against one of the areas in which they will achieve something in 2005-06, but they may not be able to be at that same level of achievement in the other area until 2007-08. So it is actually looking at what their performance indicators are against both of those specific areas and at them achieving against their own performance indicators—which we have agreed.

Senator GEORGE CAMPBELL—So it may well be that some states will have a greater emphasis on the disincentives as opposed to the funding.

Ms Carroll—It would depend where they are up to. For example, if they are already doing a lot of work around their own rent setting policies they might focus on that in their first two years of the agreement. They would probably continue to pay some attention to the private sector investment, but they might not have as much emphasis on that at that point.

Ms Beauchamp—That is the process we are going through in terms of negotiating these bilateral agreements—getting agreement with the states and territories on what can actually be delivered under those two elements.

Senator GEORGE CAMPBELL—Is the only fund in the program the five per cent?

Ms Carroll—That is dependent on those two benchmarks.

Senator GEORGE CAMPBELL—Is it intended to carry out an evaluation of how effective this proposal is, or how long would this be in operation before you would evaluate?

Ms Carroll—It would be in for the life of this agreement, and we would evaluate it—

Senator GEORGE CAMPBELL—What is the life of the agreement?

Ms Beauchamp—It is five years.

Ms Carroll—Part of the reason that we allow a significant amount of time for it to take effect is that a lot of these things take a long time to develop in housing, whether it is the rent setting policies or something else, because a jurisdiction not only has to come up with a new policy it also has to put it in place and see the outcomes of it. It is the same with private sector investment. It might take a couple of years to develop those investment strategies and have them come out. So we feel that it is over the life of the agreement that we would be able to evaluate how effective they really are.

Senator GEORGE CAMPBELL—You will set the benchmarks and negotiate the bilateral agreements. When will they be completed?

Ms Carroll—They should all be completed by 30 June.

Senator GEORGE CAMPBELL—They will come into effect on 1 July. Will you then measure, on a yearly basis, whether states and territories are meeting those benchmarks in total or in part and whether that warrants the five per cent funding?

Ms Carroll—Yes.

Senator GEORGE CAMPBELL—When does the five-year period finish?

Ms Carroll—In 2008.

Senator GEORGE CAMPBELL—Presumably at that time you would then do an evaluation of the effectiveness of this approach?

Ms Carroll—Yes.

Senator GEORGE CAMPBELL—If states are not able to meet those benchmarks, have you given any consideration to what impact the loss of that five per cent would have on their capacity to provide public sector housing?

Ms Carroll—Certainly that was something that would have been taken into consideration when each of the states and territories signed up to the multilateral agreement that had this five per cent as part of it. As you said before, the reporting essentially occurs annually, and it occurs against all the performance indicators for the program more broadly, because there is an ongoing evaluation of all the indicators around the Commonwealth-State Housing Agreement. But, while it might have some impact, it is only five per cent of their ongoing funding.

Senator GEORGE CAMPBELL—Are the states quite happy with that approach?

Ms Carroll—They signed the multilateral agreement.

Senator GEORGE CAMPBELL—I know they signed it, but are they quite happy with it?

Ms Carroll—I could not comment on that.

Ms Beauchamp—We have an agreed framework which every state and territory signed up to. That framework includes performance indicators for delivering on these two elements of the Commonwealth State Housing Agreement.

Mr Sullivan—For a state-Commonwealth, negotiation it was a friendly negotiation.

Senator GEORGE CAMPBELL—It was not one of those unfriendly negotiations?

Mr Sullivan—It was not one of those robust unfriendly ones.

Senator GEORGE CAMPBELL—That is the point that I was trying to get across.

Senator MOORE—I wonder what are the friends like, if that how you describe them.

Mr Sullivan—All friends are friends when it comes to money.

Senator GEORGE CAMPBELL—There have been a few negotiations lately in other areas which have not been signed up. Can you tell us why there is no allocation in the 2004-05 budget to increase the supply of housing for low-income households?

Ms Carroll—The Australian government's assistance to low-income households is through the Commonwealth-State Housing Agreement and through rent assistance.

Senator GEORGE CAMPBELL—But why is there no allocation in the budget to increase the supply? Isn't demand growing in that area?

Ms Carroll—Certainly the rent assistance in particular is demand driven. It is provided with the payment. If someone is eligible—if they are renting and they meet the criteria for rent assistance—then they are able to receive it. It is not a capped program.

Senator GEORGE CAMPBELL—So the allocation in the budget papers can increase, depending on demand?

Ms Carroll—Yes. You will not find a specific allocation for rent assistance on its own—

Senator GEORGE CAMPBELL—No. I know there is not.

Ms Carroll—because that is included in the payments.

Senator GEORGE CAMPBELL—Can you advise us what action the government is taking to increase the stock of public housing and to reduce the waiting lists?

Ms Carroll—Again, under the Commonwealth-State Housing Agreement bilateral agreements we asked the state and territory governments to provide us with a target for their stock levels. We look very seriously at it if they are reducing their stock levels over the course of the agreement, and we look at how they are targeting their stock. At times there needs to be a reduction in stock because the state and territory governments, to reduce their waiting lists, are realigning their stock. For example, they might have a number of houses that are designed for families with three and four children; however, the majority of people on their priority waiting list are singles. So they need to consider what to do with some of their stock and to realign it more effectively to the areas of highest need.

Senator GEORGE CAMPBELL—But presumably they would not be reducing their stock; they might be adjusting the nature of the stock they have.

Ms Carroll—Sometimes the stock numbers do need to reduce because it is not a one for one replacement. For example, they cannot always sell an older house and replace it with a newer unit in a particular designed location. So some of the stock levels will decrease.

Senator GEORGE CAMPBELL—But the value of their stock would be maintained?

Ms Carroll—Yes.

Senator GEORGE CAMPBELL—That is the important point. Is there a capacity within this agreement for increased funding for stock, if demand should rise?

Ms Beauchamp—The government makes a contribution to the CSHA and the states and territories also contribute about \$1.8 billion. They do have a choice about how much they would like to invest in the provision of public housing.

Senator GEORGE CAMPBELL—What is the Commonwealth's contribution?

Ms Carroll—\$4.75 billion over five years.

Senator GEORGE CAMPBELL—That is fixed over the period?

Ms Carroll—Yes.

Ms Beauchamp—That is an increase over the previous Commonwealth-State Housing Agreement.

Senator GEORGE CAMPBELL—How much is the increase?

Ms Carroll—We would have to come back to you with that figure.

Senator GEORGE CAMPBELL—Are there any actions proposed in these bilaterals to reduce the cost per unit of public housing?

Ms Carroll—Essentially we do not necessarily go into that level of detail with the states and territories; they manage their own stock in the way they see fit. We are most concerned with what the outcomes are for aligning them to the target groups—reducing waiting lists and those sorts of things—but we do not write into those agreements specific things like how they manage their stock.

Senator GEORGE CAMPBELL—Going back to the other question, you said there was \$4.7 billion provided by the Commonwealth and \$1.8 billion by the states. Is that over a five-year period?

Ms Beauchamp—That is correct.

Senator GEORGE CAMPBELL—That is \$6.5 billion for the five-year period in total?

Ms Beauchamp—Yes.

Senator GEORGE CAMPBELL—You will take on notice what that is as an increase over the previous agreement?

Ms Beauchamp—Over the current one, yes.

Senator GEORGE CAMPBELL—When was the previous five-year agreement negotiated?

Ms Carroll—The previous agreement was from 1999-2000 to 2002-03.

Senator GEORGE CAMPBELL—So that was a four-year agreement?

Ms Carroll—Yes.

Senator GEORGE CAMPBELL—When you look at the increase can you give us a comparative figure, so that we are comparing apples with apples and so on?

Ms Carroll—Yes.

Senator GEORGE CAMPBELL—How do you define ‘greatest need’, in terms of the allocation of public housing to income support recipients?

Ms Carroll—The waiting lists for public housing are targeted to people that might have specific needs. In particular, they are obviously targeted to people on income support payments, but also specific groups within that group—people who might have more difficulty

gaining accommodation, such as people with disabilities that might make it more difficult to obtain accommodation elsewhere.

Senator GEORGE CAMPBELL—The definition of ‘greatest need’—is there a definition for that or is it on a case by case basis?

Ms Carroll—There is a definition of ‘greatest need’ but I would have to bring that back to you.

Senator GEORGE CAMPBELL—Why? I am sorry, I do not understand what you mean by that.

Ms Beauchamp—There are a number of priority allocations across jurisdictions that are reported annually. The sorts of clients seeking priority allocation are obviously homeless people, women escaping domestic violence, Indigenous people and people with disabilities. So there is a range of what we call ‘priority one’ allocations where housing is immediately required and cannot be provided. There are very similar allocation waiting lists across jurisdictions.

Senator GEORGE CAMPBELL—Can you make that definition available to us?

Ms Carroll—Yes, I can.

Senator GEORGE CAMPBELL—Can you tell us what the estimated proportion of Indigenous households is—where the dwelling size is not appropriate, due to overcrowding?

Ms Carroll—I do not have that specific detail here, and I do not have all the tables. There are reports published annually. There are annual housing reports that provide data on the different kinds of housing, as well as on housing provided to different specific groups, but I am not sure that we would have data that would enable us to say specifically, ‘This proportion of Indigenous families are living in an overcrowded situation.’ But I will find that out.

Senator GEORGE CAMPBELL—Can you take that on notice? If you are able to provide us with the information, can you do a comparison between five years ago and today?

Ms Carroll—Yes.

Senator GEORGE CAMPBELL—If you can also tell us what specific action the government has taken to improve the dwelling size for Indigenous households?

Ms Beauchamp—Could I just put a caveat on that: we will do our best to find that information, but some of the information in this area is somewhat limited in terms of making comparisons over a long period, but we—

Senator GEORGE CAMPBELL—I accept what you are saying. If you cannot provide it, you cannot provide it—but if you can it would be good.

Ms Beauchamp—Sure.

Senator GEORGE CAMPBELL—Can you tell me which remote and isolated communities have received funds, in 2003-04, from the Aboriginal Rental Housing Program?

Ms Carroll—This funding is provided through the state and territory governments, so essentially the state and territory governments identify the areas with the highest need for

ARHP funding. I will check if they provide that information to us about specific communities. We would certainly have a broader understanding of where that housing money was provided.

Senator GEORGE CAMPBELL—Are you aware of how the communities are selected or nominated to receive the funding?

Ms Carroll—The states and territories make those decisions. There are bilateral agreements for the ARHP funding as well, which look at specific housing and at targeting that housing.

Senator GEORGE CAMPBELL—Is there a common set of criteria applying in all states and territories or not?

Ms Beauchamp—We have been working over the last couple of years on developing what they call a multineeds measure to assess where the greatest need of housing for Indigenous communities is. That looks at things like overcrowding, cost and places where there is no other alternative housing available.

Mr Sullivan—But states and territories do it quite differently. They have different ways of consulting. There are really four pots of money in this pot: there is what the state or territory provides themselves; there is the ARHP funding from FaCS; there is the CHIP funding from ATSI-ATSIS; and then there is the NAHS funding, which is also from ATSI-ATSIS. The Commonwealth directly determines where some of the funds will go to—that is, to which community—and the original councils of ATSI determine where some will go to. Some will then be given to the states in the form of ARHP, and then the states and territories will have their own funds. There is a variety of models for consultations between the states for how they consult on where those funds will be applied and on whether they will be applied to both urban and regional and remote areas, to rural and remote areas or to remote areas only.

Senator GEORGE CAMPBELL—Is there any coordination of these different pots of money?

Ms Carroll—There is. The coordination is provided through the Indigenous housing agreements. They provide for the ARHP funding, the CHIP funding and any additional state and territory specific funding. They are coordinated, and there are a number of parties to those Indigenous housing agreements—including FaCS, the state and territory governments, ATSI and ATSIS.

Senator GEORGE CAMPBELL—Are those agreements public documents?

Ms Carroll—We will check and get back to you.

Mr Sullivan—If they are, we will make them available.

Senator MOORE—Are there separate reporting mechanisms for each of those funding allocations?

Ms Carroll—There is separate reporting, because the funds come from different funding areas.

Senator MOORE—Is there anywhere where those reporting mechanisms are coordinated so we can trace the funding that goes to a particular community?

Ms Carroll—I would have to check to see if the Indigenous housing agreements do that.

Senator MOORE—It would be useful. We know where the money has come from, as Mr Sullivan has pointed out, but it would be good to see how you see how each one is contributing.

Ms Carroll—In a community?

Senator MOORE—Yes.

Senator GEORGE CAMPBELL—Is there any intention in this next agreement to absorb the Community Housing and Infrastructure Program and the Aboriginal Rental Housing Program into the one program or will they be kept as separate, distinct programs?

Mr Sullivan—From 1 July they will be kept as separate, distinct programs.

Senator GEORGE CAMPBELL—They will be identified as separate programs for the life of the agreement?

Mr Sullivan—Yes.

Ms Beauchamp—For example, the Aboriginal and Rental Housing Program is part of the Commonwealth-State Housing Agreement that we spoke about. That is already in place for the next five years. The Community Housing Infrastructure Program is a separate government program again. Ms Carroll was talking about the Indigenous Housing Agreements—that is where we do get ongoing coordination, so that will continue to happen.

Senator GEORGE CAMPBELL—I think there was some concern that there might have been an attempt to merge them and reduce the overall funding, but that is not intended.

Mr Sullivan—No.

Senator GEORGE CAMPBELL—Will the funding for these two programs grow also over the five-year period?

Ms Carroll—Again, the funding for the ARHP is set out within the Commonwealth-State Housing Agreement funding for the life of that agreement. I could not comment specifically on the CHIP funding.

Senator GEORGE CAMPBELL—If the agreement has an increase overall, is it safe to assume that there will be an increase in that funding as well?

Mr Sullivan—The Commonwealth State Housing Agreement this time was indexed for the first time, so there will be indexation increases each year. Certainly my understanding of CHIP is that it is also indexed, so there will at least be indexation increases.

Senator GEORGE CAMPBELL—Can you tell us how much the states will owe the Commonwealth as of 30 June 2004 for funds borrowed under previous Commonwealth housing agreements?

Ms Carroll—I think you are referring to the states' CSHA loans. Prior to 1989 the funding was provided as a loan to state or territory governments. These loans are actually managed by the Australian Office of Financial Management, and the outstanding balance is \$3.813 billion.

Senator GEORGE CAMPBELL—Can you tell me what the terms of the repayment of the debt is for each state?

Ms Carroll—I could not tell you the specific terms because we do not actually manage those loans. I could tell you what at 30 June the annual repayments were by state.

Senator GEORGE CAMPBELL—Can you give us that?

Ms Carroll—Yes, New South Wales repayment is \$102 million, Victoria has paid theirs off, Queensland's is \$31 million, Western Australia's is \$44 million, South Australia's is \$37 million, Tasmania's is \$17 million, the ACT's is \$16 million and the Northern Territory's is \$11 million. As I said, we do not manage these.

Senator GEORGE CAMPBELL—Do you know what the interest rates are in the period of repayment, or is that a matter for each of the states?

Ms Carroll—That is a matter for the Office of Financial Management. The interest rates are set through that and my understanding is that the interest rates vary depending on when the loans were taken out. Some of these loans date back to the 1950s and there were different interest rates then. So it would be what has actually been set over that time.

Senator GEORGE CAMPBELL—So these figures could be a mixture of—

Ms Carroll—They are a mixture of principal and interest.

Senator GEORGE CAMPBELL—The Australian Housing and Urban Research Institute, AHURI, is on page 173 of the PBS. Can you tell me how many research projects have been approved by AHURI in 2003-04?

Ms Carroll—It is a little difficult. I will find the ones just for 2003-04. There have been 20 research projects in 2003-04. However, AHURI has a number of projects that might run over a couple of years. We have 41 current research projects with AHURI and there have been 59 completed projects.

Senator GEORGE CAMPBELL—What will be the specific areas of focus for projects that are due to be completed in this financial year?

Ms Carroll—For the ones that have been undertaken in this financial year there is a range of focuses overall. State governments and the Australian government put in funding to AHURI as well as research institutions, and the actual decision about which research projects are funded is agreed by that entire group. For example, there is a project on changes in the supply of and the need for low rent dwellings in the private rental market, on the rent system in Australia, on financing affordable housing, on a comparison between the UK and Australia and on social exclusion and housing. I could provide you with the list.

Senator GEORGE CAMPBELL—Can you provide us with the list, that is probably the easiest way to do it. Can you outline how AHURI is structured and how it is managed?

Ms Carroll—It is a company called AHURI Ltd. The company has a board of directors made up of the funding partners. So the Australian government has a representative and the state and territory governments have representatives.

Senator GEORGE CAMPBELL—Does it have an annual report?

Ms Beauchamp—Yes.

Senator GEORGE CAMPBELL—Does it set out in the annual report who the parties are?

Ms Beauchamp—Yes.

Senator GEORGE CAMPBELL—Since it commenced operating what percentage of the projects have had an urban focus?

Ms Carroll—I would have to take that on notice.

Senator GEORGE CAMPBELL—How much funding do the states provide to this organisation per year?

Ms Carroll—I do not specifically have that, but I understand it is about \$1 million.

Senator GEORGE CAMPBELL—In total?

Ms Beauchamp—In total.

Senator GEORGE CAMPBELL—How much of the funding is received from other institutions and private sources?

Ms Carroll—A significant amount of that funding is provided in an in-kind way. The academic institution will often agree to do pieces of research that they will not receive additional funds for. They are part of the funding group, but they do not actually provide money up-front. They would not put in \$500,000 or whatever, but they would commit to do pieces of research.

Senator GEORGE CAMPBELL—Is there any private sector funding in this?

Ms Carroll—No, I do not think so.

Senator GEORGE CAMPBELL—Essentially, it is just institutions, state and territory governments and the federal government?

Ms Carroll—That is correct.

Senator GEORGE CAMPBELL—Have you any idea what the in-kind contribution would represent in terms of the total expenditure of AHURI?

Ms Carroll—I would have to come back to you with that.

Senator GEORGE CAMPBELL—Can you take that on notice?

Ms Carroll—Yes.

Senator GEORGE CAMPBELL—Why is there is a commitment by the government to fund AHURI only until December 2005?

Ms Carroll—The Australia government has committed until that point and will then undertake a review of the AHURI funding.

Senator GEORGE CAMPBELL—Is this an evaluation?

Ms Carroll—An evaluation of that.

Senator GEORGE CAMPBELL—When will that be conducted?

Ms Carroll—Towards the end of this year.

Senator GEORGE CAMPBELL—When will the reports will be available? How long do you expect that evaluation to take?

Ms Carroll—We would anticipate that that would have been completed probably by the end of November or early December.

Senator GEORGE CAMPBELL—Of this year?

Ms Carroll—Yes, this year and it will then provided to government.

Senator GEORGE CAMPBELL—How much funding are you providing in 2004-05?

Ms Carroll—The government provides \$1.5 million.

Senator GEORGE CAMPBELL—Has there been any evaluations conducted of their operations since it was formed or is this the first evaluation that is proposed?

Ms Carroll—I understand this is the first evaluation, but I could not say that categorically. I will come back to you if there have been any other evaluations.

Senator GEORGE CAMPBELL—To your knowledge, is this the first one?

Ms Carroll—Yes.

Senator GEORGE CAMPBELL—Is there any relationship between AHURI and the Housing Ministers' Advisory Committee?

Ms Carroll—Only that the Housing Ministers' Advisory Committee is obviously made up of the state and territory governments as well as the Australian government, and they agree to continue to fund organisations like AHURI and continue to fund other things.

Senator GEORGE CAMPBELL—It is the Housing Ministers Advisory Committee that makes the decision about funding AHURI?

Ms Carroll—Not on the quantum of funds but it would have an agreement if all parties were interested in continuing to fund AHURI.

Ms Beauchamp—That is actually approved through the housing ministers themselves. The Housing Ministers Advisory Committee is a group of government bureaucrats supporting the housing ministers.

Senator GEORGE CAMPBELL—They would make the decision whether AHURI continued or not, presumably, or whether the state governments continued to fund it or not?

Ms Carroll—Obviously that funding decision is made through the ministers but they would then commit at that meeting to provide information about what each of the jurisdictions are agreeing to commit.

Senator GEORGE CAMPBELL—Do you know what the annual operating costs of AHURI are?

Ms Carroll—I could not tell you that. I could take that on notice.

Senator GEORGE CAMPBELL—Can you tell me what the staffing level of AHURI is?

Ms Carroll—Again I would have to take that on notice. They might all be in the annual report.

Senator GEORGE CAMPBELL—They may well be. If they are, just send me a copy of the annual report. Somebody told me there have not been any questions asked about this since 2000. Can you tell me what the ASL for housing branch is in 2004-05?

Ms Carroll—The anticipated ASL for the Housing Support Branch is 42.

Senator GEORGE CAMPBELL—How does that compare with the 2003-04 levels?

Ms Carroll—Similar levels.

Senator GEORGE CAMPBELL—Can you tell us what proportion is directly attributable to the Commonwealth-State Housing Agreement?

Ms Carroll—It is a little bit difficult, but probably about a quarter of those staff.

Senator GEORGE CAMPBELL—About 25 per cent.

Ms Carroll—The way it is broken up we have some people who actually work on the data agreements and the reporting as well as people who work more specifically on the Commonwealth-State Housing Agreement.

Senator GEORGE CAMPBELL—How many of these 42 people are involved in the Aboriginal Rental Housing Program?

Ms Carroll—The 42 probably does not include the Aboriginal Rental Housing Program, because they have just joined the Housing Support Branch in the last month. There are probably about seven ASL.

Senator GEORGE CAMPBELL—Are those proportions similar to last year?

Ms Carroll—Yes.

Senator GEORGE CAMPBELL—Can you tell me what the total estimate of operating expenses for the housing branch is for 2004-05?

Ms Carroll—I will take that on notice.

Senator GEORGE CAMPBELL—Can you also tell me how it compares with 2003-04 and, if there is any variation, what the reasons for the variations are? Can you also take on notice what proportion of the operating expenses is attributable to the CSHA and what is attributable to the Aboriginal Rental Housing Program and again how those proportions compare with the last financial year? I presume you are not able to answer any of that at this stage.

Ms Carroll—No.

