



COMMONWEALTH OF AUSTRALIA

Official Committee Hansard

SENATE

EMPLOYMENT, WORKPLACE RELATIONS AND EDUCATION
LEGISLATION COMMITTEE

ESTIMATES

(Budget Estimates)

TUESDAY, 1 JUNE 2004

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SENATE
EMPLOYMENT, WORKPLACE RELATIONS,
AND EDUCATION LEGISLATION COMMITTEE

Tuesday, 1 June 2004

Members: Senator Tierney (*Chair*), Senator George Campbell (*Deputy Chair*), Senators Barnett, Carr, Johnston and Stott Despoja

Senators in attendance: Senator Tierney (*Chair*), Senator George Campbell (*Deputy Chair*), Senators Barnett, Carr, Cook, Crossin, Marshall and Wong

Committee met at 9.02 a.m.

EMPLOYMENT AND WORKPLACE RELATIONS PORTFOLIO

Consideration resumed from 31 May 2004

In Attendance

Senator Abetz, Special Minister of State

Portfolio overview

Dr Peter Boxall, Secretary

Mr Bob Correll, Deputy Secretary, Employment

Mr Rex Hoy, Acting Deputy Secretary, Workplace Relations

Ms Vanessa Graham, Acting Chief Financial Officer, Financial Management Group

Mr Craig Symon, General Manager, Corporate

Mr Jeremy O'Sullivan, Assistant Secretary, Legal and Risk Branch, Corporate

Mr Darren Hooper, Assistant Secretary, Business Services Branch, Corporate

Mr Richard Millington, Acting Assistant Secretary, Parliamentary Performance and Communications Branch, Corporate

Ms Anya Moore, Assistant Secretary, Human Resources Branch, Corporate

Ms Robyn Kingston, Assistant Secretary, Internal Audit

Mr John Burston, Chief Information Officer, IT Services Group

Mr Simon Gotzinger, Senior Specialist Lawyer, Corporate Legal Team

Ms Malisa Golightly, Chair, Indigenous Economic Development Transition Steering Committee

Mr Henry Carr, Principal, Government Lawyer, Corporate Legal

Outcome 1: An effectively functioning labour market

Ms Jo Caldwell, Group Manager, Job Search Support Group

Mr Tony Waslin, Assistant Secretary, Transition Participation Branch, Job Search Support Group

Mr Bill Traynor, Assistant Secretary, Employment Exchange Branch, Job Search Support Group

Mr Jeremy Grainger, Director, JobSearch/Workplace, Employment Exchange Branch, Job Search Support Group

Mr John Manthey, Director, Budget and Performance, Transition Participation Branch, Job Search Support Group

Ms Margaret Kidd, Assistant Secretary, Work Experience Branch, Job Search Support Group

Mr Finn Pratt, Group Manager, Intensive Support Group

Ms Kylie Emery, Assistant Secretary, Indigenous Employment Programs Branch, Intensive Support Group

Ms Kerren Thorsen, Assistant Secretary, Employment Services Performance Branch, Intensive Support Group

Ms Samantha Wilson, Director, Job Seeker Services, Employment Services Performance Branch, Intensive Support Group

Ms Chris Langsford, Acting Assistant Secretary, Intensive Support Operations Branch, Intensive Support Group

Ms Jennifer Taylor, Group Manager, Employment Analysis and Evaluation Group

Mr Graham Carters, Group Manager, Employment Policy Group

Ms Carolyn McNally, Assistant Secretary, Priority Group Policy Branch, Employment Policy Group

Mr Michael Manthorpe, Group Manager, Employment Business Services Group

Mr Anthony Parsons, General Manager, Employment Systems

Outcome 2: Higher productivity, higher pay workplaces

Mr James Smythe, Chief Counsel, Workplace Relations Legal Group

Ms Diane Merryfull, Assistant Secretary, Legal Policy Branch 2, Workplace Relations Legal Group

Mr Robert Bennett, Assistant Secretary, Legal Policy 1, Workplace Relations Legal Group

Mr Rex Hoy, Group Manager, Workplace Relations Policy Group

Ms Sandra Parker, Assistant Secretary, Strategic Policy Branch, Workplace Relations Policy Group

Ms Sue Sadauskas, Assistant Secretary, Wages and Conditions Policy Branch, Workplace Relations Policy

Mr Ted Cole, Advocacy Team Leader, Advocacy Team

Ms Barbara Bennett, Group Manager, Workplace Relations Implementation Group

Ms Flora Carapellucci, Assistant Secretary, Industries Branch, Workplace Relations Implementation Group

Mr John Kovacic, Assistant Secretary, Building Industry Branch, Workplace Relations Implementation Group

Mr Michael Maynard, Assistant Secretary, Public Sector Branch, Workplace Relations Implementation Group

Mr Nigel Hadgkiss, Director, Building Industry Taskforce

Ms Jenet Connell, Group Manager, Workplace Relations Services Group

Mr Steve Kibble, Assistant Secretary, Workplace Relations Services Branch, Workplace Relations Services Group