Senator GEORGE CAMPBELL—Can you tell me what the estimated total number of income units is who will receive Commonwealth rent assistance in 2004-05?

Ms Beauchamp—There are currently 940,000 families and individuals receiving rent assistance.

Senator GEORGE CAMPBELL—Do you have a break-up of that across the states and territories?

Ms Carroll—We are able to provide income units by location across Australia.

Ms Beauchamp—That has been provided following the February estimates in reply to a question on notice.

Ms Carroll—That was at 13 June 2003. We are not able to provide more up-to-date data than that now. The extraction happens every six months and then it takes about another six months to process all the information. In about a month we would be able to provide a more updated set of data but, right now, it is not available.

Senator GEORGE CAMPBELL—Could you take my request on notice and provide us with the updated set of data when it is available. Can you tell us what the estimated number of CRA recipients for each type of income unit is in 2004-05?

Ms Carroll—Yes; by payment type? Is that what you are after?

Senator GEORGE CAMPBELL—Yes.

Ms Carroll—We would be able to provide it to date and we would not anticipate that the proportions would change significantly between one year and another. We would not be able to provide you with specific projections for next financial year but we could tell you what they currently are.

Senator GEORGE CAMPBELL—You do not have an estimate of the number of recipients who will be requesting housing?

Ms Carroll—We do have an estimate of the total number. We anticipate that there would be about 1,003,000 rent assistance customers in 2004-05. They would be broken up in similar proportions to the way our current rent assistance customers are broken up.

Senator GEORGE CAMPBELL—Can you give us the comparative figures for the previous three financial years. Are you able to tell us the estimated number of Indigenous CRA recipients for each type of income unit category for 2004-05?

Ms Carroll—I do not think I have that data with me. Again, it would depend on how accurate the recording of their Indigenous status is against their base payment.

Senator GEORGE CAMPBELL—I am only asking you to give me what you have.

Ms Carroll—I can have a look.

Senator GEORGE CAMPBELL—Perhaps you can also give us comparisons for the past three financial years. Can you tell us the estimated average fortnightly CRA entitlements for each capital city in 2004-05?

Ms Carroll—Again, I could tell you what they have been for this year. You were wanting an average fortnightly entitlement?

Senator GEORGE CAMPBELL—Yes.

Ms Carroll—For Sydney, for example? Again, this is at 13 June, so this is actual data rather than a projection.

Senator GEORGE CAMPBELL—Don't you have projections for the next financial year?

Ms Carroll—No. I only have actual data. Do you want me to provide the amounts for the capital cities?

Senator GEORGE CAMPBELL—Yes, please.

Ms Carroll—The average fortnightly entitlement for Sydney was \$77.67; for Melbourne, \$74.69; Brisbane, \$75.67; Adelaide, \$73.12; Perth, \$74.41; Hobart, \$72.22; Darwin, \$74.79; and for the ACT, \$70.96.

Senator GEORGE CAMPBELL—What about the non-capital city areas in each state?

Ms Carroll—The rest of New South Wales was \$72.94; the rest of Victoria \$71.07, the rest of Queensland \$75.65, the rest of South Australia \$70.31, the rest of Western Australia \$72.16, the rest of Tasmania \$69.09 and the rest of the Northern Territory \$72.83.

Mr ABBOTT—Is the estimated increase in CRA outlays in 2004-05 due to the increased number of families or client numbers or is it as a result of changes in the amount of entitlement to be paid?

Ms Carroll—Essentially it is due to additional customers.

Senator GEORGE CAMPBELL—Do you have an estimate of the changes in the average payments for this financial year or is the expectation that they will be similar to what you have just read out?

Ms Carroll—They would be similar. While there would be some expectations of increases around any increases in rent, they would be similar.

Senator GEORGE CAMPBELL—What is the contribution of the estimated change in client numbers to the projected increase in outlays of \$100 million in 2004-05?

Ms Carroll—So are you asking what proportion of the additional outlays is due to customer numbers?

Senator GEORGE CAMPBELL—Yes.

Ms Carroll—Our anticipation is that most of that would be due to additional customer numbers.

Senator GEORGE CAMPBELL—Can you give us a break-up by state?

Ms Carroll—We would not have that level of detail in terms of our projections.

Senator GEORGE CAMPBELL—You do not have a projection for each state?

Ms Carroll—Not for each state.

Senator GEORGE CAMPBELL—How do you make the estimate?

Ms Carroll—We work it out on a national average of the total rents and the average rent assistance paid across Australia.

Senator GEORGE CAMPBELL—What is the estimated number of persons or couples to receive rent assistance at June 2006 and June 2007, or do you not keep that data?

Ms Carroll—I can check, but I do not believe we would keep that data.

Senator GEORGE CAMPBELL—Can you take that on notice. Are there projected outlays for rent assistance in 2005-06 and 2006-07?

Ms Carroll—The estimated expenditure for 2004-05 was \$2.05 billion. Again, because the additional expenditure is within each of the different payment types I would have to come back to you about any projections out from that.

Senator GEORGE CAMPBELL—Can you take that on notice.

Ms Carroll—Yes.

Senator GEORGE CAMPBELL—Do you have an estimate of the proportion of rent assistance recipients who will pay more than 50 per cent of their income in rent in 2003-04?

Ms Carroll—We believe that in 2002-03 the proportion of people paying more than 30 per cent of their income in rent was 34 per cent, and we would anticipate that it would be a similar figure.

Senator GEORGE CAMPBELL—For 2003-04?

Ms Carroll—Yes.

Senator GEORGE CAMPBELL—Will you have an exact figure on 13 June?

Ms Carroll—We will have an exact figure when we have the next amount of data. We need to get that next lot of data before we are able to provide that.

Senator GEORGE CAMPBELL—Can you take that on notice and provide us with an answer. If rent assistance is not taken into account, what is the estimated proportion of income support recipients who would pay more than 50 per cent of their income in rent?

Ms Carroll—There are only about nine per cent of income support recipients that would pay more than 50 per cent.

Senator GEORGE CAMPBELL—Do you know how that compares with 2002-03?

Ms Carroll—That would be a 2002-03 figure, because, again, we do not have the data for 2003-04 for those that pay 50 per cent of their income in rent after rent assistance. When we get the new data we can provide that information.

Senator GEORGE CAMPBELL—Can you take it on notice and provide us with an updated figure.

Senator MOORE—Ms Carroll, how would you actually obtain that data, that degree of definition, in terms of the knowledge of a person on a payment and their payment of rent, and how would you calculate it? Is that a computer run?

Ms Carroll—Yes. Essentially what happens is that, because the individual has to provide a certificate of rent to get rent assistance, that provides us with what their rent is and that data is entered into the Centrelink computer and we are able then to do these comparisons. It is why the data takes so long to get to us, because it is quite complex.

Senator MOORE—Is that the kind of data you have already mentioned to Senator Campbell that is only collected every six months?

Ms Carroll—Yes.

Senator MOORE—And that is in one massive review through the computer system?

Ms Carroll—That data is extracted every six months. Obviously people update their information more regularly.

Senator GEORGE CAMPBELL—Can you tell me the estimated proportion of individuals or couples paying enough rent to receive maximum rent assistance in 2004-05? Do you have an estimate for that?

Ms Carroll—Again, we would only have 2002-03. The proportion of income units receiving maximum rent assistance is 59 per cent.

Senator GEORGE CAMPBELL—Will you have an updated figure for 2003-04?

Ms Carroll—Yes.

Senator GEORGE CAMPBELL—Can you take that on notice and provide us with a figure?

Ms Carroll—Yes.

Senator GEORGE CAMPBELL—Thank you.

Senator MOORE—That is the end of that program, so we are prepared to move on to 2.2, Community support.

[5.23 p.m.]

CHAIR—We now move to outcome 2.2, Community support.

Senator MOORE—Mr Sullivan, these are very specific questions about concession cards and they are seeking particular data that you may or may not be able to answer immediately. So they are ‘can you give us’ sorts of questions.

CHAIR—While we are waiting for the officer to come to the table, I thought I should draw to the committee’s attention a press release that has come through from the CPSU about the alleged job cuts in Centrelink. They have now gone from an alleged 2,000 yesterday to 2,125 today. I shudder to think what they will be by the end of the week. It will probably be that the whole of Centrelink is closed due to lack of staff by the end of the week at the rate this is going. Senator Patterson, do you wish to make any further comment on this? It has been misreported in the *Australian* and in the *Canberra Times* and I am getting increasingly concerned about all those good Centrelink officers out there who think that their jobs are in jeopardy.

Senator Patterson—I think Mr Bashford yesterday very clearly stated that the figures did not include them—and never do at the beginning of the budget initiatives for that year or coming years. There are a number of budget initiatives there. He indicated that that figure was not correct, that it had not taken into account budget initiatives—and there are significant budget initiatives for Centrelink this year. I am concerned, as you are, about Centrelink officers. I know that they have been contacted by email by Ms Vardon to indicate that that is not a true reflection of what was said here at estimates. I would have to say I can only see that it is some mischievous behaviour of the CPSU and that they are in fact misinforming the staff at Centrelink. I think it is inappropriate. It is not what could have been taken out from estimates. That was clearly said at the time. Mr Bashford came and reiterated that again.

CHAIR—It was 24 hours ago.

Senator Patterson—I know. I would hope that the Centrelink officers would read the email from Ms Vardon and get the correct information.

CHAIR—Thank you. Senator Moore, you have questions on 2.2.

Senator MOORE—What I will do, Mr Dolan, is give you the questions and we will work through them in that way, if that is okay. The first lot of questions relate to the health care card, the low-income health care card, the pensioner concession card and the Commonwealth seniors health card. Those are the headings. Can an update be provided of the cardholder numbers for each of those kinds of cards?

Mr Dolan—As at 14 May there were 3,175,699 pensioner concession cards. There were 286,256 Commonwealth seniors health cards, and there were 1,551,114 health care cards. I believe you also asked for low-income health care cards.

Senator MOORE—Yes, I did.

Mr Dolan—Within the 1,551,000 health care cards there were 312,123 low-income cards. They are included within the 1.5 million figure for total health care cards I gave you a few moments ago.

Senator MOORE—They are the flat numbers. Using the latest available figures—I take it they are the same ones of 14 May—how many cards in each of the categories above have dependants listed on them? What is the total a number of dependants listed on each category of card?

Mr Dolan—Going to the pensioner concession cards, there are 1,125,692 dependants. In respect of the Commonwealth seniors health cards, there are no dependants. It is just that the cardholder is entitled to benefits attached to the card. In respect of the health care card, there are 843,044 dependants.

Senator MOORE—That would include the low-income health card?

Mr Dolan—That does indeed, yes.

Senator MOORE—Do you keep these records back to 1996? Is there a print-out, similar to the one that you have been able to give us of the figures since 14 May, of the figures going back to 1996?

Mr Dolan—I do have numbers going back. I think it is important to recognise that qualification for cards comes automatically with the qualification for payment. So for pensioner concession cards the numbers of people holding those cards is directly related to the numbers of people on pensions.

Senator MOORE—On payments. So there is not that much difference.

Mr Dolan—That is right. It just follows basic customer trends with respect to the vast majority of card holders. I do have information, but I just want to make the point that there is no difference.

Senator MOORE—Is it possible to get a table? This is the kind of information that lends itself to a table.

Mr Dolan—That might be better. There are quite a few figures there.

Senator MOORE—Would that be possible?

Mr Dolan—That would be possible.

Senator MOORE—So for the things we have asked for—uptake of the cards and dependants linked to those cards—we would like a comparison at the end of the financial year 1996-97 to see how they have changed.

Mr Dolan—I have that information, and we can provide that to you on notice.

Senator MOORE—The 2003-04 annual report suggests that the take-up of concession cards is about 57 per cent.

Mr Dolan—Which concession card is that?

Senator MOORE—Generally. Generally take-up of concession cards is about 57 per cent.

Mr Dolan—I am initially surprised by that because the vast majority of cards are automatically issued to people in receipt of payment. Pensioner concession cards and health care cards come automatically with getting other benefits, so I am a little bit surprised. Certainly the take-up of Commonwealth seniors health cards—

Senator MOORE—Which ones of those cards do you have to make separate applications for?

Mr Dolan—I think you might be referring to the take-up of the Commonwealth seniors health card, where you have to make an application—there is no payment attached.

Senator MOORE—That is the only one that does not come automatically? My understanding was that—

Mr Dolan—There is also the health care card, the low-income health care card and things like that, but they are a relatively small portion of the total card population. There are 1.5 million health care cards in total; only 300,000 of those are low-income cards.

Senator MOORE—Of those four categories that we talked about, which ones of those come automatically with the payment—which ones have no separate application?

Mr Dolan—Pensioner concession cards come automatically. The vast majority of health care cards come automatically.

Senator MOORE—There is no separate application form?

Mr Dolan—I said the majority. For low-income cards there has to be an application because there is no income support payment to which the card can be automatically issued.

Senator MOORE—Can we find out against the same headings what the take-up for each category of card is?

Mr Dolan—I will see what I can do. It might have to be an estimate, but we can see what we can come up with.

Senator MOORE—Using the same judgments that you have given us for the process in terms of the people who are eligible for the cards and what the take-up is of people getting those cards.

Mr Dolan—Yes, we can do that.

Senator MOORE—You said you were surprised by the figure I quoted of 57 per cent.

Mr Dolan—Maybe just the context in which the figure was quoted. I am sure the figure is accurate. If we are looking at the card population as a whole, the vast majority of concession cards are issued automatically with the receipt of an income support payment, so take-up would be 100 per cent for the vast majority of cards. I thought you might have been referring to particular cards for which you had to lodge a particular application. Those are a small percentage of the total numbers of cards.

Senator MOORE—In terms of encouraging people to apply for cards—and certainly with the low-income card there is that expectation that people apply—are there any particular strategies to encourage people to apply for health care cards or any of the concession cards, to promote their benefits?

Mr Dolan—Centrelink has various information available to people. A lot of low-income people will test themselves for an income support payment. If they do not qualify for an income support payment, I imagine that Centrelink would have information which would be available to people to help them make a choice as to whether to apply for a card.

Senator MOORE—Are you aware of whether it is a particular strategy to encourage people to take up cards? Is that something that is encouraged and part of the interaction between the department and the client or the prospective client?

Mr Dolan—Clearly Centrelink, as the service deliverer, would be in the best position to comment on the precise strategies used on the ground. My expectation is that strategies are employed through the various information channels to alert people to the cards that may be available to them.

Mr Sullivan—Consumer awareness of these cards is very high, and a lot of people will value the card probably beyond its value.

Senator MOORE—I know it is something people like to hold on to—their cards.

Mr Dolan—You see it in newspapers. People write in to financial advisers to get financial advice, and often you will see advice there in respect of people testing eligibility for cards and all that. From a whole range of sources in the community there would be information disseminated to people.

Senator MOORE—And their attachment to their card and that kind of thing. We will also direct the issue about the strategies to improve take-up and to encourage people to the Centrelink operatives as well. Can you tell us what the cost to the Commonwealth for providing each of the cards is in this financial year and for the forward estimates?

Mr Dolan—The largest benefit that attaches to a card from the Commonwealth's perspective is access to cheaper pharmaceuticals, which is within the Health portfolio, so that is the largest element. In this portfolio we provide a specific purpose payment to the state governments, and state governments provide core concessions to holders of pensioner concession cards—car registration concessions and utilities—and that appears on page 166 of the portfolio budget statements under the term 'Compensation for extension of fringe benefits to pensioners and older long-term allowees and beneficiaries', which is people holding

pensioner concession cards. In 2003-04 the estimate is \$184,997,000 and for 2004-05 the estimate is \$190,693,000, and the numbers reflect expected growth in pensioners.

Senator MOORE—And that costing there—

Mr Dolan—That is in respect of the pensioner concession card holders. They are also in respect of Commonwealth seniors health card holder payments of telephone allowance and provision for the renegotiation with the state governments for the extension of concessions to Commonwealth seniors health card holders. There is a provision on the same page for payments to the states in respect of that benefit when the benefits are negotiated successfully with the state governments.

Senator Patterson—We will not hold our breath for that. We are offering 60 per cent of concessions and asking the states to pay 40, and I have not had much joy. It is an issue for self-funded retirees. We have assisted them with the Commonwealth seniors health care card and with a number of measures. If they had not looked after themselves they would have been getting a pensioner concession which the states would have had to pay. We are going to contribute 60 per cent of it, and as yet I have not got one state that has put their hand up, and I think self-funded retirees will express their views about that.

Senator MOORE—I have got some questions on that particular program along the lines you have just started to answer. Do you want me to switch to that area now?

Senator Patterson—We were doing it with that, and I feel quite strongly about this issue because these people have worked all their lives to provide for themselves. We are giving them assistance through, as I said, things like access to the Pharmaceutical Benefits Scheme and other measures, and the states could pull their weight when we are giving 60 per cent of the concession. Mind you, Victoria has just taken the concession for car registration off pensioners so I do not suppose I am going to get much joy out of Victoria.

Senator MOORE—Mr Dolan, I will just finish off on the last couple of questions on the other forms of cards and then I will return to you, Minister, in terms of your particular initiative for self-funded retirees, which we have separated as a separate announcement. Just to clarify the budget statements that we were just looking at on page 166, the funding there refers to the extension of fringe benefits and to long-term allowees and beneficiaries. That includes what payments?

Mr Dolan—Pensioners and older long-term allowees and beneficiaries—people on an allowance—are able to get a pensioner concession card. The funding to the states is in respect of providing to holders of pensioner concession cards access to the core concessions. So this is the group of people that are able to hold a pensioner concession card.

Senator MOORE—One of the big advantages is access to pharmaceuticals. Is that funding included in the \$184 million?

Mr Dolan—It is not. The cost of providing cheaper pharmaceuticals is much more significant than that. It is in the health portfolio.

Senator MOORE—Does FaCS keep the record of the cost of these cards, seeing that they are issued through your portfolio? I know that the pharmaceuticals advantage is a health issue

but, in terms of understanding the full implication of costing for the issuing of this range of cards, is that costing maintained anywhere?

Mr Dolan—The department of health keeps the costings on the Pharmaceutical Benefits Scheme. As I said earlier in respect of the pensioner concession card, the issuing of a card comes automatically with the receipt of a pension or an allowance if you are a long-term allowee.

Senator MOORE—Can you give me the average cost per card of each of the concession cards listed in 2003-04? Considering your previous answer, I do not think FaCS will have the average cost of each card.

Mr Sullivan—The benefits that accrue to each card?

Senator MOORE—Yes.

Mr Sullivan—No.

Senator MOORE—No-one would have that in total?

Mr Sullivan—Each authority that gives a benefit that is attached to the card would understand the costs of those benefits. But even some non-government authorities provide a concession to cardholders. So it is the agency that provides the concession to the cardholder that would understand the costs of that concession. There is no accumulated, centralised point of saying—

Senator MOORE—There is nowhere that lists all the cost benefits of having a card?

Mr Sullivan—No.

Senator MOORE—And the PBS in particular is a health issue and should be directed to the department of health?

Mr Sullivan—Many organisations—pensioner organisations, certainly—attempt to advise their constituents of all available concessions under the card, so that is probably one of the best guides you would see to what you can possibly get with the card.

Senator MOORE—*Age Pension News* does not have that kind of service?

Mr Sullivan—*Age Pension News* would have it from time to time.

Mr Dolan—I am aware that some Centrelink brochures provide a state-by-state guide to the concessions that can be obtained from a pensioner concession card.

Senator MOORE—And the variations from state to state.

Mr Dolan—Would you like us to provide you with a copy?

Senator MOORE—That would be lovely. If you give us a little kit, as to the best of yours, we will wade through it and see whether we have any supplementary questions.

Mr Dolan—Yes.

Senator MOORE—Minister, there are some questions relating to the extension of the payment to self-funded retirees which you mentioned earlier. What is the current funding allocated in each year of the forward estimates to expand the pensioner concessions to self-funded retirees—the 2001-02 budget measure?

Mr Dolan—The concessions for holders of a Commonwealth seniors health card relate to the measure to which you are referring—that is, working with the states to provide some core concessions for holders of Commonwealth seniors health cards. The estimate is \$45 million in 2003-04 and \$78 million in 2004-05.

Senator MOORE—What does SPP stand for there?

Mr Dolan—Specific purpose payment. It is a technical term for a payment to a state government relating to a specific purpose. In this case it is compensation for providing concessions to cardholders.

Senator MOORE—And this particular line refers to the extension to the self-funded retirees?

Mr Dolan—Yes. It refers to holders of Commonwealth seniors health cards.

Senator MOORE—What was the amount of unspent funds in each year since 2001-02 in terms of the allocation that was made against that measure? As the minister has explained, it has not been spent because of the lack of agreement between the states and the Commonwealth on that issue.

Mr Dolan—For example, if an agreement is not achieved this financial year then the money unspent in 2003-04 would be \$45.254 million. Does that answer your question?

Senator MOORE—Can we also get since 2001-02, since your budget was announced?

Mr Dolan—I do not have those figures with me. It would be a matter of going through previous budget estimates.

Senator MOORE—That would be wonderful, if you could get that for me.

Mr Dolan—Yes, we can do that.

Senator MOORE—Minister, you said earlier that no state had signed up to the agreement, yet my understanding is that Western Australia and the Northern Territory have signed up. Is it the case that only Western Australia and the Northern Territory have signed up to the agreement?

Senator Patterson—That is about transport. I am advised that nobody is signed up but some states have been a bit more positive in their discussions. We are now talking about the transport concession.

Senator MOORE—Particularly for self-funded retirees, the announcement of extending concessions to a new group of people.

Senator Patterson—For travel.

Senator MOORE—Only travel?

Senator Patterson—There were two. One is about travel of people interstate on a concession card. That is across the board. That is the state card. What happens is that people want to get transport outside of their state. It has been an ongoing issue because, for example, Tasmania gets more people going to them than they get coming across, and there has been discussion about that. I will stand corrected; I think I am on top of this. We have been having discussions to modify the extension of that so that they could define the routes that would

have concessions. The concession would be 35 per cent of what the people in the state got, trying just to reduce the cost so that it is doable. We have had some positive discussions with some states.

Mr Dolan—Discussions with states are continuing. The minister put out a media release and discussions are continuing at the officer level.

Senator Patterson—The thing is that we came part of the way with them by saying that we would reach an agreement about the routes.

Mr Dolan—It is a minimum of a 35 per cent discount.

Senator Patterson—I think that the people interstate get a slightly higher one, don't they?

Mr Dolan—There is a new proposal that allows the state governments more flexibility in the way they have offered discounts to senior state card holders travelling from another state.

Senator Patterson—So we increased the flexibility and now we are in further discussion.

Senator MOORE—Your media release from 28 March, which was a particular offer again to the states, calls on the states:

... to accept a new offer, which could save Commonwealth Seniors Health Card (CSHC) holders an average of nearly \$700 a year on their rates, car registration, electricity charges, water and sewerage.

It is a different card.

Senator Patterson—No, it is a different issue.

Senator MOORE—I know the transport one.

Senator Patterson—This is a separate one. The transport one is one issue; the other is for Commonwealth seniors health care card holders.

Senator MOORE—Existing health care card holders.

Senator Patterson—People who are not on the pension but who have a Commonwealth seniors health care card, who if they had not—as I said—looked after themselves all their lives, would be on a pension or part pension. We give them some benefits through having extended the Commonwealth seniors health care card for the Pharmaceutical Benefits Scheme, telephone and one other thing, which I cannot remember off the top of my head because it is getting late. I think they have another concession or assistance with something else. I will come back to it when I have had time to think about it. We were saying to the states, 'We think that they should be recognised in the states for their contributions. You pay the pensioners. Had these people not looked after themselves, they would be on a pension. Why don't you give them some assistance? We'll cover 60 per cent of paying for the concession.' It is a concession on rates, car registration, electricity et cetera—on utilities.

Senator MOORE—So that is the expectation of the offer that you have made. Have Western Australia and Tasmania signed up to that agreement?

Senator Patterson—No.

Senator MOORE—Has anyone signed up?

Senator Patterson—No. I get different excuses from different states. Some states say it is four times more than we have estimated. Other states have indicated they might look at it.

Different states have given me different answers. The argument is that these people would otherwise have been on a pension but they have provided for themselves. We are doing some things to assist them, like giving them a health care card, and they have an expectation, I think reasonably, that they should get some of the concessions that a pensioner gets. We are prepared to pay 60 per cent of the cost of those concessions, as we estimate them.

Senator MOORE—Are these negotiations continuing?

Senator Patterson—My door is open every day for the relevant minister to come and tell me they will go into an agreement. I will welcome the first one who steps over my threshold. I am sure that the self-funded retirees with a Commonwealth seniors health care card in their state would be thrilled.

Senator MOORE—Was the last time there was a formal public announcement 28 March?

Senator Patterson—Yes.

Senator MOORE—Has the department done any figures about how many self-funded retirees in each state would benefit from the measure if the states would sign on?

Senator Patterson—I just remembered. Doctors get additional funding for bulk-billing people with a Commonwealth seniors health care card. I knew there was one more thing in the back of my head.

Mr Dolan—Senator, when you ask for estimates of the population, are you referring to those in receipt of the Commonwealth seniors health care card?

Senator MOORE—I mean the people who would benefit by the agreement the minister has just outlined—the ones who have the health care card that the Commonwealth has given them but are not on other payments. How many of those are there who would benefit from the scheme?

Mr Dolan—As I indicated earlier, there are 286,000 people. I think I have already given you the figure for the number of people on the Commonwealth seniors health care card.

Senator MOORE—You have. I imagine the households would be the same. Minister, is your understanding that that would be the same number of persons who would receive the concessions you have identified should this offer be taken up? How many self-funded retiree households, by state, would receive concessions on rates, water and sewerage, energy and motor vehicles? Is that the process that is under negotiation?

Mr Dolan—The receipt of a Commonwealth seniors health care card, of itself, would entitle the holder to the benefits. Whether they take them up would depend upon whether they have a car and on the circumstances they are in, but they would be entitled to any of the benefits in the same way that holding a pensioner concession card entitles a person to claim the concessions for which they are in a certain position to claim.

Senator MOORE—Should they need them.

Senator Patterson—But you have to estimate how many of them would own a car, because some pensioners do not own a car. If they own a car, they are entitled to a concession everywhere but Victoria, I think, since Victoria has just ripped \$297 million out of the pockets of pensioners—but we will not go there.

Senator MOORE—Given that, Minister, the last question on this issue is related to your statement of 28 March which has a table at the bottom which links all the savings and proposed savings. How were the dollar benefits arrived at in the table, and can a summary of the calculation be provided for each of the concession types by state? Your media release of the 28th was saying ‘should the states agree to this proposal, these are the kinds of savings that could be made’. We would like to know how the dollars that are attributed in those tables were calculated, and can we have that calculation by state?

Senator Patterson—I was given this advice by the department based on the average levels of concessions for those utilities or water and sewerage in each state. Of course, you cannot say that is what every individual will get if they do not own their home, if they are living in the back of someone’s house, if they do not own a car or if they do not pay rates. You can only take what the person may use of those. There are averages.

Senator MOORE—That is right. Can we get from the department the basis on which those averages were acquired? That would be useful in terms of how you can say that in Queensland—the minister particularly used Victoria, but I will not—the energy saving would be \$120. I would like that, by average of how much energy is used, what current concessions are available and that kind of thing. I would like the basis on which that figure was arrived at in the public statement.

Mr Dolan—We will provide you with some information on that.

Senator MOORE—Doing it by state would be good.

Senator Patterson—If they cannot do that, they can provide you with the process they used.

Senator MOORE—That would be fine. Then, if we have any questions about the process, we can come back.

[5.55 p.m.]

Senator McLUCAS—With respect to output 2.2, can I ask some questions about the volunteer small equipment grants. I understand there have been two rounds—or that there is a round currently occurring but that there was a previous round this year. Can you tell me about the first grants program, please?

Mr Rosenberg—The first volunteer small equipment grants round was run a couple of months ago and resulted in overwhelming demand. We had over 7,000 applications. We were able to fund a little over 2,000 organisations. Partly as a result of that response, it has been decided to run with another round.

Senator McLUCAS—Who makes the decision about which ones are successful and which are not?

Mr Rosenberg—Ultimately the minister makes the decision but on the recommendation of the department. We go through quite a rigorous process involving our state offices and a very standardised assessment process.

Senator McLUCAS—That process is being used for the current round as well?

Mr Rosenberg—We are going to be using a very rigorous process but it will be a little more streamlined. We are making a simpler application form and a simpler set of criteria. Part of the problem we found last time was that, because we were targeting, by definition, small organisations—their budgets must be below \$50,000 to qualify, and many of them do not have a lot of capacity—people did not quite understand the application form, even though it was reasonably simple. So we have tried to streamline the process as much as we can.

Senator McLUCAS—Is the decision about the recommendation to the minister from the department completely internal? There is no external advisory committee or any other system like that to provide recommendations to the minister?

Mr Rosenberg—It is an internal process but it is one that has been probity checked. We have used the same process for the last four rounds.

Senator McLUCAS—How are successful applicants advised of their success?

Mr Rosenberg—By letter. We also publish the names of successful applicants on the web site.

Senator McLUCAS—The letter comes from the minister or from the department?

Mr Rosenberg—The letters to successful applicants come from the minister.

Senator McLUCAS—Are you aware of any successful applicants who were advised of their success by people other than the minister?

Mr Rosenberg—No, I am not.

Senator McLUCAS—It is a shame the minister is not here. I am aware that, in at least one successful application, information on the fact that they were successful was provided to them by a Liberal candidate in the forthcoming election. Certainly, from what you are telling me, that would have been completely within the province of the minister's office rather than the department. There has been no contact between departmental officials and Liberal candidates?

Mr Rosenberg—There has not, no.

Senator McLUCAS—That information would have been transferred to the Liberal candidate from the minister's office, I dare say?

Mr Rosenberg—I am not able to say.

Ms Beauchamp—We are not aware of any of that information.

Senator McLUCAS—It is a shame the minister is not here to answer these questions. Do you advise members that applications from their electorates have been successful?

Mr Rosenberg—Members and patron senators are advised, yes.

Ms Beauchamp—Through the minister's office.

Senator McLUCAS—Through the minister's office?

Ms Beauchamp—That is correct.

Senator McLUCAS—How does that happen?

Mr Rosenberg—By letter.

Senator McLUCAS—Members and senators?

Mr Rosenberg—Senators covering the relevant region.

Senator McLUCAS—And how do you know which senators cover which region?

Mr Rosenberg—Because the grants are very locally applied, the organisations tend to have their headquarters or their base of operations in a very easily identified region; so it is quite easy to tell exactly where the electorates are.

Senator McLUCAS—I find this interesting actually, because I do not remember receiving correspondence and I am sure someone from Queensland—

Mr Sullivan—The minister advises government members and senators.

Senator McLUCAS—Now we are getting to the—

CHAIR—One previous government senator used to always do it and never ever include opposition senators or members.

Senator McLUCAS—So the minister's office—not the department—advises government members and government senators. Does the department have a list? Do you, as the department, provide information to government members and government senators?

Ms Beauchamp—Only through the minister's office.

Senator McLUCAS—So the department is actually asked to draw up a list in which electorate the successful applicants have been?

Mr Rosenberg—That is not our role.

CHAIR—I can answer the question, because it comes directly from the minister's office.

Senator McLUCAS—The minister's office spends time working out that this application is in fact in this particular electorate and is held by this particular member and that person, if they are a Liberal member or a Coalition member, will be advised and, if they are a Labor member, they will not be advised. Is that the normal form?

CHAIR—We learnt from the Hawke and Keating governments.

Ms Beauchamp—You would have to direct that to the minister.

Senator McLUCAS—Yes. It is a shame that the minister is not here. I do not know if there is some ability of inviting her to come back so that we can actually get an answer to these questions. I do recognise that this is not happening within the department. I am just trying to ascertain what work the department is doing to support this practice.

CHAIR—They have given you an answer; there is nothing more to add. It has come from the minister's office the way it came from Labor ministers' offices to Labor senators' offices in 13 years of opposition—believe me, I know.

Senator McLUCAS—I was not here then. I could fill in a bit of time until the minister returns.

CHAIR—You can ask the next question. We can come back to that.

Senator McLUCAS—My questions are to the minister. It is a bit unfair to ask the officers.

CHAIR—Here is the minister now.

Senator McLUCAS—Minister, we have come to understand that in the Volunteer Small Equipments Grants process the department, as I understand it from the information they provided us, advises your office of those applications which, in the view of the department, have been successful to receive funds under that particular program. I then understand from earlier discussion that what usually happens then is that your office contacts the member or duty senator if that person is a coalition member or duty senator so that those people can carry the good news to the successful applicants.

Senator Patterson—I think I heard Senator Knowles answer the question for me.

Senator McLUCAS—My question is: on how many occasions and when do you advise Liberal candidates of the fact that applications in the electorates for which they are contesting have been successful? The advice, as I understand it from your office, is that your office tells these candidates to ring up the successful applicant and let them know of the largesse of the government.

Senator Patterson—The senator who takes care of that electorate, or the member, is advised and, as Senator Knowles said, that has been the case. I do not know whether some of those senators then work with the candidates in their areas. Some of them may or may not be working with them. I do not know.

CHAIR—To the best of my knowledge, the candidate with whom I work has never been advised of any grant, individually.

Senator McLUCAS—When you said that the senator or MP involved is advised, it is clearly only coalition senators and MPs who are advised?

Senator Patterson—As Senator Knowles said, that was a practice under Labor and it has continued to be the practice.

Senator McLUCAS—Does your office contact Liberal Party candidates to tell them that applications in the electorates they are contesting have been successful?

Senator Patterson—I send a letter to the senator or member advising them of successful applicants for various grants, as was the case under the previous government.

Senator McLUCAS—That is not the question I asked. The question is: does your office contact Liberal candidates to tell them of the successful applicants in the seat that they are contesting?

Senator Patterson—My office writes a letter to the senator or to the member advising them of various grants, whether they be in this area or not.

Senator McLUCAS—So you are refusing to answer the question I am asking?

Senator Patterson—I am not; I am just telling you what happens.

Senator McLUCAS—The question is: do you contact the candidate?

CHAIR—No. The question has been answered.

Senator Patterson—I have answered the question in that the way we communicate the issue—

Senator McLUCAS—I could say that the minister has refused to deny—we can do that.

CHAIR—Do not rule something in; do not rule something out. Let us not play cute games. The minister has actually explained—

Senator Patterson—I am not going to mislead you in the sense that a candidate may have been in an organisation and may ring up and say, ‘Have we got the grant?’ The letters have gone out and the office may say, ‘Yes.’ I do not know, and I would not mislead you in that way. It could happen. I cannot monitor every call that comes into my office, so I am not going to say they have not told a candidate, because we might not even know they are a candidate if they ring and say, ‘I’m Molly Jones and I’ve heard that we look like we’ve got this grant.’

Senator McLUCAS—That is not the story that has been painted to me.

Senator FORSHAW—I will speculate that the Prime Minister did not know the other day, but it was in the photo with him!

Senator McLUCAS—That is not the story that has been painted to me. I honestly would be very pleased to receive information—

Senator Patterson—As far as I know—and my staff have not been instructed to do that—I do not think that has happened. But if somebody has rung, they may have been told without us even knowing. But the procedure is that a letter goes to the senator or to the member—or to members if the service covers a number of electorates. I should make sure I do not mislead you. It could be a couple of electorates. They are advised in writing.

Senator McLUCAS—Which office does that work—identifies which application sits in which electorate?

Senator Patterson—It depends on the minister.

Senator McLUCAS—No. In the case of the volunteer small equipment grants.

Senator Patterson—What do you mean?

Senator McLUCAS—Does your office do that? Do you ask the department to do that? Who does that work—identifying that the Bullamakanka state school, or whatever it is, is in that electorate?

Senator Patterson—The electorate is identified, the letters are prepared and I sign the letters.

Senator McLUCAS—Who does it? Who identifies that the electorate which the application is coming from—

Senator Patterson—With every grant—I think with everything that happens—you know which electorate it is in. That is one of the things that is used. You know where it is. You know that when it comes up. I think it states where the electorate is, usually, unless it is the whole state.

Senator McLUCAS—Does the application form, Mr Rosenberg, have the electorate on it?

Mr Rosenberg—No, it does not.

Senator McLUCAS—I would not have thought it would have.

Senator Patterson—It is a process that has been undertaken in Health, a process that has been undertaken here—

Senator McLUCAS—Minister, I am trying to work out who does the administrative task to say that this application sits in that electorate? Is it someone in your office or someone from the department?

Senator Patterson—I get the information from the department, letters are prepared and I sign the letters.

Senator McLUCAS—Mr Rosenberg, the department draws up that information; the department ascertains that this application sits within this electorate?

Mr Rosenberg—We indicate which electorate applications are from as part of the process for our advice.

Senator McLUCAS—That is different from what I think you said to me earlier.

Mr Rosenberg—I am sorry if I was not clear before.

Ms Beauchamp—We provide advice in terms of the location of that particular service that has applied for funding.

Senator McLUCAS—Into which electorate it falls—is that what you are saying?

Ms Beauchamp—The location could be a city; it could be a local district regional area.

Senator McLUCAS—But is there a table that says, ‘This application from this applicant is in this particular electorate’?

Ms Beauchamp—Yes.

Senator McLUCAS—Thank you. There is a cost associated with that, I dare say.

Mr Sullivan—Very little.

Senator McLUCAS—Yes, I am sure it is very little, but there is a cost.

Mr Sullivan—In seeking to make a decision, the minister seeks information from us on a number of things, including—and it is quite valid to ask—which electorate the proposed grant is being made in.

Senator McLUCAS—I will not pursue this.

Mr Sullivan—It could be the local government area it is being made in; it can be all sorts of things. Some grants are national and therefore it does not apply; but where it is a local area, to give the minister the information of what electorate it is is a straightforward process.

Senator McLUCAS—I understand that the successful applicants have been placed on the web site, but given that you have done the work—that is, allocated each application to an electorate; I know it is quite a lot, but the work has been done—could I have a copy of that list of 2,000 successful applications and the electorates in which they sit?

Senator Patterson—Just giving you that may not provide you with the clear picture, because a lot of electorates have more applications than others and there is a figure of the percentage of applications that were successful. Some electorates—and they vary from different sorts of people—have a large number, because they seem to have a lot of connection

with their community organisations, and some have a small number; it varies. So just giving you the successful applications does not give you a true picture.

Senator McLUCAS—With that condition, I will take that into account.

Senator Patterson—I will take the question on notice and we will have a look at giving you some information that gives you a picture.

Senator McLUCAS—No, I am actually not asking for a picture. I just want the list. The list has been compiled. I take the point you are making, Minister.

Senator Patterson—No, because the list does not show you a clear picture. You will see one electorate get a large number, and in some electorates you get a large number because they have had a large number of applications. When somebody only has—what is the smallest number of applications from an electorate?

Mr Rosenberg—I am not sure.

Senator Patterson—It was quite small.

Mr Rosenberg—Very small.

Senator Patterson—You would not expect all of them to get it, so just taking the electorates does not give you a good picture. I will take it on notice and I will give you information that will give you—

Senator FORSHAW—What do you mean by ‘a good picture’?

Senator Patterson—Senator Forshaw says, ‘What about a good picture?’

Senator FORSHAW—No, it is the picture that you want to give. You should answer the question, shouldn’t you? That is the point.

Senator Patterson—No, if an electorate only has 30 applications, it is unlikely they are going to get 30 successful grants. If an electorate has 150, they could get 30 successful grants. The number of applications that come in from electorates varies. So just looking at whether this is successful you will say, ‘Why didn’t this get very many?’ because you do not know how many applications they had. I will take the question on notice. Let me just answer one thing. I have just checked with both Larry Anthony’s staff and mine. They are of the view—and I cannot be at the telephones all the time—that they have not advised candidates. But, as I said, when the information goes to a senator or a retiring member or a person who is about to retire, they may work with a candidate and I cannot speak for them.

Senator McLUCAS—It is a pretty strong politicisation of this program if that is in fact occurring, isn’t it?

Senator Patterson—No. Under Labor—

Senator McLUCAS—I am talking about this program now.

Senator Patterson—Under Labor, when grants were given, of any sort, in health—and Senator McLucas, you have not been here as long as I have; or Senator Knowles—I remember we used to get irritated by it, too, that we did not get a chance to announce the good news. But that is the way it has always worked—that a senator who had responsibility for and was working in that area gave the announcement, or the member did. As I said before,

we write to the senator or member, and then how they work with the candidate I cannot account for.

Senator McLUCAS—Mr Rosenberg, you seemed to indicate earlier that there is a list of all applicants, including what electorate they may come from—successful and unsuccessful. Is that the case?

Mr Sullivan—I think I indicated that in response to the minister we have provided the minister electoral information on successful grants.

Senator McLUCAS—And do you provide the minister electoral information on all grants?

Mr Sullivan—When the minister asks for it.

Senator McLUCAS—In the case of the first round of Volunteer Small Equipment Grants have you compiled that information? Is there a list of all applicants with the electorate attached it?

Mr Sullivan—Probably in part it would be attached to the assessment—it is not a list—of applications under the small equipment grants.

Senator McLUCAS—Why is the electorate in which the applicant is based relevant to the assessment process?

Mr Sullivan—The decision is the minister's and the minister has asked advice on what electorate it is. That is a reasonable request to respond to.

Senator McLUCAS—So the minister has provided a list of all applications?

Mr Sullivan—No. You are now saying 'list' again. The minister has provided our assessment and recommendations and has asked for the electorate to be included in that advice.

Senator McLUCAS—So the 7,000 applications, or a précis of them, is provided?

Mr Sullivan—In the recommendations—

Senator McLUCAS—A list of all 7,000—

Mr Sullivan—You keep talking about a list. I keep talking about a set of recommendations, which would explain the grant application and the recommendation around that grant application and would include advice as to what electorate.

Senator McLUCAS—There are 7,000 applications. Are all 7,000 applications provided to the minister with the departmental advice about whether that one should or should not be approved?

Mr Sullivan—All applications for grants are assessed in accordance with the criteria.

Senator McLUCAS—What is provided to the minister's office when that process of assessment is finished?

Mr Sullivan—The details of those recommendations.

Senator McLUCAS—Both successful and unsuccessful?

Mr Sullivan—Yes.

Senator McLUCAS—With the electorate in which they are based attached to that information.

Mr Sullivan—That is right.

Senator McLUCAS—Can I have that list please, given that it has been compiled?

Mr Sullivan—I think the minister has indicated that she has taken that question on notice. I cannot do any more than take it on notice.

Senator FORSHAW—Can I make a point in relation to the minister's response. I have never heard this before, and I have been here, not as long as the minister but for 10 years. I have been at estimates hearings both when we were in government and now. Senator McLucas asked to be provided with information about applications. The minister's response, as I understand it, is that she is not of a mind to provide that information because she does not agree with the way that might be interpreted. With all due respect, I think it is a matter for others to determine how they wish to interpret that information. The minister and the department are capable of providing notes or comments—as they regularly do when they provide statistical data in response to questions on notice—about their view on how it should be interpreted. I want that on the record because I do not think it is appropriate for the minister to just say, 'I do not want to give you that information because I do not like the way you or somebody else may wish to interpret it.'

Senator Patterson—That is not what I said, Senator Forshaw. Senator McLucas asked me for the successful applicants by electorate. I said that I would take that on notice because I may also include in that information the percentage of successful applicants. Just giving you the successful applicants does not give you a true picture of the number of applications that came in. Some electorates—and some of them are Labor electorates—get high numbers of successful applicants and another electorate may get a low number because the number of applications is low. I said I will look at the data and make sure you get a clear picture. There is no conspiracy.

Senator FORSHAW—You are the first one to mention the word 'conspiracy'.

Senator Patterson—You are saying I do not want to give you the information.

Senator FORSHAW—You refused to give the information, until eventually you said you would take it on notice..

Senator Patterson—The information Senator McLucas asked for—just the successful applicants—I think would not give him a true picture of the pattern of applications. Some electorates have very high numbers of applicants and others have very low numbers. It is patchy.

Senator McLUCAS—That is why I asked for the full list.