Mr Mark Jasprizza, Assistant Secretary, Remuneration Tribunal Secretariat, Workplace Relations Services Group

Ms Dianne Fletcher, Assistant Secretary, Employee Entitlements Project Branch,
Workplace Relations Services Group

Mr James Coleborne, Assistant Secretary, Employee Entitlements Branch, Workplace
Relations Services

Office of the Employment Advocate

Mr Jonathan Hamberger, Employment Advocate

Mr David Rushton, Senior Legal Manager

Mr Peter McIlwain, Deputy Employment Advocate, Client Services Network

Equal Opportunity for Women in the Workplace Agency

Ms Susan Biggs, Acting Director

Comcare

Mr Barry Leahy, Chief Executive Officer

Mr Noel Swails, Deputy Chief Executive Officer

Mr Stewart Ellis, General Manager, OHS (CE) Act Policy and Support

Mr Matt Goldrick, General Manager, Claims Policy and Systems Improvement

Mr Terry Langton, General Manager, Corporate Management Division

Australian Industrial Registry

Mr Nicholas Wilson, Industrial Registrar

Mr Terry Nassios, General Manager

National Occupational Health and Safety Commission

Mr Robin Stewart-Crompton, Chief Executive Officer

Ms Helen Bull, Executive Manager

Mr Tom Fisher, Senior Executive Manager

CHAIR—The committee will continue the examination of the Employment and Workplace Relations portfolio. I welcome back Senator Eric Abetz, the Minister representing the Minister for Employment and Workplace Relations, and officers of the Department of Employment and Workplace Relations and its agencies. The committee has fixed Friday, 23 July 2004 as the date for submission by the department of written answers to questions on notice. I remind participants that oral evidence and documents in estimates proceedings are part of the public record. The committee will complete issues relating to the OEA cross portfolio. Outcome 1 has been completed. We will resume questions on outcome 2, continuing with the Building Industry Taskforce.

Senator COOK—I would like to start where we left off last night. Senator Wong was asking about the payment of moneys to obtain information by the task force and what the practice is. I understood Mr Hadgkiss to say that if a civilian sought to bribe an officer that would be a criminal offence but that if an officer sought to pay money in order to obtain information from a civilian that would not be the case. My first question is: do I understand what you were saying, Mr Hadgkiss, to be as I recounted?

Senator Abetz—We are back into the hypotheticals with I do not know how many ifs in the question. It also seeks a legal view or opinion as to whether certain activity might in fact be criminal. I am not sure that is necessarily within the province of this department to answer. But, most importantly, with a number of ifs in the question it is clearly hypothetical.

CHAIR—That is certainly the case, Minister.

Senator COOK—May I speak to the point—

CHAIR—If I could finish, I would remind Senator Cook that in the opening statement officers are not to be asked for their opinions.

Senator COOK—I am asking a matter of operational detail for the task force. What is on the record from last night is the interchange between Senator Wong and Mr Hadgkiss. What is on the record as part of that interchange is the discussion as to whether or not it is appropriate for the task force to offer money to obtain information. What is on the record is that the allegation concerning the incident under question was that an officer of the task force at Tullamarine airport is alleged to have approached a 17-year-old plumbing apprentice and offered \$10 for that apprentice to supply that officer with copies of the CFMEU magazine. That is all on the record. What flowed from that is that the officer would have obtained that money—

Senator Carr interjecting—

Senator Abetz—We think it is laughable that all this time has been spent on \$10.

CHAIR—Wasting estimates time.

Senator CARR—Officers offering money to apprentices to provide a union magazine—you do not think that is funny?

Senator COOK—May I have the call? All that is on the record. In answer to questions—

Senator Abetz—\$50,000 for the Centenary House lease was offered.

Senator CARR—Is that right? What about Geoscience Australia? We have found out about you.

CHAIR—Order!

Senator CARR—We have found out all about you.

CHAIR—Order! Senator Cook is in the middle of a question. Let him complete it.

Senator COOK—What is also on record is that, if this were to go ahead, the officer would have sought a voucher from petty cash, which a senior officer of the task force would have approved for the purposes of supplying this money. All of that is on the record. All of that is not disputed fact. What I want to know is this: is that type of behaviour regarded, as I inferentially understood it was, by the task force as appropriate in order to obtain information?

Mr Hadgkiss—I thought I explained last night that if people have out-of-pocket expenses they can make a claim for such out of petty cash. It would be adjudicated upon and if it fitted the criteria they would be paid accordingly.

Senator COOK—If an officer offered \$10 for information—that is, to be supplied copies of the CFMEU journal—as in this instant apparently was the request, is that authorised behaviour?

Mr Hadgkiss—This has not occurred, Senator, and is very much hypothetical.

Senator COOK—We talked about this last Monday week and your explanation is in *Hansard* as to what occurred. That explanation goes to the fact that the officer was seeking

copies of the CFMEU journal and the money was to obtain it from the apprentice. So it is not hypothetical; it is on the record.

Senator Abetz—No, it is an allegation. That is all.

Senator COOK—I am waiting for Mr Hadgkiss.