Senator Patterson—That is why I said I will take it on notice and give you the information that I think gives you a better picture than that which you asked for alone. That is all I said, and then it all got out of hand. Referring to just the successful applicants does not give you a clear picture.

Senator McLUCAS—That is why I asked then for the full list of applications, both successful and unsuccessful, by electorate.

Senator Patterson—We will tell you the proportions—whatever is the easiest for the department to give you that gives a picture of the applications versus successful applications. If 23 per cent were successful you will know that the balance out of 100 per cent were unsuccessful. It does not take much arithmetic to work that out.

Senator McLUCAS—In this case, percentages will be useless.

Senator FORSHAW—Why don't you just answer the question?

Senator McLUCAS—You have got the raw data. You have made it clear to me that it is there. If we do not get it, that is when we get into conspiracies; that is when we start worrying that something is being hidden.

Senator Patterson—I will provide you with the information. What you asked for was not sufficient.

Senator McLUCAS—And I want to know the time frame, please. Given that it has actually all been compiled, is it something that we could get in a short period of time?

Senator Patterson—As soon as we can, I will give you the information.

Senator McLUCAS—In a couple of weeks?

Senator Patterson—As soon as we have the information, I will give it to you.

Senator McLUCAS—Thank you.

CHAIR—Are there any further questions?

Senator FORSHAW—I go back to some questions that were being asked earlier by Senator Moore. I want to clarify the information that you have given on the record and that you have undertaken to provide on notice with regard to the health care card, the low income health care card, the pensioner concession card and the Commonwealth seniors' health card. The data we are looking for is the actual number of each of those cards.

Mr Sullivan—Yes.

Senator FORSHAW—And we want to know the number of cards where dependants are involved and the number of dependants covered by each of those cards. I think you have given some of that information.

Mr Dolan—Yes, we can provide you that information.

Senator FORSHAW—Good, thank you. There are just a couple of other things. We were also seeking information on the cost to the Commonwealth of providing each card for the 2003-04 years and for the forward estimates years.

Mr Sullivan—It is not possible. You would have to go around to each of the departments and ask them what concessions they attach to the card.

Senator JACINTA COLLINS—Each of the Commonwealth departments?

Mr Sullivan—Yes.

Senator JACINTA COLLINS—And why can't we do that?

Mr Sullivan—You can do that. I am not stopping you doing that; I am just saying that there is no centralised point which says, ‘This is the cost associated with the card.’

Senator JACINTA COLLINS—How do you estimate the cost of the measures?

Mr Dolan—The measures relating to the concessions with Commonwealth seniors health card holders are in respect of a defined range of concessions—what we call the ‘core concessions’. There is a bit more data available around them. The issue that the secretary has mentioned—

Senator JACINTA COLLINS—Is there?

Mr Dolan—That is because they are defined, so there is a firmer basis. In respect of all the concessions attached to concession cards, concessions are provided by local governments, state governments—

Senator JACINTA COLLINS—I am only after the Commonwealth cost.

Mr Dolan—The main Commonwealth costs in respect of FaCS cards are in the PBS, and the other main costs are with Health, in terms of the cheaper costs of pharmaceuticals—which is health costs.

Senator JACINTA COLLINS—Let us start with the FaCS costs.

Mr Dolan—Just to be clear on the question, you would like me to indicate to you all the costs associated—

Mr Sullivan—After getting three sets of questions now you want a breakdown of the FaCS costs attached to this card. That is fine.

Senator JACINTA COLLINS—No; we are exploring this in a little more detail, Mr Sullivan, because you said the Commonwealth costs were too difficult to attribute.

Mr Sullivan—I did not say that it was too difficult. I said there was no centralised point where the Commonwealth collects the costs attached to a card.

Senator JACINTA COLLINS—I am not talking about what you said just a moment ago—it was in the earlier discussion.

Mr Sullivan—I do not think I said it was too complicated. I said there was no point of collection.

Senator JACINTA COLLINS—Okay. Then I explored this a bit further and said: how do you estimate the costs of the measure? You have now told me that there are FaCS costs and other core Commonwealth concessions put into the estimates.

Mr Sullivan—We started talking about a measure which was to encourage the states and territories to provide concessions. The Commonwealth made an offer to the states on the basis of it believing that the offer would compensate the states by 60 per cent for the cost of those concessions. We have agreed to give Senator Moore the basis of our calculation of those. That is what that measure is about. It is not about the Commonwealth. It is a measure about extending the concessions of the Commonwealth seniors health card to the states, and we are in negotiation with the states.

Senator JACINTA COLLINS—And I am trying to understand the cost to the Commonwealth if this occurs.

Mr Sullivan—Ever since the Commonwealth seniors health card has been released there has been a range of Commonwealth concessions for which we can account to you for the FaCS concessions.

Senator JACINTA COLLINS—Yes.

Mr Sullivan—That is a new question and we are happy to do it.

Senator JACINTA COLLINS—We will need to ask Health for their component, will we?

Mr Sullivan—Health and anyone else.

Senator JACINTA COLLINS—Who else would there be in terms of the core?

Mr Dolan—With the pharmaceutical concessions—which are health—in respect of the core concessions, which are provided by state governments, the cost to the FaCS portfolio is listed on page 166 of the portfolio budget statements under the heading ‘Compensation for extension of fringe benefits to pensioners and older long-term allowees and beneficiaries’. That is the group of people who hold the pensioner concession card. It is the third last item from the bottom of page 166. In the column it is \$184,997 million in 2003-04.

Senator JACINTA COLLINS—We will need to add to that the health line, will we?

Mr Dolan—I might clarify for you the basis of that figure. That is the cost of the specific purpose payment that the Commonwealth provides to the state governments, as retrospective compensation for the states, where the states actually provide the core concessions to the holders of pensioner concession cards.

Senator JACINTA COLLINS—What other Commonwealth costs are associated with this?

Mr Dolan—There are a couple of different cards here. Are you talking about the pension? The government also provides to holders of the Commonwealth seniors health card a telephone allowance. The telephone allowance is listed, I believe, under outcome 3. That is right in the middle of page 201 of the portfolio budget statements under ‘Telephone allowance for Commonwealth seniors health card holders’. It is \$13 million in 2003-04. Other holders of pensioner concession cards would get telephone allowance, but that figure is included in the overall dollar for the primary payment. It is included in your pension payments. It is not identified separately if you hold a pensioner concession card. It is just for Commonwealth seniors health card holders because they do not get any other income support payment from the government. Their telephone allowance is identified as a separate item, which is why you do not see it for anyone else. That is another item for Commonwealth seniors health card holders.

In respect of other expenses incurred by FaCS I am going back to page 166. The minister and Senator Moore were discussing this a short while ago. There is the figure in respect of the expected expenditure for the extension of core concessions for Commonwealth seniors health card holders. The amounts in the estimates are \$45 million in 2003-04 and \$78,974,000 in 2004-05.

Proceedings suspended from 6.30 p.m. to 7.50 p.m.

CHAIR—I call the meeting to order. We are on outcome 3 and Senator Forshaw is bursting to ask some questions.

Senator FORSHAW—I have some questions which range across outcome 3 before we go specifically to 3.1. For each year since 2000-01 and for each work force, age pension and allowance how many customers have served these various waiting periods? They are the liquid assets waiting period, the income maintenance period, the seasonal work preclusion period, the lump sum preclusion period and the ordinary waiting period.

Ms Winzar—I do not have details of how many people have served those waiting periods going back to 2001 with me, but we can provide those for you on Friday.

Senator FORSHAW—At the start of Friday?

Ms Winzar—Yes, if you wish.

Senator FORSHAW—You will provide each of those figures by Friday?

Ms Winzar—Yes.

Senator FORSHAW—For the latest available financial year, what was the average waiting period served for each payment type for each of those periods?

Ms Winzar—Again, I do not think I have that information with me this evening.

Senator FORSHAW—Okay. There could be a couple more in that category. For the latest available financial year, what was the net saving from each of the above waiting periods for each payment type?

Ms Winzar—We would not normally make a formal estimate of the savings accruing from each of those individual waiting periods. It is just factored into the forward estimates. When those waiting periods were introduced, ranging from about 1996 or 1997 onwards, their impact would have been included in the forward estimates at that time, but we would not separately calculate a report on them at the moment.

Senator FORSHAW—So you are saying that the data is not readily available?

Ms Winzar—That is right.

Senator FORSHAW—Could it be calculated?

Mr Sullivan—It would be a major costings exercise.

Senator FORSHAW—It can be calculated, though, can't it?

Mr Sullivan—Yes, it is possible.

Senator FORSHAW—How many customers each year, by payment type, receive redundancy payments on termination that are excluded from the income maintenance period?

Ms Winzar—I do not believe we would have any way of calculating that particular item. We would not collect that amount of detail in calculating the waiting periods.

Senator FORSHAW—I was going to ask you what is the average value of these redundancy payments which are currently excluded?

Ms Winzar—No, that is not able to be known.

Senator FORSHAW—Has any work been done by the department in respect of simplifying and aligning waiting periods?

Ms Winzar—Yes, it is something that we have looked at a number of times. There are a number of ways in which the current waiting periods would operate interactively. In some cases they overlap and in some cases they are additive, so it is quite complicated for individual customers to work out what the impact is going to be. We have done some work on simplifying them.

Senator FORSHAW—What is the outcome?

Ms Winzar—No decisions have been made to simplify waiting periods to date.

Senator FORSHAW—Has the department put forward any proposals or recommendations? I am not going to ask you what they are. You said no decisions have been made. How far has the work progressed? Is it to a point where you have proposals that might need to be—

Mr Sullivan—We have put options to government from time to time on waiting period alignments.

Senator FORSHAW—Are you awaiting some response from government?

Mr Sullivan—I do not believe we are waiting for any response at the moment on any proposal.

Senator FORSHAW—No formal proposal has been put forward?

Mr Sullivan—There is not a formal proposal on the table.

Senator FORSHAW—Will there be one? This work is being done. Surely it is going to lead to a proposal or a series of proposals, even if it leads to a proposal that there be no change.

Ms Winzar—The issue of simplification of a very complex system is obviously one which we pay a lot of ongoing attention to, not just in relation to waiting periods but in relation to the whole income support system. There is ongoing work looking at how we can reduce some of the complexity, for both customers and for those who administer those payments.

Senator FORSHAW—One part of my question was to look at aligning waiting periods. Is there something being considered in that regard?

Mr Sullivan—As I said, we have from time to time advised government on the issues around waiting periods and their alignment, but there is nothing being considered at the moment.

Senator FORSHAW—By government or—

Mr Sullivan—By government.

Senator FORSHAW—So the department has not put forward any specific proposals at this stage which relate to aligning the waiting periods or simplifying them?

Mr Sullivan—As I said, we have from time to time provided advice to government on how to possibly align them or what to do, including the option of doing nothing, and we have nothing on our agenda at the moment.

Senator FORSHAW—You are being very careful, Mr Sullivan. I am not trying to trap you.

Mr Sullivan—No, and I am not trying to be evasive.

Senator FORSHAW—I was not suggesting you were.

Mr Sullivan—I am telling you there is nothing currently happening on waiting periods.

Senator FORSHAW—We are still waiting?

Mr Sullivan—Yes.

Ms Winzar—Senator, in terms of your request for some information back to 2001 on the number of customers serving waiting periods, page 225 of the portfolio budget statements under the heading of ‘Targeting’ gives, in relation to Newstart customers, the number of customers and the waiting periods they serve in respect of the ordinary waiting period for Newstart, the income maintenance period and the liquid asset waiting period. For example, 120,000 customers a month would serve the ordinary waiting period of one week for Newstart; on the income maintenance period, 38,779 customers a month would serve an average waiting period of 4.7 weeks; and on the liquid asset waiting period, 36,448 customers would serve an average waiting period of 9.2 weeks.

Senator FORSHAW—I can see those figures, thank you. The one question that we had in relation to the follow-up question on 2.2 was one that probably the minister should be here to respond to, so we might have to leave that. In relation to the employment entry payment—EEP—how much is paid?

Ms Winzar—How much is an individual employment entry payment?

Senator FORSHAW—Yes.

Ms Winzar—That is a very good question, and I am afraid I do not have the answer. Maybe Mr Searle or Mr Sandison can help me on that one.

Mr Sandison—The employment entry payment is a \$312 lump sum paid for DSP and a \$104 lump sum for other payments. It is one payment only every 12 months.

Senator FORSHAW—Is it indexed?

Mr Sandison—No, it is not. It is a set amount.

Senator FORSHAW—Can you provide us with the number of people who have received the payment each financial year since its inception, including those in the current financial year?

Mr Sandison—I would have to take that on notice to go back to since inception.

Senator FORSHAW—Then could you give us something more recent?

Mr Sandison—For the 2000-01 financial year there were approximately 89,000 recipients.

Senator FORSHAW—Do you have anything later than that?

Mr Sandison—No. That is the last year from the Centrelink data.

Senator FORSHAW—Could you take that on notice?

Mr Sandison—Certainly.

Senator FORSHAW—You might need to take this on notice as well: what is the total cost of the payment per financial year since its inception?

Mr Sandison—Yes, I would have to take that on notice.

Senator FORSHAW—Do you have the forward estimates of the anticipated spending on this payment?

Mr Sandison—Based on the average figures, because it is an uncapped amount through the general payments, the figure for the year 2000-01 was \$12.2 million. I can get the total cost across the financial years you asked for.

Senator FORSHAW—That is including the forward estimates?

Mr Sandison—Yes.

Senator FORSHAW—Thank you.

Ms Winzar—By way of clarification, while we can provide you with as much of the current year's information as we can, we may not be able to disaggregate the employment entry payment in the forward estimates. As I understand it, it is not separately appropriated; it is just factored into ongoing Newstart, DSP and parenting payments.

Senator FORSHAW—In respect of the different payments, can you provide me with the information that I have requested in regard to the number of people and the cost of the payment per year, broken down into the different income payment types as well?

Mr Sandison—If we can, we will get the information for you.

Senator FORSHAW—I have asked you for the total figures and the total numbers. Could you then disaggregate them into payment types. What is the average duration of payment for those applying for the EEP and those granted it?

Ms Winzar—I do not know if we would be able to easily extract that information. My understanding is that essentially we are looking at people who have been on income support for at least 12 months before attracting the employment entry payment, so they are going to have longer durations, but it is not normally something that we would monitor.

Senator FORSHAW—Do you have longitudinal data on those who come back a second or third time?

Ms Winzar—Would we know how many individuals we would pay repeat employment entry payment to?

Senator FORSHAW—Yes.

Ms Winzar—No. We would not have that immediately to hand.

Senator FORSHAW—Would you be able to calculate it?

Ms Winzar—With some difficulty.

Senator FORSHAW—What is the difficulty?

Ms Winzar—The difficulty of constructing a computer program which will draw information across different income support payment types, which are not necessarily run on the same databases, and of calculating how many times individuals have received an employment entry payment since inception. They may have been on parenting payment, Newstart and then on disability pension, for example.

Senator FORSHAW—You would not have it by Friday?

Ms Winzar—We certainly would not have it done by this Friday.

Senator FORSHAW—I did not think so. Has the department conducted any evaluations of the employment entry payment?

Mr Sandison—No.

Senator FORSHAW—Has it been audited at any time?

Mr Sandison—Not specifically as a program.

Senator FORSHAW—Do you have data on this payment broken up relevant to area or electorates?

Mr Sandison—No. It is just paid as a national total of customers against the payment groups.

Senator FORSHAW—Couldn't you calculate who gets it according to regions or areas?

Mr Sandison—It is based on the individual person's postcode through their customer reference number and their customer information. It is only based on the individual. This is not aggregated as in employment service areas and some other data.

Senator FORSHAW—How much is paid under the education entry payment?

Mr Sandison—There is \$208 as a lump sum payment, again one payment a year. In 2000-01 there were 78,000 recipients and approximately \$16 million expenditure.

Senator FORSHAW—Is that payment indexed?

Mr Sandison—No, it is not.

Senator FORSHAW—I do have the same types of questions for this payment, so could you provide the same information relating to the total cost and the anticipated spending in the forward estimates. Rather than go through each of them, take it that they are the same questions that I have asked in regard to the employment entry payment and try to provide that data as well. Has any evaluation of this payment been undertaken?

Mr Sandison—No, Senator.

Senator FORSHAW—Has it been audited?

Mr Sandison—No.

Senator FORSHAW—How many people who receive the education entry payment also receive the pensioner education supplement?

Mr Sandison—I would have to see if we could extract the data.

Senator FORSHAW—You will try?

Mr Sandison—Yes. I will take that on notice.

Senator FORSHAW—What are the minimum and maximum amounts available under the special employment advance?

Mr Sandison—It is a \$50 to \$500 recoverable loan. There is no limit up to the \$500 maximum amount.

Senator FORSHAW—I have a series of questions which are identical to the ones I have asked in regard to the other two payments. I will just run through them so we understand. I am not sure whether you are going to have this information here. Can you provide us with the number of people who have received the special employment advance each year since its inception, including the current year?

Mr Sandison—I do not have any specific data to give you but I will take that on notice.

Senator FORSHAW—Could you do it by payment type as well? What is the total cost of the payment per financial year since its inception?

Mr Sullivan—The long-term cost will be very small—zero. It is only bad debts. This is an advance only. It is not a specific payment.

Senator FORSHAW—But isn't there some spending on it each year?

Mr Sullivan—There would be a very minor amount of administrative spending and there would be, I presume, bad debts.

Senator FORSHAW—The spending would be calculated according to the input costs of staff?

Ms Winzar—Yes.

Senator FORSHAW—Can you tell me how it would be costed.

Ms Winzar—The way it works is that the person must have a job to go to and they must be in financial hardship and need the advance. They are, essentially, the two rules.

Senator FORSHAW—Yes, I understand that.

Ms Winzar—And to get the advance of their ongoing support payment, they apply to Centrelink, and Centrelink will have an application form to process and make the payment, so there would be a transaction cost to Centrelink of doing that part of the processing.

Mr Sullivan—But a savings to Centrelink if they get a job.

Ms Winzar—That is true.

Senator FORSHAW—Can you provide the total amount paid per year, the total amount advanced?

Mr Sullivan—Yes.

Senator FORSHAW—Can you do that per payment type?

Ms Winzar—If we can, we will. I am not certain that we separately monitor.

Senator FORSHAW—And the average amount per year paid out by payment type, thank you.

Ms Winzar—Yes, if we can, we will.

Senator FORSHAW—What is the average time taken to repay the advance?

Mr Sandison—We would have to take that on notice as well, Senator.

Senator FORSHAW—And, again, if you could give us that information by payment type. These are the same questions that I have asked before in respect to the other payments. What is the average duration of payment of those applying for the advance, and those granted it?

Mr Sandison—We will take that on notice, Senator.

Senator FORSHAW—Thank you. Do you have any longitudinal data on this advance payment?

Ms Winzar—No.

Senator FORSHAW—Have you conducted any evaluation?

Ms Winzar—No.

Senator FORSHAW—Has it been audited?

Ms Winzar—No.

Senator FORSHAW—I was going to ask you: what data do you have on the advance payment by area?

Ms Winzar—The answer would be none. As Mr Sandison indicated before, if we can get any data, it would be by postcode of the recipient, or the applicant.

Senator FORSHAW—Thank you.

Senator JACINTA COLLINS—Senator Forshaw and Chair, sorry to interrupt. Can I just clarify where we are at the moment. We are in general questions across outcome 3.

Senator FORSHAW—Outcome 3, which we have just finished.

Senator JACINTA COLLINS—But there were some outstanding issues you had for 2.2?

Senator FORSHAW—There was one question which I did allude to just after we started. It relates to an issue arising out of the answers in 2.2. I think the minister gave a response which I wanted to then ask a further question about. The problem is, the minister is not here. Can I ask this question now and I will see if we get a response. As I understand it, in the discussion we were having before the break regarding extension of concessions, Senator Patterson said that no state had signed up to the Commonwealth offer to extend the concessions. Is that correct?

Mr Sullivan—That is right.

Senator FORSHAW—The question I then want to ask is why did the minister make the following statement in a media release on 28 March:

It is time that the States and Territories come into line with Western Australia and the Northern Territory, both of which offer concessions to their Commonwealth Seniors Card Holders.

The dilemma I have is, the minister is not here to respond. She made the statement.

Mr Sullivan—I think we can clarify that.

Mr Dolan—Senator, could you please repeat the question? I was walking in as you were speaking.

Senator FORSHAW—The secretary will explain to you what was said.

Mr Dolan—Senator, the minister said that no state has signed up to the offer that was put to them. At the same time, some of the states do offer some of the concessions now to holders of Commonwealth seniors health cards. That explains that position, I think.

Senator FORSHAW—It does not, really. The minister said, and I am quoting exactly from her press release:

It is time that the States and Territories come into line with Western Australia and the Northern Territory ...

Mr Sullivan—Who offer those concessions.

Senator FORSHAW—That is right.

Mr Dolan—But they have not yet signed the agreement.

Mr Sullivan—They have not signed to the deal with the Commonwealth to share the cost of those concessions. They offer them at the moment at full cost to the state.

Senator JACINTA COLLINS—So you can envisage that they will be signing in the near future?

Mr Sullivan—I think as soon as they believe the offer is as good as it is going to get, they will be signing up.

Senator FORSHAW—Are Western Australia and the Northern Territory eligible for funding under the measures?

Mr Sullivan—If they sign the agreement, they are.

Senator FORSHAW—For the concessions that they already provide?

Mr Sullivan—No. It is subject—

Senator JACINTA COLLINS—What are the other conditions in the agreement?

Mr Dolan—I cannot recall the exact conditions off the top of my head but the primary condition, of course, is the provision of the concessions to the holders of the cards.

Senator JACINTA COLLINS—Which they already have.

Mr Dolan—If they already provide them, then that is obviously the primary nature of any agreement that will be struck—that those concessions be offered. Where they are offered now, then that *prima facie* means they would have satisfied that element of the conditions, but they have yet to sign up. No, they have not signed up to the agreement yet.

Senator JACINTA COLLINS—But are there other conditions that are constraining them from signing?

Mr Dolan—From memory, there would be conditions around reporting of information, things like that, so that we have the information to be able to know where the concessions are spent, but I cannot recall the exact nature of that. That would be one condition that would come to mind.

Senator JACINTA COLLINS—And do they offer all of the relevant concessions to satisfy the arrangement or just some?

Mr Dolan—I recall it is offering the full range. It is the core concessions that are offered to holders of pensioner concession cards, so the funding is in respect of the full range of concessions that are offered to holders of pensioner concession cards, which is the rates, the motor vehicle registration, those types of concessions.

Senator JACINTA COLLINS—And Western Australia and the Northern Territory currently offer all of those?

Mr Dolan—Yes, I understand so.

Senator FORSHAW—Which is why the minister said:

It is time that the States and Territories come into line with Western Australia and the Northern Territory ...

Mr Dolan—That is correct, Senator, they are the words, but if they offer the concessions now, at the same time they have not signed the agreement, and so that is the—

Mr Sullivan—If all of the states want to offer those concessions without the funding, that is fine. That is very easy.

Senator JACINTA COLLINS—The objective is the concessions. That is right. Before we go into 3.1, can I go back to an issue that we addressed as a cross-output measure earlier. I would like to clarify some issues with Mr Sullivan before I need to take them up with Treasury, as I am advised, tomorrow. Mr Sullivan, in light of our earlier discussion, when did you contact Treasury about the release of the forward estimates?

Mr Sullivan—I believe it was in April.

Senator JACINTA COLLINS—Around when?

Mr Sullivan—I cannot recall.

Senator JACINTA COLLINS—Why did you contact Treasury? What occurred to prompt this contact?

Mr Sullivan—It was a discussion I had with the group who are looking at questions and it was I who actually prompted the contact with Treasury.

Senator JACINTA COLLINS—What prompted you to prompt that contact, after nearly six years?

Mr Sullivan—I was looking at a draft answer.

Senator JACINTA COLLINS—That you had seen many years prior and had not been sure of the content?

Mr Sullivan—I do not know what I did in previous years, but this year I looked at the answer and said, ‘Where is this information from?’

Senator JACINTA COLLINS—For instance, has there ever been any misuse previously of forward estimates data provided to the committee?

Mr Sullivan—I would never suggest that there has been misuse. One thing that has certainly stuck in my mind is the fact that the Clerk of the Senate wrote to all departments saying that he sought to ensure that they were comfortable with the content of their answers, particularly when it related to portfolios other than their own. I have taken that and looked seriously at whether information included in our questions is in fact relating to other portfolios.

Senator JACINTA COLLINS—When did the Clerk write that letter?

Mr Sullivan—Earlier this year or late last year.

Senator JACINTA COLLINS—Could I ask to have a copy of that letter.

Mr Sullivan—I think you should ask the Clerk. He sent it to me.

Senator JACINTA COLLINS—He sent it to all secretaries, did he?

Mr Sullivan—He sent it to all agencies.

Senator JACINTA COLLINS—Was the contact with Treasury at your own volition or had the minister or her office also instructed you to contact Treasury?

Mr Sullivan—No, I asked, as I said yesterday, Steve Jennaway to talk to Treasury.

Senator JACINTA COLLINS—Had there been any suggestion from the minister's office?

Mr Sullivan—No, I initiated this.

Senator JACINTA COLLINS—Had you had discussions with the minister about the release of forward estimates?

Mr Sullivan—No.

Senator JACINTA COLLINS—Not even after advice from Treasury?

Mr Sullivan—In terms of after advice from Treasury, it was certainly relayed to the minister's office that we were not proposing to answer the question.

Senator JACINTA COLLINS—Had the minister or her office expressed a view at any time that the estimates should not be provided to the committee?

Mr Sullivan—No.

Senator JACINTA COLLINS—Who did you contact in Treasury?

Mr Sullivan—I do not know. I did not contact the person in Treasury.

Senator JACINTA COLLINS—Who did?

Mr Sullivan—It was Steve Jennaway.

Senator JACINTA COLLINS—Is he still here tonight?

Mr Sullivan—No.

Senator JACINTA COLLINS—He contacted Treasury. Do you have a record of that contact with Treasury?

Mr Sullivan—I have Steve telling me what Treasury said.

Senator JACINTA COLLINS—Could you advise me, before I need to talk to Treasury tomorrow, who precisely he had contact with?

Mr Sullivan—If I can contact him tonight, I can tell you tonight.

Senator JACINTA COLLINS—Thank you. First thing in the morning would be good, too.

Mr Sullivan—I will be somewhere else first thing in the morning.

Senator JACINTA COLLINS—But you could forward that information.

Mr Sullivan—To whom? The committee?

Senator JACINTA COLLINS—The committee, in a way which would enable us to explore that issue further.

Mr Sullivan—I would explore the issue with David Tune from Treasury.

Senator JACINTA COLLINS—Is that who Steve Jennaway had contact with?

Mr Sullivan—Well, David would be the senior person in Treasury who would be aware of it.

Senator JACINTA COLLINS—Did Treasury provide the advice back to the department in writing?

Mr Sullivan—I am not aware.

Senator JACINTA COLLINS—Could you check that for me and also advise, if not, why not.

Mr Sullivan—I was advised by an officer who has my total trust that Treasury's advice was this. If that were oral, I am not going to go back to Treasury and ask them, 'Why didn't you do this in writing?'

Senator JACINTA COLLINS—I am more concerned about why you did not assure yourself of the nature of the advice before you cancelled a pattern of delivering information to this committee that had been alive for six years, just on some oral advice, second-hand through an officer who spoke to someone in Treasury.

Mr Sullivan—I beg your pardon. I think that is almost suggesting that on hearsay I got this from Treasury.

Senator JACINTA COLLINS—I am not suggesting that at all.

Mr Sullivan—The head of my budget development branch, who is the senior officer in the department responsible for budget coordination, including the major relationship with Finance and Treasury, advised me that he had contacted Treasury and had been given this advice. That, for me, is sufficient.

Senator JACINTA COLLINS—We will explore the nature of exactly what is not to be provided in a moment and then we will see why some of that may not have been clarified.

Can you explain how the withholding of the forward estimates lends itself to transparency of government?

Mr Sullivan—I think you are asking me questions now which you should ask the Treasury.

Senator JACINTA COLLINS—Given the concerns about structural problems in our population—for example, ageing and declining work force age participation—wouldn't you agree that it is a serious matter for parliament not to be able to scrutinise the assumptions that are being made, particularly in the largest single area of Commonwealth outlays, beyond 12 months into the future?

Mr Sullivan—Treasury are doing a very good job of giving parliament and everyone involved a good picture of the impacts of ageing in Australia over the next 40 years and have provided all of the basis of that assessment around ageing. With the release of the *Intergenerational Report* budget before last, to suggest that four years of estimated benefit numbers does not give us a correct picture of ageing in this country is not right.

Senator JACINTA COLLINS—I do not think that was my suggestion. Whilst your confidence with the *Intergenerational Report* seems to belie much of the criticism about what it does not deal with, now we are in the situation where we have further information withdrawn to deal with some of the aspects that the *Intergenerational Report* does not deal with. It is problematic. I need to clarify with you some of the discussion we had earlier about the nature of the parameters and where the work is actually done. Who carries the core responsibility for preparing the FaCS forward estimates?

Mr Sullivan—The forward estimates of a portfolio are the joint responsibility of the department of finance and the portfolio department.

Senator JACINTA COLLINS—It is a joint responsibility?

Mr Sullivan—The estimates are owned by Finance.

Senator JACINTA COLLINS—FaCS forward estimates are owned by Finance?

Mr Sullivan—There is a joint responsibility between the department of finance and the portfolio department.

Senator JACINTA COLLINS—Why then is it that the FaCS forward estimates are owned by Treasury?

Mr Sullivan—No, you are talking now about a forward estimate of benefit numbers. This is not money. Forward estimates are money. That is quite different to a forward projection of benefit numbers.

Senator JACINTA COLLINS—The forward estimate of benefit numbers is and must be the basis for your calculations of the money.

Mr Sullivan—But it is not. You asked me who was responsible for forward estimates, which are dollar amounts per annum four years out from the budget. They are a joint responsibility of the portfolio department and the department of finance.

Senator JACINTA COLLINS—And the dollar amounts are owned by Treasury. Is this what you are saying?

Mr Sullivan—No, the parameters driving them can be owned by Treasury.

Senator JACINTA COLLINS—What precise input does Treasury have? Is it just a matter of them providing data from the forward estimates to calculate indexation and labour market trends?

Mr Sullivan—You would need to ask Treasury that. You are now asking me again to tell you what Treasury's business is. I would prefer Treasury tell you what Treasury's business is.

Senator JACINTA COLLINS—What does FaCS do? You just provide Treasury with the data?

Mr Sullivan—Treasury are quite comfortable in answering questions about this when they go to estimates.

Senator JACINTA COLLINS—I should refer you to some of my colleagues that describe a completely different pattern of behaviour over the last 12 months. What precisely happens in this joint responsibility? Does FaCS provide your estimates to Treasury? Is that how it occurs? That was the impression I had from the earlier conversation.

Mr Sullivan—The estimates of benefit numbers as opposed to the forward estimates?

Senator JACINTA COLLINS—Yes.

Mr Sullivan—The estimates of benefit numbers are compiled between FaCS and Treasury.

Senator JACINTA COLLINS—They are compiled between both?

Mr Sullivan—But they are Treasury's data.

Senator JACINTA COLLINS—Are you suggesting that the assumptions that Treasury puts on to your raw benefit numbers, which then produce the benefit number estimates, are confidential?

Mr Sullivan—They are Treasury's.

Senator JACINTA COLLINS—What you said in that earlier answer was that they were confidential.

Mr Sullivan—They are in confidence to Treasury. They are not mine to give away.

Senator JACINTA COLLINS—Who frames the data for these forward estimates? Do you provide the data to Treasury, or does Treasury provide the data back to FaCS, who then produces the estimates? Where is it done?

Mr Sullivan—I do not know the answer to that in precise detail. As I say, it is a combination of our actual benefit numbers, to which Treasury then apply their modelling, to produce their estimate of forward benefit numbers.

Senator JACINTA COLLINS—You provide your raw benefit numbers and they put the model around them.

Mr Sullivan—Yes.

Senator JACINTA COLLINS—You previously indicated that the core economic forward estimate projection material is in the budget paper. I take it from that you are referring to the forecast and projections about real GDP, employment, wages, CPI. Is that so?

Mr Sullivan—Yes.

Senator JACINTA COLLINS—To any extent, a variation in those—and other factors included—Treasury for all intents and purposes puts that around the raw data provided by FaCS. Is that right?

Mr Sullivan—That is correct.

Senator JACINTA COLLINS—It is not FaCS who derives these assumptions from these other factors; it is Treasury?

Mr Sullivan—That is right.

Senator JACINTA COLLINS—Have you any understanding of what it is about these assumptions that Treasury feels the need to hide?

Mr Sullivan—You would need to ask Treasury. I do not understand what Treasury's views are. They are not for me to guess.

Senator JACINTA COLLINS—You have no understanding of why they have refused to provide forward estimates on expenditures on benefits.

Mr Sullivan—No. It is not forward estimates; it is forward benefit numbers.

Senator JACINTA COLLINS—Forward benefit numbers. That is your purview, isn't it? Forward benefit dollars is theirs.

Mr Sullivan—No, department of finance owns dollars.

Senator JACINTA COLLINS—So Finance owns dollars.

Mr Sullivan—I said that to you in the first question, 'Who owns the estimates?' It is between the department of finance and us.

Senator JACINTA COLLINS—Then if they are uncomfortable with benefit numbers, why don't they release expenditure figures?

Mr Sullivan—You would need to ask them.

Senator JACINTA COLLINS—This was the nature of my comment earlier, rather than any criticism of your senior officers: I was somewhat surprised that, in a sense, you did not satisfy yourself more fully as to the reasons why information of this nature was being withheld. It had been provided in the past through FaCS and you are in the position now that you are unable to answer fairly reasonable questions about why it is being withheld.

Mr Sullivan—No, you are asking me—and I make the point—to answer on behalf of Treasury, what Treasury are doing. Even if I had knowledge, it would not be my role here to explain what Treasury were doing.

Senator JACINTA COLLINS—But you do not have knowledge?

Mr Sullivan—No, I do not have knowledge, but it would not be my role anyway to answer questions on behalf of Treasury.

CHAIR—I do not know how many times Mr Sullivan can answer the same question, Senator. I think we need to move on.

Senator JACINTA COLLINS—No, he has actually clarified a number of issues from the earlier discussion, Chair, and I have concluded these questions.

CHAIR—Thank you.

Senator FORSHAW—Is there someone here who can give me an update on what is happening with the problem gambling initiatives?

Mr Sullivan—We can roll the dice on that!

Senator FORSHAW—I thought the minister may have wanted to be here in view of the fact that I raised this yesterday.

Senator Patterson—I see you have a new-found interest in gambling. I wonder why.

Senator FORSHAW—Why do you say I have a new-found interest in gambling, Minister?

Senator Patterson—Because everyone around the traps tells me you have.

Senator FORSHAW—You would be surprised how long I have had an interest in the issue of gambling, Minister.

Senator Patterson—I will check *Hansard* and see how often you have mentioned gambling. I know you have a particular interest now, because you have a particular task. I know he is interested in gambling, because I go out and talk to the community.

Senator FORSHAW—I see you have a new-found responsibility for it, so that is why I want to ask you these questions. Back in the 2001-02 budget I understand that \$8.4 million was committed over four years for a national research and education strategy. There have been a number of announcements since then. I am interested in hearing just what has been done in terms of the expenditure of that money over the period since 2001-02. Particularly, in September 2002 there was a draft harm minimisation strategy released and I would like to know what has happened to that. Can somebody give me an update on the expenditure to date and on what programs and the draft harm minimisation strategy?

Senator Patterson—I had a meeting on 21 November last year. I am not usually as aware of the dates of every meeting I go to, but it happened to be my birthday and also the birthday of Mr Crean, the minister from Tasmania.

Senator FORSHAW—Did you share a Lotto ticket?

Senator Patterson—No, we had a cake to celebrate it. I do not always remember every date. At that meeting—

Senator FORSHAW—Sorry, what meeting was that?

Senator Patterson—This was a meeting of the ministerial council.

Senator FORSHAW—The Ministerial Council on Gambling?

Senator Patterson—Yes. I have to say it was a very productive meeting and Mr Crean was a very cooperative member of that meeting and we went a long way. We looked at the issue of harm minimisation and we believed it was important to move forward to look at a document on which we could all agree and all work towards. We have produced a problem gambling framework. One of the issues is that a third of the money spent on gambling—which I think in

total is \$15 billion a year in Australia; I cannot remember the exact figure—is contributed by two per cent of gamblers.

Senator FORSHAW—This is the amount lost per year, is it, that you are talking about?

Senator Patterson—No, the amount that is transacted in gambling. ‘Turnover’ is the word I am looking for.

Senator FORSHAW—I think you will find the turnover is more than \$15 billion a year. It is a lot more.

Senator Patterson—All these are estimates, but the estimate is that about two per cent of the gamblers contribute a third of the turnover, so we wanted to focus on the issue of problem gambling. The framework we agreed, as a ministerial council, would focus on the issue of problem gambling, because that is where the greatest harm is done. That is where you find the breakdown in families and the homelessness and hardship that arise out of it. We looked at the research program. I cannot remember the exact figures, but the Commonwealth contributes the significant portion of that and the states contribute to it, and with my research background I was—

Senator FORSHAW—Excuse me. I want to be clear here. When you say ‘the research program’, are you talking about the National Gambling Research Program?

Senator Patterson—Yes. That is a program that is—

Senator FORSHAW—Yes, I know what it is. It is a \$1 million program, of which the Commonwealth puts in \$300,000.

Senator Patterson—And it is managed by Victoria. I suggested, and the ministerial council agreed, that first of all any grants that were given and any research that was published would be on a competitive peer review basis, so that any research that was published would achieve the status of an international journal that would be recognised. One of the problems is, if you get data which is not sound and then you expect businesses to make a significant change on that basis, it really needs to be strongly evidence based. There was agreement amongst the ministers that we should do that and the first research grant has been given, on that basis.

Senator FORSHAW—Who was that to?

Mr Rosenberg—It is called ‘problem gambling and harm definitions’, and it is trying to get an agreed definition of what problem gambling really is and how you measure it.

Senator FORSHAW—Who is doing that research?

Mr Rosenberg—I am sorry, I do not have that detail, but I can get it for you.

Senator Patterson—That would have been selected on a peer review basis and the basis that we set up as a ministerial council, and \$8.4 million has been allocated out of the 2001-02 budget for the national research and education strategy.

Senator FORSHAW—What was that last figure?

Senator Patterson—It was \$8.4 million.

Senator FORSHAW—That is the figure I referred to at the start. I am still trying to find out what has happened to that money.

Senator Patterson—The ministerial council discussed with me the issue of having a national campaign, because a message that might be appropriate in Victoria might not necessarily be appropriate in Western Australia: Western Australia does not have the same number of poker machines and does not have them in hotels. They asked me to look carefully at any strategy because they did not want it to conflict with their campaign and they did not want it to be a campaign that did not give appropriate information, given the different types of gambling in different states. They did not want their efforts to be duplicated.

We are looking at a number of initiatives about education. One thing that I want to do is have a look at how we inform people who are concerned about it, how the states perform against each other. Some states do very well; some states do not do as well. The thing that concerns me, Senator Forshaw, is the takings of the states in gambling revenue. I will stand corrected, but I do not think any state spends more than one-half of one per cent of their takings in educating people on gambling. I think the states need to do a little better than that in terms of using some of their takings from gambling, which are in some states windfalls. They should spend a little more than one-half of one per cent. With the exception of Tasmania, they spend less than one-half of one per cent of the annual \$5 billion gambling tax revenue on problem gambling. Tasmania spends just over one-half of one per cent.

I think we all need to do better, the states in particular. There are many issues in which the Commonwealth does not have powers, but I have heeded what the states have said about (a) not duplicating their message, (b) not confusing their message, and (c) not giving a message that is inappropriate in one state over the others. I am very focused on this. I am very concerned about the devastating effects for the very small percentage of people who gamble beyond their means.

Senator FORSHAW—Thank you for all of that, Minister. I asked at the outset what had happened to the \$8.4 million that was committed in 2001-02 for four years. So far I have heard about the National Gambling Research Program, and that is \$1 million, but \$700,000 of that comes from the states. That was in the 2001-02 budget. We are now heading into the 2004-05 budget. If you cannot tell me tonight, can I be provided with a breakdown of what has been spent of that \$8.4 million to date and what is contemplated for the remainder of that four-year period? I could not find any reference in the PBS to future funding.

Senator Patterson—I will take that on notice. Let me just reiterate—

Senator FORSHAW—We can debate the principles of this issue, Minister, and I am not going to argue about many of the things that you have said. We know that dimensions are the problem, we know the issues about state finances, and all that sort of thing. But I am interested in finding out here—because we are dealing with the Commonwealth's role—what has happened to that \$8.4 million.

Senator Patterson—At the ministerial council they expressed their concern about a national campaign.

Senator FORSHAW—That was November 2003.

Senator Patterson—Yes.

Senator FORSHAW—This was in the 2001-02 budget. I am asking for a report on what has happened since 2001-02 to date.

Senator Patterson—Since I have been minister, I have been talking to the ministers, and you know that it is not always easy when there is one Liberal minister and four Labor ministers. We had a very productive meeting, but they did express their concern about a national campaign and the problem with it not jelling with what they were doing or conflicting with what they were doing. That does make it difficult, and we have to ensure that whatever we do is giving the same message as the states are giving about the issue of problem gamblers. With all due respect, I think the states should be spending a little more than less than one-half of one per cent.

Senator FORSHAW—I am not here to debate what the states are doing, Minister. I am trying to ascertain what has happened in terms of the Commonwealth's commitments since 2001-02. You have told me what has happened since you became minister and what happened in the ministerial council meeting in November last year, not long after you became the minister. Am I to take it that no funds were expended between 2001-02 and November last year?

Senator Patterson—No. The funding was \$8.4 million over four years. FaCS has undertaken research into the feasibility of changes to ATMs and gaming venues.

Senator FORSHAW—That is what I asked for 15 minutes ago.

Senator Patterson—I am trying to be very cooperative because I believe this issue should be beyond politics.

Senator FORSHAW—Well, I am trying.

Senator Patterson—It is an issue of a very small percentage of people whose lives are devastated because they are—

Senator FORSHAW—We do not need a lecture on this. Just answer the question.

Senator Patterson—I am just saying to you that one of the most difficult behavioural changes is for people who have learned to behave or respond with partial reinforcement. Animals demonstrate when they are in an environment that they will actually die if they are subjected to—

Senator FORSHAW—Minister, could you answer the question. We are wasting our time.

Senator Patterson—I am not wasting your time. I am saying that, as a professional psychologist, I know that partial reinforcement is one of the—you might raise your eyes and look up to the sky, but I know scientifically—

Senator FORSHAW—Point of order, Chair: I have asked a question about expenditure on the program. Time is getting on and we have to get onto a very important matter of disabilities. I asked for an outline of how the Commonwealth has spent the \$8.4 million, or what it has spent of that money, to date. As important as this issue is, we are not helped in trying to get through this section of the estimates—which should have taken 10 minutes—by hearing theoretical discourses about the evils of problem gambling.

Senator Patterson—It is not theoretical. It is the most difficult behaviour—

CHAIR—Senator Patterson, just a moment. Senator Forshaw has sought guidance. If I may suggest that this issue be concluded and Senator Patterson can ask—

Senator FORSHAW—I have one more question.

CHAIR—Just a moment, Senator. Senator Patterson can round up her comments now and allow Senator Forshaw to ask the one remaining question.

Senator Patterson—Thank you, Senator Knowles, but I feel very strongly about this. The evidence is that partial reinforcement of behaviour is the strongest and most difficult behaviour to extinguish. That is exactly what happens when people are gambling, particularly when they get repetitive reinforcement at a random rate in situations like where there are poker machines and those sorts of gaming machines.

We have undertaken independent research on the feasibility of changes to ATMs in gaming venues, measurement of youth gambling, pathways into homelessness through gambling and we are also developing a scoping paper for a longitudinal study of youth gambling issues. We have also had a first round of Centrelink pilots, which have provided a framework to further extend action research into training and referral procedures for Centrelink staff who deal with people at risk of a gambling problem.

Senator FORSHAW—Would you provide the expenditure amounts against each of those programs?

Senator Patterson—On notice, yes.

Senator FORSHAW—I take it the scoping study relates to your announcement in April of this year of \$175,000 for researching youth problem gambling.

Senator Patterson—Yes.

Senator FORSHAW—Have you engaged a consultant, an institute or someone to do that study? Have you got to that point, or is it being done by the department?

Ms Beauchamp—It is looking at the prevalence of youth gambling and the literature review and the like. I know that a lot of scoping has been done on it, but I am not sure if we have contracted an outside organisation.

Senator FORSHAW—It is being done within the department, is it?

Ms Beauchamp—No. We have started doing some preliminary work but I am not sure who we have contracted in the process.

Mr Rosenberg—The original work was done by the South Australian Centre for Economic Studies.

Senator FORSHAW—That is right.

Mr Rosenberg—There will be follow-up work done.

Senator FORSHAW—What I am interested in is how the \$175,000 is going to be spent. One thing that happened before you became minister in charge of this portfolio was, in September 2002, a draft harm minimisation strategy was released by the department for consideration by the industry. I hear all of what you say about the issues of a national

approach and ensuring that differences between the states are recognised. Has that draft strategy been released publicly?

Senator Patterson—What it did was to inform the ministerial council—

Senator FORSHAW—Yes, it was an internal document for the council.

Senator Patterson—The ministerial council looked at that and then decided that it was much more appropriate to look at the issue of problem gambling. It was the National Strategic Framework on Problem Gambling. We believed it was more important to move forward on something we can all agree on.

Senator FORSHAW—So the draft harm minimisation strategy is dead?

Senator Patterson—It formed the structure of the framework, a framework that all the ministers agreed to.

Senator FORSHAW—Wasn't that provided to industry too?

Senator Patterson—No. I am informed that it was provided to the ministerial council.

Senator FORSHAW—Did the gaming industry respond to it?

Ms Beauchamp—The National Advisory Body on Gambling called for submissions some time ago and consulted on the development of a national draft harm minimisation framework, which was to provide advice to the minister on forming the development, with her state and territory colleagues, of a national problem gambling framework.

Senator FORSHAW—I will leave it at that, thank you. That is all on 2.2, I believe.

CHAIR—We are back to 3.1, Labour market assistance.

Senator FORSHAW—We had some questions on labour market assistance, which I understood Senator Collins was going to take carriage of. How many Australians are on Newstart at the moment?

Mr Searle—The current case load with Newstart allowance as at April this year is 524,504.

Senator FORSHAW—How many Newstart recipients have been unemployed for more than a year? Give me what figures you can tonight, but I would like them on a state by state basis and also SLAs and postcodes. You might have to take that part of it on notice.

Mr Searle—The number receiving Newstart allowance who have been unemployed for more than a year is 318,836. I will take the rest of it on notice.

Senator FORSHAW—Which regional areas have the highest numbers of Newstart recipients?

Ms Winzar—I think we will take that one on notice as well. The publication that Mr Searle has, which is the monthly labour market related payments, lists the total number of Newstart and Youth Allowance job seekers for each Centrelink office and by state. That publication is available, either by hard copy or on the FaCS Internet site.

Senator FORSHAW—Will that provide the answer to the question I just asked about which regional areas have the highest numbers of Newstart recipients?

Ms Winzar—It will provide the answer to the question: which regional areas have the highest numbers of job seekers.

Senator FORSHAW—No, this is Newstart recipients.

Ms Winzar—It will not disaggregate Newstart customers from Youth Allowance and other customers.

Senator FORSHAW—The question was for Newstart recipients. Could you give us the details for each age group, broken up into SLAs and by postcodes?

Mr Sullivan—That will not be by Friday.

Senator FORSHAW—Do your best, Mr Sullivan. What is the average length of time the unemployed spend on Newstart?

Ms Winzar—The average duration on income support for Newstart customers is 165 weeks. That is average duration on income support rather than average duration on Newstart itself. For example, someone who started their Centrelink career on a parenting payment and then moved over to Newstart is a current Newstart customer, but their total duration on income support payments has been 165 weeks.

Senator FORSHAW—Can you give us the figure for Newstart, or are you able to take that on notice?

Ms Winzar—We will have to take that on notice. In terms of our regular monitoring, we look at total income support duration rather than duration on any particular payment a person is on.

Senator FORSHAW—Okay, but these questions are all specific to Newstart, if you could take them on notice, please. I am advised that you recently provided results for the Illawarra area, which show that the average length of time spent on Newstart by an unemployed person in that region was three years and eight months. Would that be the highest average figure? I appreciate you have taken an earlier question on notice.

Ms Winzar—We would have to confirm that. If the overall average duration on income support in weeks for Newstart customers is 165 weeks, then you are looking at around about three years on average, so it would not seem to me that the Illawarra was a particularly lengthy duration.

Senator FORSHAW—This is three years and eight months.

Ms Winzar—That is right.

Senator FORSHAW—Which is getting close, isn't it? Sorry, the 165-week figure was not for Newstart, though, was it? It was for income support.

Ms Winzar—It is Newstart customers with an income support duration of 165 weeks.

Senator FORSHAW—But that is not the same as them being on Newstart allowance for that period of time.

Ms Winzar—That is correct.

Senator FORSHAW—I specifically asked for the average on Newstart.

Ms Winzar—Yes, and we have undertaken to provide that.

Senator FORSHAW—Not an aggregate, if you like, of Newstart and something that they might have been receiving before that.

Ms Winzar—Yes, I understand that, and we have undertaken to provide that for you.

Senator FORSHAW—The figure of three years and eight months for the Illawarra, as I am advised, is the average length of time for an unemployed person in that region on Newstart.

Ms Winzar—I am not sure of the source of that information. If it was a question on notice I would want to check the framing of the question and the framing of the answer that we gave you, to make sure we are comparing apples with apples here.

Senator FORSHAW—If we need to, we can provide you with that, I think. I want to know if that is the highest regional figure and, if you provide the other information on a regional basis, hopefully you can give us the answer to that question. The figures also showed that over a three-year period this figure was getting worse; that the average was getting longer. Has the department investigated why long-term unemployment is a problem in the Illawarra?

Ms Winzar—Not in the Illawarra specifically. It is certainly the case that there has been a shift in the population of long-term unemployed. For instance, at the moment, long-term unemployed clients—I am referring to people on Newstart who have more than 12 months duration on income support, not just on Newstart—now make up 60 per cent of all of our unemployed recipients. That has gone up, but the main reason it has gone up is because most of the short-term population has been having shorter durations—they are getting into work more quickly—and the claim numbers for Newstart have reduced, so we are getting fewer short-term customers coming onto payment. Together, those things mean that the proportion of our customer population which is long-term unemployed has grown.

Senator FORSHAW—Has any evaluation been done on Newstart recipients, especially the long-term unemployed?

Ms Winzar—We have not explicitly evaluated long-term unemployment, but we have done some analysis of long-term unemployed customers and their situation.

Senator FORSHAW—What about at what age they first begin collecting unemployment benefits?

Ms Winzar—Not to that level of detail. Perhaps by way of clarification, even when we look at the long-term unemployed population receiving payments, a substantial number of those have had periods throughout the last 12 months where they have been off payment, because they can have breaks in their income support receipt and we still count them as long-term unemployed. One of the reasons we do that is so that they continue to access things like the employment entry payment and the education entry payment. When we look at the long-term unemployed, I think 40 per cent of them have had some earnings over the last 12 months and, from memory, the average amount of earnings they had was about \$3,800 in the last 12 months, so it is not as if we are talking about people who have been long-term unemployed—that is, jobless—for 12 months or more. What we are talking about is that they are currently on Newstart and they have been on income support for at least 12 months.

Senator FORSHAW—What would be the average amount of time that they would have been off Newstart, that they would have been earning some income?

Ms Winzar—The data I have is for the 12 months to December 2003. Over that 12-month period, 26 per cent of long-term Newstart and Youth Allowance customers had spent some time not on income support. For most, that was a fairly short period of seven to eight weeks, so almost two months.

Senator FORSHAW—I have just two more, if you could take them on notice when you are compiling those other figures.

Mr Sullivan—These numbers are important, because if you wish to pursue the definitions as you are asking—that is, average time on Newstart—it is going to portray quite a different picture with probably much shorter times, as it will look for individual episodes of Newstart allowance receipt and then calculate an average time on Newstart. You might want to think about it. But if that is what you want, we can extract it.

Senator FORSHAW—What I wanted to ask for was in addition to the earlier questions. I take on board the point you have made, but could we have the average length of time that is spent on Newstart by regional area and by postcode. Also, could you provide the number of long-term unemployed on Newstart over 12 months, broken down into state, SLA and postcode.

Ms Winzar—I do not mean to be difficult about this, but when you talk about the average length of time on Newstart, are you talking about the last episode of the person's period on Newstart, or are you talking about the average length of time they spend on Newstart over, say, a five-year period? What we have is a long-term unemployed population who may tend to go into short-term work and then back on to payment. One of the reasons that we define them as a Newstart customer and look at their duration on income support is as a measure of welfare reliance, which is not really captured if we look just at the length of their last episode on payment. But we can certainly do that if that is what you are interested in.

Senator FORSHAW—Certainly we were interested in those on Newstart who have been unemployed for more than a year, so can we look at that sort of cohort—if I can use that term; I am not sure if it is the right one. I suppose that means you would be looking at 12 months from the last figures you gave me. What period would you be able to look at, if it was for 12 months?

Ms Winzar—We can certainly look at those currently on Newstart who have not had a break from Newstart for the last 12-month period and who have not had any employment declared in that 12-month period.

Senator FORSHAW—Yes. Could you could take that on board, and, if there is any further information needed that goes beyond that, we could give you those in the next day or two. I appreciate that these will not be provided by Friday—I take it—and we could clarify that. Thank you. Could I just indicate, Chair, that there are likely to be some further questions in relation to 3.1 which we would be putting on notice.

On 3.2, Disabilities, can we start with some questions about open employment services. What is the current number of people accessing open employment services?

Ms Davies—This is from the latest census, the 2003-03 one. The number of people is 44,702, plus there are some combined services for open and supported employment that have 3,992.

Senator FORSHAW—Could you tell me what the funding was for all open employment services in 2003-04? Can I just add we asked in the last round of estimates in February for similar figures for open employment services and business services. You gave us indicative estimates only.

Ms Davies—Are you asking me for the figure for 2003-04?

Senator FORSHAW—Yes.

Ms Davies—For open employment?

Senator FORSHAW—Open employment services.

Ms Davies—It is an indicative figure, \$144 million.

Senator FORSHAW—We also asked what the current funding was for the forward estimates and the answer we were provided with was, ‘Not available.’ Can you tell me why that was the case?

Ms Winzar—We have a broad indicative figure for the appropriation, but in terms of the precise split between open employment services and business services and services that provide both forms of support, there is no firm split between those moneys. At the moment we are going through a fairly significant series of reforms, which are going to have some influence on how those funds are distributed across services over the next three or four years.

Senator FORSHAW—What you say to me is that you give us an indicative figure for open employment services for 2003-04, the same as you provided for business services or supported services and then for open and supported services, but you cannot give us the same data for the forward estimate years.

Ms Winzar—Not with any great certainty across the full forward estimates period.

Senator FORSHAW—But can’t you give us some indicative figures?

Ms Winzar—At this stage we can certainly give you an indicative figure for the next financial year because we know the number of services and the number of consumers which we are likely to have as we move into the start of that next financial year.

Senator FORSHAW—What would that be? This is for open employment? You have a total?

Ms Davies—For disability employment assistance the total indicative is \$315 million.

Senator FORSHAW—This is for 2004-05?

Ms Davies—Yes.

Senator FORSHAW—And this is for open employment services, business services and those that offer both. Open and supportive services, \$315 million. Can you give me figures for how many people you expect to access the various types of service in 2005-06 and 2006-07?

Mr Halloran—In terms of the numbers of people expected to access the services, we have not projected that. We have targets that we start each year and we contract services to meet those targets but we do not have those for the out years.

Senator FORSHAW—What is the figure for 2004-05? Is that in the PBS?

Mr Halloran—I have the total figure for 2003-04 for new job seekers, which is 15,523. I do not have that broken up by business services or open employment services. And then there is a level of workers that are maintained in the system, 34,023. They are our targets for this year.

Senator FORSHAW—To get the total for this year of persons accessing all the services, you would add the two together?

Mr Halloran—Yes.

Senator FORSHAW—That is for 2003-04. Do you have some indicative figure for 2004-05?

Mr Halloran—No, I do not have those figures.

Senator FORSHAW—You mean you do not have them here or you do not have them at all?

Mr Halloran—No, I do not have them. As we move into case based funding and we move to outlet capacity, it is more difficult to predict what the numbers will be. With block grant funding, we set the target at the start of the year and services work towards that. As we move to outlet capacity, where services continually replace when a place becomes vacant, we do not have a figure for what it might be towards the end of the year.

Senator FORSHAW—Yes, but why should the change to case based funding make that big a difference? I understood that the commitment is that nobody is going to be left out in the cold or miss out.

Mr Halloran—That is correct. For business services it would be the case that we would expect the current population to be maintained and we would expect a certain percentage of any new job seekers coming into business services to be added on top of that. I just do not have those figures for the out years.

Senator FORSHAW—I am having a bit of difficulty understanding why some estimates or, indeed, figures have not been prepared. It seems to me that if you were going into this new system, as you are, and it is being rolled out and there is a lot of change going on in the sector, you would have to have some idea of the number of people who are going to be accessing this service in the next year and beyond.

Ms Winzar—Senator, it is just a shift in the way the capacity of the sector is calculated and, as Mr Halloran said, at the moment if we gave a service a block grant funding and we set them a target of, say, 30 people across the course of the year, we know it is X dollars and 30 people. The way we will be calculating in the future, to try and encourage services to find employment opportunities for people and move a greater number of people through services so that we can maximise the number of people who are accessing that support, is to provide a service with individualised funding for each person that they assist, but, so that we have some

control on overall outlays, we are capping the number of places that the service can support at any one time.

Whereas in the past we may have said to the service, ‘Yes, we’ll fund you to support 30 people across the course of the year,’ under case based funding we may well say, ‘Your outlet capacity is’—for argument’s sake—‘20, so you can support 20 people at any one time, but it’s up to you how many people you find jobs and how many people you can replace as you move job seekers through. Over the course of the year you might well support 30 people. If you are a very efficient provider, you may well support 40 people and you will attract the case based funding for 40 people, rather than 30.’ Does that make it any clearer?

Senator FORSHAW—I think I understand how the new system is intended to operate. Some of this is pretty complex. I readily admit that. I understand the principles, but what I am having difficulty accepting is that no-one has done any forward projections about the total population here.

Ms Winzar—We have done some projections for next year about our expected total flowthrough. It is certainly the case that we will not be supporting fewer people than we are in 2003-04. How close our projections actually get depends, of course, on how effective the providers themselves are at finding people jobs and then how quickly they replace them.

Senator FORSHAW—But this is basic information for doing the budgeting, isn’t it? You have to have some understanding or a view about what the future number of clients will be. All departments do that.

Ms Winzar—That is true but you would be surprised at the sort of things that drive our expenditure. It is not so much, for example, the number of customers for whom a job is found and thus an employment outcome is paid. One of the key drivers of expenditure in open employment is how quickly the provider fills a place that becomes vacant when a job seeker finds a job. Whether providers fill a vacancy in their service within two weeks or two months can vary our projected outlays quite a bit. We have about two years worth of historical information around case based funding which we are using to model likely expenditure. We are refining that month by month as we collect more information. Provider behaviour varies enormously.

Senator FORSHAW—What is the national maximum capacity?

Mr Halloran—It is a combination of block grant funding and the outlet capacity within the existing case based funding payments. Within the targets for block grant there was 9,163 for new job seekers; there are 34,023 total workers—those are in maintenance; and there is an additional 6,360 for case based funding. The total of those three is the target that we would expect to achieve this year. In some cases services would overachieve on their targets. For case based funding it is possible to have more job seekers go through, depending on the number of people that move through the service.

Senator FORSHAW—What will it be under case based funding when that is fully implemented?

Mr Halloran—We are in the process of converting all the block grant targets to case based funding outlet capacity places. We are negotiating that with all the service providers. It is a

methodology where we use the number of clients on the books of the services over the last two years and come up with an average. I do not have that figure with me. I can get that for you.

Senator FORSHAW—This is a maximum capacity for both business service and open employment services?

Mr Halloran—Not a maximum capacity as such. At any point in time there would be a maximum that a service could take on. Throughout the course of a year they could overachieve over and above their outlet capacity. But at a point in time that is correct.

Senator FORSHAW—You will provide that information.

Ms Winzar—Senator, it may interest you to know that over the course of the last 12 months the total number of people in open employment that were assisted was 44,700, even though the outlet capacity for open employment was 30,700. Roughly, over the course of a year, open employment assisted about 50 per cent more people in total than current outlet capacity at any point in time.

Senator FORSHAW—Thank you for that. Once the phasing of block funding is completed, do you expect a reduction or an increase in costs?

Ms Winzar—The overall cost to government by moving to case based funding increases fairly substantially. For an individual service and/or an individual consumer of that service, the cost will vary according to what current level of block grant funding they are getting. Some services will have an increase in funding and some will have a reduction.

Senator FORSHAW—What is the net effect?

Ms Davies—For open employment there is a nine per cent increase in funding. For business services there is a 15 per cent increase.

Senator FORSHAW—I think you did tell us that previously, but do you have that in dollar figures?

Ms Davies—The additional funding for the budget before last was \$135 million.

Senator FORSHAW—Does that represent the impact of the nine per cent for open employment and 15 per cent for business services?

Ms Davies—Yes.

Senator FORSHAW—I understand the Disability Maintenance Instrument is the basis upon which, under case based funding, people can be assessed at levels 1, 2, 3 and 4. Can you tell us what the estimated numbers of people will be per DMI level under case based funding? We are looking at the figures for January next year onwards, aren't we?

Ms Winzar—We will have to take that on notice. We do not have that here. I take it you are after our projections of how many would fall into funding classifications 1, 2, 3 and 4?

Senator FORSHAW—Yes, exactly. What is the basic hourly level of support per week costed for under the case based funding model for each DMI level?

Ms Davies—The figures are expressed as monthly figures. For business services, once you are in the maintenance period, for level 1 it is 292; for level 2 it is 500; for level 3 it is 750;

and for level 4 it is 1,000 per month. The similar monthly DMI figure for open employment for level 1 is 325; level 2 is 485; level 3 is 715; and level 4 is 975.

Senator FORSHAW—Can that be calculated back to per week and forward to per year?

Ms Winzar—Yes.

Senator FORSHAW—How?

Ms Winzar—We will simply multiply it by 12 to get the annual figure and we will divide by 52 to give you the weekly figure.

Senator FORSHAW—That is what I thought. I think you understand the query I had. How do I then arrive at a basic hourly level of support?

Ms Winzar—Are you seeking to determine how many hours of support say a person on level 4 in an open employment setting would attract? Is it a wage rate?

Senator FORSHAW—No, I am seeking to find the cost on an hourly basis for each of those four levels. We might be able to do it the other way. I do not know.

Ms Winzar—I do not know that we can do that. What we have done is, through looking at the case based funding trial, looked at the average amount of support that people in the various funding levels are actually receiving from their provider and roughly worked out what the cost would be to cover that. The actual number of hours or support or the wage rate that that support worker might attract would vary quite a bit.

Senator FORSHAW—Give it to me the way you were proposing, the number of hours.

Ms Winzar—We would have to make some assumptions about the average level of wage rates of support workers and services but, on that basis, we will do that.

Senator FORSHAW—Have any concerns been expressed to the department, the minister or the minister's office by open employment service providers, users or their families, or any related associations or organisations, about the implementation of case based funding in this area?

Ms Winzar—Yes, Senator.

Senator FORSHAW—There have? Can you tell us about the nature of those concerns and where they have come from?

Ms Davies—The move from a block grant to case based funding for open employment providers means that they have less certainty about their income stream and the concerns have been raised about that and about whether the funding levels were sufficient. Basically we have in place a strategy that deals with that, to help that transition period and to help them manage the new funding system in the new funding environment. That is why we are doing a staged conversion. We are taking 18 months.

Starting on 1 January 2005, providers will continue to receive block grant funding for their existing job seekers and for 75 per cent of their existing workers. Every six months, 25 per cent of existing workers will convert to case based funding. Job seekers will convert to case based funding once they have been in work for six months, and all new job seekers will be case base funded. All outlets will know the number of clients they can assist at any one

time. That is their outlet capacity that we have been talking about. That should give them a lot more confidence about what staff to employ.

We will also have a new auto referral system, which will alert Centrelink to vacancies and enable Centrelink to fill them quickly. That should help keep places and capacity filled. Providers will receive—and we already have—a free financial model to help them budget on a month by month basis. That should help them predict their cash flow. Managers and two staff from each service are offered training. Small regional and rural services will receive core funding to make their cash flow more certain. They also receive higher rates of funding. There is quite a comprehensive strategy put in place. In the first six months for open employment providers where they have block rate funding, you could do that on a per capita basis. Essentially, if they had any vacancies they would continue to be funded. There are a lot of strategies in place to help them in that transition to case based funding.

Senator FORSHAW—How much funding has been specifically committed to all of that?

Ms Davies—That is the \$135 million that we referred to in the budget before last.

Senator FORSHAW—How much of that has been spent so far?

Ms Davies—We have not started to convert to case based funding for open employment. It does not start until 1 January.

Senator FORSHAW—So none of it has been spent?

Ms Davies—The new dollars? They have not started to convert to the new case based funding places.

Senator FORSHAW—Those various measures that you just outlined: are you able to break up that \$135 million into amounts for each of those?

Ms Davies—The additional fees for rural and remote services are \$15.4 million. There are incentives for new apprenticeships. That is \$3.5 million. There is money for work based personal assistants' fees. That is \$9.4 million. Continued funding for existing high cost workers is \$15.4 million. Assistance for transition—that is, the training and assessments for workers and new support for providers—is \$21.7 million. And there is \$2.5 million for communication and consultation.

Senator FORSHAW—I assumed that some of that may have already been spent on some of that preliminary work.

Ms Davies—That is true.

Senator FORSHAW—That is what I asked you before: how much had been spent.

Ms Davies—I am sorry. The assistance for the transition, the \$21 million, some of that has been spent.

Senator FORSHAW—Can we go to uncapped places. I think we have asked these sorts of questions previously. What is the current level of unmet need for open employment services?

Ms Davies—We are not able to measure the level of unmet need. I mentioned that we were moving to a new IT system called FOFMS: FaCS Online Funding Management System. That

will allow us to measure waiting lists. It is not just to help quickly fill referrals. It also will enable us to measure unmet demand.

Senator FORSHAW—I thought you would say that because I asked you last time.

Ms Winzar—It will be the middle of next year before we are able to capture the number of people on waiting lists.

Senator FORSHAW—Do you have any expectation about whether it is likely to increase or decrease in the next few years?

Ms Winzar—Given the extra focus on encouraging particularly people on a disability support pension back into employment, my expectation would be that demand for employment assistance will increase, both specialist employment assistance and that available through mainstream services. Since 1996 the number of consumers assisted through disability employment assistance providers has increased by 60 per cent. There has been very steady growth over that period.

Senator FORSHAW—By how much?

Ms Winzar—Since 1996, the number of people that we have assisted through disability services, both supported and open employment, has gone up by 60 per cent.

Senator FORSHAW—I was going to ask what are the guesstimated costs in covering unmet need.

Ms Winzar—We do not know.

Senator FORSHAW—But you cannot tell me, can you, because you say you cannot measure it.

Ms Winzar—No.

Senator FORSHAW—What is the estimated cost of uncapping open employment service places? Do you have some estimate of that?

Ms Winzar—We would not be able to do that calculation until we had some estimate of what the unmet need actually was.

Senator FORSHAW—We are how long away from that?

Ms Winzar—The middle of next year.

Mr Halloran—Whilst we do not have that information that Ms Winzar spoke about, over the last two years we have been attempting to meet some of that demand. We have put out an additional 10,015 extra employment places across Australia and currently—as at 14 May—8,285 of those places are filled; approximately 83 per cent. We have just put out—as part of the 10,000 places—1,000 places across the highest employment service areas. There are 13 of those. We are putting up an additional 250 places to a further 10 employment service areas that have the highest level of need. That need is based on analysis, on disability support numbers, as opposed to the waiting list that Ms Winzar spoke about.

Senator FORSHAW—In the last budget there were some additional disability employment assistance places announced as part of the Australians Working Together budget

measure last year. In particular, a further 1,000 places were to be released. Can you tell me how those places have been allocated and the rationale used?

Mr Halloran—We did a needs analysis based on the disability support pensioner numbers and general employment conditions. Those 1,000 places went out to the 13 highest employment service areas, who had the highest need. I have those employment service areas. I do not have the services that they went to.

Senator FORSHAW—What format do you have that information in?

Mr Halloran—They went to existing services in those areas. The areas?

Senator FORSHAW—Yes.

Mr Halloran—Tweed in New South Wales, Perth north metro area, north-eastern Adelaide, Bundaberg, Redcliffe, Caboolture, Sunshine Coast, southern Adelaide, Gympie, Murraylands, Richmond, Coffs Harbour, Grafton and Logan.

Senator FORSHAW—They are the areas those places went to?

Mr Halloran—They are the 13 employment service areas, yes.

Senator FORSHAW—Is what you are saying that they went to existing services?

Mr Halloran—That is correct.

Senator FORSHAW—All of the places went to existing services?

Mr Halloran—That is correct. We did not do a competitive tender exercise. They went to existing disability employment providers that were in open employment.

Senator FORSHAW—Can you provide us with a list of those providers or services?

Mr Halloran—Yes. I have to take that on notice.

Senator FORSHAW—And the number of places that they each received.

Mr Halloran—Yes.

Senator FORSHAW—Thank you. Was that always the intention, to provide them to existing services as additional places?

Mr Halloran—Yes, it was.

Senator FORSHAW—Rather than to provide them to maybe establish new services in that area?

Mr Halloran—Yes. It was our intention to meet the demand in those areas that had the highest demand. In addition to that 1,000 places, we have released a tender to 10 employment service areas. That tender was advertised on 29 May 2004. We did not want to bring in new services where there were existing services that could meet the demand. We wanted to give them more places where they could take them up. It only went to services that had 100 per cent of capacity and there was demonstrated demand in their areas.

Senator FORSHAW—Sorry, I am a little bit confused. You are talking about the second group?

Mr Halloran—No, the first group with 1,000 places. You asked was it our intention to—

Senator FORSHAW—That is right. You said no.

Mr Halloran—No, it was not.

Senator FORSHAW—But then you went on to refer to this further tender process.

Mr Halloran—Yes. Once we had filled that demand with the existing service providers, there were a further 10 employment service areas that we opened up to new providers.

Senator FORSHAW—There were places left.

Mr Halloran—Yes, 250 additional places.

Senator FORSHAW—And you opened them up to new providers.

Mr Halloran—They were in areas where there were not enough providers.

Senator FORSHAW—Yes. But did you exclude the existing providers in those areas from being able to tender or to apply for those additional places?

Mr Halloran—I believe a service provider can apply for places in another employment service area, but not in their own.

Senator FORSHAW—Why is that?

Mr Halloran—I think the reason is to create more employment service providers in areas where there are not enough. It is to grow the service market.

Senator FORSHAW—What would you say to the argument that those providers in those areas would say it would be more efficient to allow them to increase the number of places so they grow their business? I am putting the argument that would be put here, that it may make their operation more viable because there are very few providers there in the first place.

Mr Halloran—I would need to check the exact rationale for it. It is possible that the existing service providers may have said that they did not want any more places because they could not handle it. I would need to check each employment service area and each service.

Senator FORSHAW—If you provide the places to existing services in the first instance, where there is a larger number of providers, why would you change that rationale in other areas in the second round—

Mr Halloran—They are different employment service areas.

Senator FORSHAW—I understand that but the principle is what is at issue here.

Mr Halloran—I understand the point you are making.

Senator FORSHAW—Would you anticipate Job Network providers taking any of those remaining places?

Mr Halloran—I would anticipate that some Job Network providers may be interested in tendering for those places.

Senator FORSHAW—You anticipate; do you know?

Mr Halloran—No, I do not. The applications do not close until 13 August, so I do not know who may tender for them.

Senator FORSHAW—When will this process be finalised?

Mr Halloran—We will be conducting the assessment on those applications. We anticipate that by the end of October applicants would be advised and funding agreements in place by the end of November.

Senator MOORE—How many business services have closed down in the last four years?

Ms Winzar—I can give you the number of supported employment outlets over the last four years.

Senator MOORE—Yes.

Ms Winzar—Although the number of outlets changes, that does not necessarily mean the service has closed. It may have merged with another service, for example.

Senator MOORE—The figures don't reflect that? Your figures will just say how many you have actually closed.

Ms Winzar—No. Our figures will say how many outlets there are, so we will deduce from that.

Senator MOORE—Sure.

Ms Winzar—In 1998-99 there were 510 supported employment outlets; in 1999-2000, 482; in 2000-01 there were 460; and in 2001-02 there were 436.

Senator Patterson—I thought you were talking about business services, not supported employment.

Senator MOORE—Yes, business services.

Senator Patterson—Did you ask a question about business services?

Senator MOORE—I asked a question about business services.

Senator Patterson—What about business services?

Senator MOORE—PBS page 85.

Ms Winzar—Supported employment is basically the business services set. For 2002-03, there were 446 outlets and in this current financial year there are 421.

Senator MOORE—Ms Winzar, how would you read those figures. I asked the question, 'How many business services have closed down in the last four years?' You have given me supported employment services.

Ms Winzar—I have given you the number of outlets that we identify—

Senator MOORE—Each year.

Ms Winzar—as separate services in each of those years. The shift in the numbers will be perhaps because some services have completely closed; for others it will be because services have merged with another service, have been re-auspiced.

Senator MOORE—There is no way of telling which is which?

Ms Winzar—No, there is not.

Senator MOORE—You would read those figures by deducting down the line the numbers of services, and then you would have to investigate to see whether they had closed or whether they had been transformed into something else.

Ms Winzar—That is right. Some of them would have moved from being a business service to an open employment service, for example.

Senator MOORE—Could you outline specifically how the \$99 million in the government's rescue package is expected to be spent.

Ms Davies—It is important to note that it is a flexible package for business services to help improve their businesses. It is tailored to individual businesses and to individuals. It is like a drawdown fund. The calculations are based on some known data and projections from various sources, but it is important to note that the breakdowns are indicative. The Prime Minister indicated that if the amount did not do the job, then it would have to be revisited. The basic break-up—again, it is indicative—for industry assistance per se is about \$70 million; for targeted support about \$12 million; for case management it is about \$6 million; and for financial planning it is about \$7 million.

Senator MOORE—Does that add up to \$99 million?

Ms Davies—No, it adds up to \$94 million, and there is about \$5 million for departmental admin—the core departmental cost.

Senator MOORE—That adds up to \$99 million. Indicatively, that is the expected way that funding will be used over the next four years. There is no particular allocation per year; it is a flowing fund? It means it is a flexible funding pool. I think that is the way it is described.

Ms Davies—Yes.

Senator MOORE—How much will be spent or is budgeted for direct subsidies to offset wages or pay for capital improvements?

Ms Davies—That is part of the nearly \$70 million.

Senator MOORE—That is part of the first application?

Ms Davies—Yes.

Senator MOORE—Do you have any idea how much of that \$70 million will be directly attributable to capital improvements?

Ms Davies—No. As it is tailored, we have to wait until the process has been gone through for every service.

Senator MOORE—It would be a component of the first part of the distribution?

Ms Davies—Yes.

Senator MOORE—What is the amount expected to be required to top up for two years those business services which would suffer a significant funding reduction in the move from block grant to case based funding—that is, what proportion of the \$99 million was expected to be required for that particular transition purpose?

Ms Davies—For the top-up for case based funding?

Senator MOORE—Yes.

Ms Davies—It is \$16-odd million, but it is not part of the \$99 million. It is part of the appropriation.

Senator MOORE—Can I get that figure again.

Ms Davies—It is \$16.4 million.

Senator MOORE—Where does that appear?

Ms Davies—It does not. It is part of the appropriation.

Senator MOORE—It is an ongoing appropriation. What proportion of the 2004-05 allocation was forecast to be spent on capacity building?

Ms Davies—Of the 2004-05?

Senator MOORE—That is right.

Ms Davies—It is really indicative.

Senator MOORE—I understand, yes.

Ms Davies—For that part it is about \$7 million.

Senator MOORE—That is part of the \$70 million?

Ms Davies—Yes, the flexible pool of \$70 million. That is about \$7 million of that flexible pool.

Senator MOORE—Based on the first round of tailored assistance—that is, the assistance from the \$99 million from the 2003-04 budget—what proportion of such capacity building, improving business services, productivity and viability was anticipated to be spent on consultancy fees in relation to such components as the upgrade of plant and equipment, training of managers and staff?

Ms Davies—Sorry, Senator. I did not hear the first part of it.

Senator MOORE—What part of the 2003-04 \$99 million was for consultancy fees?

Ms Davies—Yes. That is the \$7 million.

Senator MOORE—The same \$7 million.

Ms Davies—Yes.

Ms Winzar—Senator, you said the 2003-04 budget amount.

Senator MOORE—2003-04 budget.

Ms Winzar—Which was \$25 million in total. My recollection is that around \$5 million of that was earmarked for payment of consultants to go in and provide specialist support for the services and that sort of analysis—\$4.9 million was the figure.

Senator MOORE—What proportion of the funding was identified to cover the cost to employers where their low-productivity employees—those less than 15 per cent—choose to remain in their business service, if the organisation is required to pay the minimum wages as a result of the industrial decision?

Ms Davies—That is a difficult question to answer. By definition if you are ‘low productive’ your wage cost is not going to go up much. The issue for them is whether they choose to remain in employment.

Senator MOORE—That is right.

Ms Davies—It is a different sort of cost.

Senator FORSHAW—Is there any proportion of the funding identified?

Ms Davies—The answer is that for people who have low productivity and who want to stay in employment—it could be for various reasons: they might never have had any training; they might need to have their work spaces reconfigured—that is part of the \$70 million.

Senator FORSHAW—You did not, as it were, break that figure up into components, including potential wage increase as a result of the commission?

Ms Davies—No. It is a fully flexible fund.

Senator FORSHAW—That is clear.

Senator MOORE—How much will be spent on providing consultants for the review panel?

Ms Davies—\$7 million. Again, that is indicative.

Senator MOORE—My understanding is that they are all indicative, aren’t they?

Ms Davies—Yes.

Senator MOORE—Yes. It is within the original indicative amount.

Ms Davies—Yes.

Senator MOORE—Who are the consultants or members of the review panel?

Ms Davies—The members of the review panel are the same ones who did the previous year’s business viability reviews—KPMG, PricewaterhouseCoopers, Walter Turnbull—and, because we are still testing it and have not actually started it, there is capacity to bring in other people with particular expertise.

Senator MOORE—Is that a new consultancy or a flow-on from the previous one?

Ms Davies—It flows on.

Senator MOORE—The first one did not terminate when the new one started? It is just a continuous part of the process.

Ms Davies—It is building on rather than continuous.

Senator MOORE—As you have not started January 2005, there is still capacity to hire more people. Out of which indicative fund?

Ms Davies—The \$7 million.

Senator MOORE—If there is going to be more expenditure in that area, will it be in the next few months?

Ms Davies—It would be. It is very likely that the bulk of that money would be in the first year, which is 2004-05.

Senator MOORE—How much have you budgeted for in relation to that particular part of the review?

Ms Davies—That is the \$7 million.

Senator FORSHAW—It is all for that one review?

Ms Davies—Yes.

Senator MOORE—You previously said that the \$5 million is the department's administrative costs for the whole program.

Ms Winzar—That is correct.

Senator MOORE—How much will be spent on advertising the scheme or disseminating information on the scheme? Is there an information strategy component to the program?

Ms Winzar—In terms of advertising, no particular amount. In terms of the overall disability reform package, we have a communication strategy which at the moment is about \$800,000 this financial year. I think it is \$853,000 in 2004-05 and \$817,000 in 2005-06. There are a couple of separate target groups for that communication. One is, of course, the providers. The other is the individual workers in those services and their families. Carers are another group that we are focusing on communicating with. Some of the strategy involves engaging people to go around and explain to consumers and their families in group settings exactly what the reforms are about.

Senator MOORE—In advertised public meetings or targeted focus groups?

Ms Winzar—That is right.

Senator MOORE—Both?

Ms Winzar—Yes. Public meetings have been advertised, yes.

Senator MOORE—In what kinds of places do you advertise that process? How do you advertise that?

Ms Davies—The information sessions have been advertised in the local press.

Senator MOORE—One of the government advertisement blocks? 'You are invited to a public meeting on'—that kind of thing?

Ms Davies—Yes.

Senator MOORE—How about direct mail?

Ms Winzar—Direct mail is a little difficult for us, because we do not necessarily have a clear idea about, particularly, families and carers of the people in business services. Although we know who the business services workers are and we can communicate with them directly, in relation to their families and carers there is not necessarily a link on, say, the Centrelink record which would enable us to communicate with them very easily. We have asked providers to pass on information to families and carer supports.

Senator MOORE—How much of that strategy has been completed to date, since you are in the preliminary stage?

Mr Halloran—Two hundred and two information sessions are going to be held nationally. One hundred and seven of those are for service providers and 95 are for parents and carers. We have done 23 per cent of the service providers and 18 per cent of the parents and carers. We are scheduled to have them all complete by July of this year.

Senator MOORE—By July 2004, you will have that component of the information strategy completed?

Mr Halloran—Yes. That is the first level. If we require more information sessions after that, depending on the feedback that we get, we will schedule those as well.

Senator MOORE—That will then give you the next six months for the information to sink in and for more flexibility.

Mr Halloran—Yes, and it may be the case that, for some particular services or for some particular client groups, we need to go back again, depending on the issues that are raised.

Senator MOORE—That is using the same group of consultants?

Mr Halloran—At the moment, for those sessions that I mentioned, we are using the departmental staff in the state and territory offices, together with the consumer training and support agencies if required. The consultants are additional to those information sessions.

Senator MOORE—The focus is on an internal process of information, using the established networks. Is that fair?

Mr Halloran—That is correct.

Senator MOORE—The expenditure in that area is not large?

Mr Halloran—The expenditure on those 202 is from existing departmental running costs and is not included in—

Senator MOORE—The figures Ms Winzar gave earlier?

Mr Halloran—Yes, apart from any money that may have been put aside. The money that Ms Davies mentioned that was for departmental—

Senator MOORE—\$5 million?

Mr Halloran—Yes, but not all that \$5 million would be—

Senator MOORE—No, but any of the expenditure for your dissemination information scheme—

Ms Winzar—Then you hire all of that sort of stuff, which would come out of that figure.

Senator MOORE—That would all be out of the \$5 million?

Ms Winzar—Yes.

Senator MOORE—Could you provide a few examples of how you would expect assistance could be given to struggling business services? What kinds of things have you identified could be provided to business services struggling through this process?

Ms Davies—Various. There are services that are struggling to exist, irrespective of any wage increases—the sorts of assistance that they need, including immediate cash injections and maybe a business analyst to come in and work with them to see if they can improve their

performance. There is the capacity to phase in wage increases over four years for those services who might need that. The other sorts of things that we are looking at are money for equipment, money to help improve governance arrangements and mentoring arrangements. There are a number of strategies. There are basic categories, but I emphasise that it is tailored specifically to each service. It could be bringing in a workplace trainer to help improve the way low-productive people work and that sort of thing.

Senator MOORE—Those are the kinds of programs that will be funded? Is that the process?

Ms Davies—Yes.

Senator MOORE—As it is a flexible funding pool, is it possible that the whole amount could be spent in one year?

Ms Davies—Theoretically, I suppose it is possible, but it is unlikely, given the logistics of it.

Senator FORSHAW—Can you give us some idea of how much you might expect to spend in the first year? We have this arrangement whereby the \$9,000 can be paid to persons who move out of the business services.

Ms Davies—For targeted support?

Senator FORSHAW—Yes. That is to move from business services to some other arrangement, isn't it?

Ms Davies—Yes. We have notionally allocated a fifty-fifty split over the first two years for that, but of course it could be more in the first year.

Senator FORSHAW—What have you allocated for it?

Ms Davies—The allocation is notional. I emphasise that.

Senator FORSHAW—Yes, you said that.

Ms Davies—Of that targeted support of \$12 million, we have put most of it in the first two years, with a bit tailing off in the last two.

Senator FORSHAW—\$7 million and \$5 million, or something like that? I appreciate it is notional.

Ms Davies—It is completely notional. For some services, where it might be ongoing, it could be evenly spread over that period. For some, it might be in the first two years.

Mr Halloran—Whilst it is possible, it is not probable. Before we enter into providing any funding, the independent business advisers—KPMG, Walter Turnbull and PWC—undertake the assessments and provide the recommendations. Then we would commence funding but any funding that we do provide will be tied to a business plan for that particular service. That business plan would go over a period of time, so it is unlikely that we would spend all the money at the outset because with a number of the services we would need more than one year to address the issues that the advisers would recommend.

Senator MOORE—What happens if the \$99 million just goes? Is there a contingency plan? This is a four-year flexible pool with a plan to have the expenditure and the businesses

turned over. What happens if the \$99 million happens, people get their business plans ready and individuals choose to make the transition, and it has gone?

Ms Davies—We have some information. We already know that some services are doing okay and they have already met our certification standards. We know that some organisations will be able to meet any wage increases but that some are going to struggle. We have a rough idea of how many those are. We are fairly confident that the amount is right but I would reiterate two things: the spending will be closely monitored and there is an intention to review how it is travelling after two years. The ultimate fallback is that the Prime Minister has said if we got it wrong we would go back and revisit.

Senator MOORE—There is a formal review after two years, on top of the ongoing reviews you have mentioned earlier?

Ms Davies—Yes.

Senator MOORE—The expectation at this stage is that there would be a formal review in January—

Ms Davies—2006, yes.

Senator MOORE—That will be what you are aiming for, to see how it is going then.

Ms Davies—It would be July, because it starts in July 2004.

Senator MOORE—And the fallback then is seeing how it is going but with confidence that the government will support going back for more, if required?

Ms Winzar—That is the case, but I would like to emphasise that our objective here is to make sure that we have a sustainable business services sector that provides decent working conditions and can pay pro rata wages to people. This is not about supporting services who really have no future; it is about finding a secure future for sustainable services. That might mean that they have to change the industry that they are in. It may mean that as part of ongoing funding conditions we require some changes to their administrative structures. It may be that we heavily encourage them to merge with another more capable organisation to achieve that objective. It is definitely contingent on them meeting some milestones about becoming more viable and being in a better position in the future to meet our employment objectives for people with disabilities.

Senator MOORE—Is there any particular funding fallback plan?

Ms Winzar—Funding fallback plan in what sense, Senator?

Senator MOORE—If you run out of money.

Senator FORSHAW—If you happen to run out of money; if you find that you still have some services that need to be funded—

Senator MOORE—In transition.

Ms Winzar—Of course. Then it would be a matter of us providing that information to government about how the \$99 million out of this budget has been spent and the \$25 million from the last budget, designed to improve business viability; what results that has taken and

provide government with some assessment about the benefits or risks around providing a further injection of funds.

Senator MOORE—The business services reference group has played an important part in the reform process to date. What is the ongoing role of this Business Services Review Implementation Group?

Ms Davies—The Business Services Review Implementation Group met quite recently, a week or so ago. They have not endorsed the minutes yet but the discussion was along the lines that originally it had been intended to finish in June this year. They have played a very significant role in developing reforms to business services. Their intention was to write to the minister, outlining the sort of progress that they had made, and seeking some sort of direction about their future.

Senator MOORE—That was the agreement at the last meeting?

Ms Davies—As I said, the minutes have not been endorsed but, from memory, that is—

Senator MOORE—That was the view at this stage of the program.

Ms Davies—Yes.

Senator MOORE—They had looked at the process they had been involved in up to now but they were going to write to the minister with their recommendations about what they would want to do, or just seek direction about where they would like to go?

Ms Davies—No. From memory, it was left at a broader level, not specific recommendations.

Senator MOORE—So their role could be a bit indicative in the future as well. Many parents and/or carers, as expressed in the November-December 2003 safety net consultations, said that they had not felt that they had been adequately consulted in the past. From the department's point of view, what commitment do you have for the future involvement of this group? And is it something that you have factored into the future of the program?

Ms Davies—That issue was raised by some parent groups. I was at great pains to outline to them the number of consultations that in fact had happened for the three previous years, covering over 5,000 parents and consumers, as well as lots of other ways of communicating. We are aware that it is really critical to communicate with employees, their families and advocates. We are looking at a number of strategies to improve doing that, including things like a disability portal. The development of the new IT system gives us a much greater capacity to communicate directly with employees than we have had in the past. There are a number of strategies in train for that, plus looking at our existing advocacy services and how they might improve the way they do their work. We also have consumer training and support agencies.

Senator MOORE—Is the future role of people like parent carers a component of the public meetings that you have planned? Is that something that has been discussed at the 23 you said have already been concluded?

Mr Halloran—There are 95 sessions for parents and carers. We have completed 18 per cent of those. We have really scheduled those 95 meetings in reflection of the point that you just made.

Senator MOORE—And in that percentage of the 95—I do not know what that is; I have no idea.

Mr Halloran—Eighteen per cent. There are 17 that we have concluded at the moment.

Senator MOORE—At those meetings has this issue come up in terms of their ongoing role?

Ms Davies—We have not really had a lot of feedback, except general feedback that they have gone very positively, and no suggestion that an ongoing role has come up.

Senator MOORE—This is a very long question.

Ms Winzar—Is the direction you are heading in the ongoing caring role and how that is impacted by the reforms, or is it about the consultative role?

Senator MOORE—Some of that. I think it is also the particular role that parent carers have with people who have disabilities and are in this very serious transition phase of employment. It is my understanding that they are sometimes a particularly involved group, so just how their role is identified, how the family situation is identified in the ongoing process, and also some of the fear. One of the things that has been identified is that there still is a great deal of fear about the change.

Ms Winzar—There are probably a couple of things worth noting there. One is that the previous minister, Minister Vanstone, established a national family carers voice as a forum to get more feedback to government on issues facing carers. The second is that the National Disability Advisory Council is well across these reforms and has also been providing us with input. That is a forum that includes providers, people with disabilities, carers and family members. Centrelink has an ongoing forum. It is a community reference group around people with disabilities. I think that met fairly recently as well. Part of the \$99 million does provide for some of what we call case management but it is really about providing individual business service workers and their families with advice about what their service options are.

Senator MOORE—I read that somewhere.

Ms Winzar—And helping them test other services or other options if they are interested.

Senator MOORE—Before they make a decision?

Ms Winzar—Before they make the choice, yes.

Senator MOORE—There is also a part of the program that allows a bit of flexibility with the decision, is there not? If people make a decision and it is not working out, there is the fallback?

Ms Winzar—To be able to come back to the service, yes.

Senator MOORE—We will go through the whole question first. Despite the clear intention of the reform package to increase opportunities for people with disability who went to business services, a financial disincentive exists for business services to take on new

workers where productivity is assessed to be low. They will only be hired if they attract some commercial return and government support funding enough to cover the cost of their employment, wage and on-costs. Given anecdotal reports from organisations that their recruitment policies will no longer include workers with low productivity, how will the government ensure that a barrier to such opportunity is not entrenched?

Ms Davies—The case based funding levels are based on the support needs of individual workers, so the higher the support need, the more you get up to \$12,000, plus those additional bits like loadings for rural and remote and new apprenticeships et cetera. There have been a number of reforms since 1996. We have reformed the way we fund services, so that it is individually based and it is based on the support needs that you might need. We have also reformed though, importantly, the way we stream and assess people for entry into our services. You do not need to have any productivity when you enter business services. It is based on up to a two-year period, ‘Are you able to achieve something by being there?’ with the sort of support loading that you get from case based funding and a wage based on your productivity.

Senator MOORE—It is a two-year window?

Ms Davies—It is up to two years. I do understand there is concern that people with low productivity might be denied access to business services, but that is certainly not the case.

Senator MOORE—Is this one of the things that could be taken up with the information process to businesses?

Ms Davies—Certainly.

Senator MOORE—About employment opportunities.

Ms Davies—Yes.

Senator MOORE—So the key disincentive about employing people with low productivity is something the department has identified.

Ms Davies—Yes.

Senator MOORE—And a strategy has been put in place.

Ms Davies—Can I just make another comment on that. The package is about existing employees, many of whom were there before we changed the way we stream and assess people for entry. Many of them would have come in by any number of means, but maybe have never had any training at all, and this package is about saying, ‘If you choose to remain in employment and that is your choice, the idea is what sort of package of arrangements do we need to put together for you to keep your job.’ A lot of that would be around training.

Senator MOORE—And confidence.

Ms Davies—Yes.

Senator FORSHAW—I have a few questions on targeted assistance again. You said earlier there was \$12 million to be spent on that aspect of the program.

Ms Winzar—That is correct.

Senator FORSHAW—How many current participants are expected to take up the targeted assistance and move away from business services? Do I divide \$12 million by \$9,000? Does that give me the answer, or is there some more complex sum?

Ms Davies—I cannot do those sums. In order to give a guarantee of access to a place for the roughly 17,000 people in business services, there had to be a way of ensuring that after December people who were not in what is traditional employment would be able to be guaranteed a place, because post December the minister can only fund employment services. Over time there have been a number of services that either were misclassified and should have been a state service, or they are the only provider in town and it is quasi employment, or they might be cultural activities like a drama group or something. They are not, strictly speaking, employment. But if you are going to guarantee those people ongoing places, you have to have a way of funding and targeted support is a funding stream for those services and people. That was based on \$9,000 per person price. The sort of figuring we had at that moment was that around 400 people would be affected.

Senator FORSHAW—Four hundred people would be affected, so each one of those persons would have an entitlement to \$9,000 to be spent on assisting them to transfer into some other type of service. Am I understanding this correctly?

Ms Davies—The \$9,000 would be the price, if you will, for those people.

Senator FORSHAW—Yes. I know they do not get it as a payment.

Ms Davies—Yes. It could be that the whole service converts to targeted support, so that is the price each individual in that service gets, but they would still be able to draw down from that bigger bucket to do refurbishment or whatever it might take.

Senator FORSHAW—I understood when you said \$12 million, that that was the total cost, if you like, or total amount that was being allocated for the funding of the \$9,000 funding. If it is 400 people, why do I multiply four by nine and that gives you \$3.6 million?

Ms Davies—Because the targeted support is for those services—

Senator FORSHAW—It is four years.

Ms Davies—Yes, that is right. If you multiplied that by four, you would get about \$12.5 million, or something like that.

Senator FORSHAW—I think I understand that now. The answer to the question ‘How many current participants are registered to take up the targeted assistance and move away from business services?’ is around 400.

Ms Davies—That is right, but I emphasise that is indicative.

Senator FORSHAW—Yes. I appreciate that. I am assuming that all of your figures are indicative unless you tell me otherwise.

Ms Winzar—It is perhaps worth noting that for the most part we will continue to fund these people in the service they are in. If they are in a drama group now, we will change the funding basis, but their service will still continue. For others, their activities may change; they may no longer be an employee per se, but they will still be at a service provided by their current business service, because the \$9,000 may be used to help provide other activities and

separate supervision of those people away from the actual workplace that they have traditionally been employed—in inverted commas—in.

Senator FORSHAW—How long does that go on for?

Ms Davies—The employees and business services is ongoing.

Senator FORSHAW—How many supported employees are expected to move out of employment and transfer to other services?

Ms Davies—Of that 400-odd that I talked about, those capture those misclassified, quasi employment or just doing something that is not standard employment anyway. The number of those that might transfer to other services we are still testing. It is quite likely some of them will stay where they are.

Senator FORSHAW—But a lot will not.

Ms Davies—Again, it is tailored for individuals.

Senator FORSHAW—Have you done any modelling or any work to try and ascertain that?

Ms Davies—The work we did was around trying to identify which were the sorts of services and people we thought would be affected. Given that it is individual and choice driven the actual way it will pan out has yet to be determined.

Senator FORSHAW—There will be some workers who presumably transfer out of employment into non-employment settings. They will be funded. How long will they be funded before they might be transferred to, say, services of either state or territories?

Ms Davies—If they are in Australian government service they will continue to be funded. Transfers to state and territory governments are part of the CSTDA negotiations and we are developing a protocol for that at the moment.

Senator FORSHAW—Yes.

Ms Davies—Bilateral negotiations I meant.

Senator FORSHAW—Sorry?

Ms Davies—The CSTDA bilateral negotiations.

Ms Winzar—It is a bit hard to be definitive about how long those people would remain in the targeted support group, because it depends very much on places becoming available for them in state funded services for them to move to. That is already an impediment in some parts of the country. There are no places for people to move out of business services even if they want to. I think we have covered this before. Some of the discussion we are having with state and territory governments is around saying, 'Well, you've got school leavers in your service who could perhaps be productive employees. We can't take them. We don't have room in our services, but we've got people who are ready to retire in our services that we can't move to the state service because there's no room.' If we can try and identify some mismatches, where people in our services actually want to retire, we can free up some capacity to then take school leavers out of the state system, so it makes the whole thing work a bit better and makes sure that the right people are getting the right service. But it makes it

very difficult to be quite definitive about how long people will stay in the targeted support stream.

Senator FORSHAW—You have said that there are discussions going on with the states. Do those include discussions about what guarantees would be given regarding the service hours that may be currently applicable or would otherwise be applicable to those individuals if they stayed where they were?

Ms Winzar—One of the objectives of this third Commonwealth State Territory Disability Agreement is to explore more flexible servicing arrangements. That may mean, for example, that somebody might wish to be in employment in a business service two days a week and in a day activity service for three days a week. The issue for us is how we can promote that flexibility across our own services and the state services while providing the same level of support for carers and family members who at the moment may well have their family member in a business service five days a week for eight hours a day. That is one of the issues that carers and families have certainly drawn to our attention that they are concerned about: any reduction in hours of support either if the person stays in the business service alone or if they move to a state funded service.

Senator FORSHAW—That is what I was leading to. I am glad you have mentioned that, because, as I understand, \$9,000 per person per year, if you take out the wage equivalent, would normally cover two days a week. Do you agree with that calculation? That is what I have been advised.

Ms Winzar—No, I do not. This is not about purchasing a place in a state funded activity centre. This is about continued funding to a business service provider to provide supervision and support for people who are in non-employment activities. It may mean, for example, that if a service at the moment has five people with reasonably high support needs that are in, say, a factory setting and at the moment the provider is providing some sort of supervision and support to them in that factory setting, what this will do is say to the service provider, 'For \$9,000 a head this will enable you to employ a worker who can provide supervision for those five people out of the factory setting in another room in the business service or even perhaps an off-site location.' It is not about purchasing a place or hours of support in the state service. It represents, for the most part, an increase in the level of funding for these people with higher support needs that our service providers are now receiving, to allow them to provide other activities for the person.

Ms Davies—Can I add to that that the vast bulk of people will obviously remain in business services and part of the contract arrangement with providers is around maintenance of hours, because that was a very big concern in the national consultations.

Senator FORSHAW—Thank you. The certification: what will happen to business services who do not meet the accreditation standards by the end of this year? Will they be eligible for funding?

Ms Davies—The purpose of the package is to ensure that services remain open and viable.

Senator FORSHAW—We hear that there is a prospect of some services simply not meeting the standards by the end of this year. What you are saying is they will be fixed up under the \$99 million package?

Ms Davies—The package is around existing services and existing people. In order to make sure that people do meet certification requirements, there has been more time given for some services, because they will be facing very substantial wage increases. They have been given up to four years to phase in those increases. There is the other—via a disallowable instrument—time to phase in wage increases and the creation of this targeted support, which means that those people who are in services that are not employment can continue to be funded and be certified by 31 December. In other words, some of the quality assurance standards have been adjusted to allow those two differences to be introduced, to make sure that as far as possible, everybody does meet certification.

Senator FORSHAW—How many business services are yet to achieve accreditation? You gave me a figure I think on the last occasion. There was discussion about places and numbers of services. Was it 30 in February that had been certified?

Mr Halloran—There are 116 business services yet to be certified out of 161.

Senator FORSHAW—This is business services?

Mr Halloran—Yes, and it is at the organisation level. There are 161 organisations. One hundred and sixteen are yet to be certified.

Senator FORSHAW—The last time you told us 30 straight business services had been certified.

Mr Halloran—Forty-five now.

Senator FORSHAW—There were 31 that provided a combination of both open and business services. How many has that gone to?

Mr Halloran—Of those that provide both, there are 35 who have been certified and 48 yet to be certified.

Senator FORSHAW—How many have yet to be certified? I have figures all over the page here: 161 minus 116 plus 48. Is that the answer?

Mr Halloran—Yet to be? Yes, 116 plus 48. That is correct.

Senator FORSHAW—All right, 164. It is the business services that have to be certified by the end of 2004?

Mr Halloran—Yes.

Senator FORSHAW—There are 116 of them to go. That is a lot, isn't it?

Ms Davies—A lot of services put off going through the process because they were waiting for the announcement of the case based funding price and their wage tool.

Ms Winzar—There are also a number of services who have had their certification audit but the auditing body has not finalised the paperwork yet, so they are under control.

Senator FORSHAW—Have there been concerns expressed about a bottleneck of applications at the end of the year? What plans have you made if that happens?

Mr Halloran—We have just recently put on some more certifying bodies. We have seven certification bodies that have been accredited to undertake the certification. There is a total of

36 accreditation teams within those seven certification bodies, so there does not appear to be a problem with a bottleneck coming toward the end of the year, to our knowledge.

Senator FORSHAW—I suppose we may not get another chance to ask you before the end of the year.

Mr Halloran—We are working closely with the organisations to move forward certification dates so that there is not a bottleneck. If there is a problem with certification of any particular standard, that gives the organisation enough time to rectify that particular standard.

Ms Winzar—The capacity to phase in wage increases through the disallowable instrument over the four-year period resolves the issue for most of the services that have been anxious about certification. The other major reason for services not being certified is to do with their organisation and governance arrangements. That is certainly where the business support package will go to in terms of training support for board members, better IT infrastructure, financial management support et cetera. Providing that organisations are reasonably engaged with us on the process, they should be able to make the December deadline. Our state and territory staff are in regular contact with all of the business service outlets to quickly try and resolve any minor issues and difficulties that they have.

Senator FORSHAW—I think you mentioned there were seven additional certification bodies.

Mr Halloran—That is in total.

Senator FORSHAW—Can you give us the details of who they are?

Mr Halloran—Yes. Do you want them now?

Senator FORSHAW—If you have them in a form that can be tabled. I am conscious of the time and I am trying to get through as much as we can.

Mr Halloran—I have them in a form that can be tabled.

Senator FORSHAW—That would be helpful. It saves having to spend time reading it into the *Hansard*. What will happen to business services that apply for accreditation at the end of the year and fail?

Mr Halloran—We would not want an organisation to apply at the end of the year. We would work with that organisation to have their audit done before September. It is not practical to undertake the audit after that date. We would be working very closely with the organisation to bring dates forward.

Senator FORSHAW—Services may have up to four years to pay the appropriate levels of wages to employees. Are you concerned that this may create a situation where they have an unfair or competitive advantage over those that have already met the wage requirements?

Ms Davies—The legislation introducing quality assurance was about bringing in award based coverage for employees and business services. That has taken a very long time to happen and there has been considerable resistance to it. These are often small businesses and they would struggle with the sort of pay rises that we are looking at. It is in line with common industrial practice to allow people to phase it in, rather than have the service close, which is

the alternative. The goal is improving the living standards of the employees in those services. The legislation is about trying to ensure that that happens for everybody in a way that is practicable.

Senator FORSHAW—Is the point that I make still at least valid; that there would be some potential concern that those services that have already met the wage requirements, or meet them early, could be at a disadvantage? I am thinking of how their interests are to be protected.

Ms Winzar—That concern from some providers who are paying pro rata wages has, to be frank, been one of the drivers behind this reform to put all business services on the same footing. There are already services which are doing the right thing, paying their workers quite well, and they do express some irritation that some of their competitors are undercutting them by paying people a pittance.

Senator FORSHAW—Are you looking at some particular measure that might be able to assist them if this becomes a problem?

Ms Winzar—It cannot be more of a problem than it is at the moment where there is so much inequity across business services in terms of what they are prepared to pay their workers. It can only get better from here as we drive services to progress to paying pro rata wages.

Senator FORSHAW—Looking at business services productivity increases, has there been any modelling to look at the long-term viability of business services beyond the phase-in period, or beyond 2007?

Ms Davies—The work that we mentioned before, the business services review, was all about looking at what it would take to create and maintain a sustainable business services sector. Australia is quite unusual in that we are committed to having a business services sector, so it was around looking at what sort of things would be needed to ensure that they do have a viable future. That is why in the budget before last there was a \$25 million investment in their viability. This package is a further injection. It was indicated that for some services the \$25 million would not be enough. This package ensures that it is enough. It is about making sure that we do create a sustainable sector.

Senator FORSHAW—What I am trying to ascertain is what work has been done to look at the future beyond the four years. If business services do not achieve the productivity increases that are predicted, they are clearly going to be in a position—after all of this reform—of having potentially significant gaps in their revenues and costs. We know that their wage costs and other components associated with improving quality assurance are going to increase. Surely there has been some work done on this. I am interested in understanding just what has been done and what it shows.

Ms Winzar—We have not done any particular work on looking at ways to improve the productivity of business services beyond the phase-in period. What is clear to us from the business viability reviews that have been done out of the 2003 budget funding of \$25 million is that increased productivity is not the only solution here.

It is also about reducing overheads. It is about business efficiency. It is about pricing practices and profit margins. It is about increasing turnover and market reach, as much as it is about increasing productivity of staff and individual workers. All of those are elements to strategies which we will need to apply to individual businesses and to the sector as a whole. That is a significant challenge, but the challenge before us at the moment is to get the basic governance and financial administration of business services in reasonable shape and get them on the path to paying pro rata wages. The investment of the \$99 million in this budget and the \$25 million in the last budget will go a fair way towards improving business viability but in the longer term there may well be some individual outlets which have to change industries, move to niche markets, or come up with some quite radical strategies to improve their market reach and their profitability. We will review that as we go, over the next two to four years, and see what needs to be done.

Senator FORSHAW—There has been some work done, has there not? Was it the demonstration project on business services productivity increases? That was looking at the next four years.

Ms Davies—No. The demonstration project was actually trying to model the combined impact of introducing wage increases and case based funding pricing.

Senator FORSHAW—I apologise; that is looking at what is happening now through to 2007.

Ms Davies—Yes.

Senator FORSHAW—In relation to the new wages and the case based funding, has there been a report prepared?

Ms Davies—The report of the demonstration project is on our Internet site.

Senator FORSHAW—That report showed that productivity increases will occur, did it? That is what I understood.

Ms Davies—No. It simply looked at the net effect of increased wages offset by case based funding and whether it would be an increase or a decrease for the participants in the project.

Senator FORSHAW—I have looked at the web site report. It did not make any predictions about productivity increases?

Ms Davies—No. It made no allowance for the effect of the investment from the \$25 million in business viability. It made no allowance for phasing in wage increases and it did not take account of the top-up for case based funding, so it is a bald, net effect.

Senator FORSHAW—What was that last comment? I am sorry, I missed that.

Ms Davies—It is just the net effect of increased wages, offset by case based funding without taking into account any offsetting factors.

Senator FORSHAW—I might want to come back to that aspect of the demonstration project. Did the project show a gap between costs and revenue for business services?

Ms Davies—I think, of the 30 organisations with 50 outlets, for 19 there was a negative impact—that is that case based funding did not offset their wage increases—and for the remainder it was a positive effect.

Senator FORSHAW—You said that there will be a negative effect for some. How is that negative effect overcome?

Ms Davies—For the data to have a negative result would be, for example, that they were able to phase in their wage increases. They would be eligible to get assistance from the \$99 million package for business assistance. They would also, if they are losers under case based funding, be able to top up in the transition period.

Senator FORSHAW—Chair, I still have a range of questions to go in disabilities, which I am not going to complete by 11 o'clock. I do want to just check a couple of things before I move on to the next issue, which is the pricing, which is another new topic again. This might be an appropriate time to adjourn. I think we will be coming back to this on Friday. We are not coming back to it tomorrow.

CHAIR—I think you are right, Senator.

Senator FORSHAW—We will have to obviously look at how we utilise the spill over date.

CHAIR—Thank you very much, Mr Sullivan. Do you wish to make some comment?

Mr Sullivan—Dawn Casey was asked by Senator Collins a question around the child care support program and sought some numbers on in-service training. Those numbers are that for in-service training there was \$1.94 million: \$37,000 ACT; \$887,000 New South Wales; \$200,000 South Australia; \$35,000 Tasmania; \$580,000 Victoria; \$200,000 Western Australia. For resource and advisory grants for 2003-04, \$6.343 million: ACT \$166,000; New South Wales \$1.275 million; Northern Territory \$728,000; Queensland \$534,000; South Australia \$851,000; Tasmania \$185,000; Victoria \$2.171 million; Western Australia \$432,000. Finally, I think Senator Collins will understand as does Ms Casey, SUPS, R&As, \$5.417 million, totalling \$13.7 million in 2003-04.

CHAIR—Thank you very much, Mr Sullivan.

Senator FORSHAW—Can I just clarify one question, Ms Davies. You said that the report of the demonstration project for business services is on the web site.

Ms Davies—I understand it is on the web site.

Senator FORSHAW—I will check that, but are you able to provide me with a copy of the report?

Ms Davies—Yes, I am, Senator.

Senator FORSHAW—Could that be provided to us tomorrow?

Ms Davies—Yes.

Mr Sullivan—We will email you one if it is on the web site.

Senator FORSHAW—Thank you.

CHAIR—Thank you, one and all. The sitting of the committee is suspended until 9 a.m. tomorrow morning with the department of health. I think it is fair to say that we will be back on Friday to complete Family and Community Services.

Committee adjourned at 10.58 p.m.