Mr Hadgkiss—What is on the record is on the record. I have nothing further to add.

Senator COOK—But I am asking you a further question and I am inviting you to add something further as part of this estimates inquiry. What I am asking you is: in such a circumstance, is that an operational expense?

Mr Hadgkiss—This is again hypothetical: if, as you say, this occurred, it would be judged on its merits. It has not occurred; I cannot throw any more light on this matter.

Senator Abetz—Mr Chairman, we have had this time and time again.

CHAIR—I warn Senator Cook again about hypotheticals.

Senator Abetz—I think we are agreed that, yes, such a fund does exist. It is possible to access it, but then to try to create scenarios really does lead us down into hypotheticals, which are of no benefit.

Senator COOK—If I may, on the minister's point: I know the minister is extremely uncomfortable about this line of questioning—

Senator Abetz—I am very comfortable—

Senator COOK—and so he should be.

Senator Abetz—The more the Labor Party—

Senator COOK—Excuse me, Minister, I am speaking.

Senator Abetz—defends the CFMEU the better.

Senator COOK—Mr Chairman, do I have the call?

CHAIR—I ask people not to interrupt each other. Senator Cook has the call.

Senator COOK—Thank you, Chair, and thank you for bringing the minister to order. The only way we will get through this is to have civilised discussion—

CHAIR—Just continue, Senator.

Senator COOK—and to interpose yourself—

Senator Abetz—Very provocative—be careful.

Senator COOK—because your political sensitivity, Minister—

Senator Abetz—You are being very provocative.

Senator COOK—is inappropriate—

CHAIR—Order!

Senator Abetz—Now, you are prickly because of the opinion polls.

Senator COOK—and shows your defensiveness—and well you might be defensive.

Senator Abetz—Better than being offensive.

Senator COOK—Mr Hadgkiss has volunteered for the record that the issue was about an offer of \$10 to obtain a copy from a 17-year-old plumbing apprentice of the CFMEU journal. The minister says there is a fund for this purpose. I simply want to know—and it is a reasonable matter to know—the operational details of how this fund is managed. What constitutes an out-of-pocket expense, as Mr Hadgkiss described it, is a reasonable question. It is not hypothetical; it is a reasonable question. Let me ask Mr Hadgkiss again: what would be an out-of-pocket expense?

Mr Hadgkiss—It would be that someone has paid for something out of their pocket. They would invariably have it receipted. If not, they would have to satisfy the person making the decision as to whether to pay that money. It is paid out of petty cash into their bank account, and it is an accountable internal transaction.

Senator COOK—Who approves whether it is an approved out-of-pocket expense?

Mr Hadgkiss—It would ultimately have to go to the executive officer, depending on the amount. If it were \$10, it would probably go to the supervisor.

Senator COOK—And, if it were ‘a big drink’, where would it go then?

Mr Hadgkiss—This is hypothetical, again.

Senator Abetz—And, once again, given the discussion—

CHAIR—Order! Senator Cook, you have strayed yet again—

Senator COOK—I am not straying—

CHAIR—Starting with the first point, you are now back into a hypothetical.

Senator COOK—I am not back into a hypothetical—

CHAIR—Yes, you are.

Senator COOK—Chair, the allegation is that the officer of the task force offered ‘a big drink’, which we know in criminal parlance is a bribe, to a 17-year-old apprentice. It is not hypothetical; that is an allegation made against the task force. All I am asking is: if it is a small amount, a supervisor may approve it; if it is a large amount, who approves it?

Senator Abetz—I raise a point of order. That is completely outrageous, Chair. The small amount of \$10 is clearly appropriate as discussed. The large amount that Senator Cook was referring to—‘a big drink’—is clearly criminal activity, according to the definition that both Senator Cook and Mr Hadgkiss are agreed on.

Senator COOK—That is not true.

Senator Abetz—To try to link a little amount of \$10 with ‘a big drink’ and put them into the same category is quite outrageous and then, of course, would be twisted by those who are so desperate to defend the indefensible action of the CEPU and the CFMEU.

Senator COOK—On the point of order, Chair, Mr Hadgkiss has answered that, if it is a small amount, a supervisor approves it. I am simply asking: if it is a large amount, who approves it? That is an operational question. That is something he is competent to answer.

Senator Abetz—What is a large amount—\$11 or \$20? This is the sort of nonsensical questioning that we have had, and Senator Cook should be nominating a figure. Somebody might consider \$10 a large amount—

Senator COOK—I can rephrase the question.

Senator Abetz—When \$10 is delivered in tax cuts, of course, it is of no consequence, whereas if it is offered by a member of the task force it is a huge amount all of a sudden.

CHAIR—Senator Cook has offered to rephrase the question.

Senator COOK—My question is: at what level does the authority to approve a payout from this fund by a supervisor cease, and at what level does a more senior officer—

Dr Boxall—In the department, as in just about every government agency, probably, there are certain delegations which are chief executive orders which give delegations to various people within the department on the amounts. I do not know whether we have a copy of those here, but they are on the intranet. We can have a print-off of those, and you can see the internal delegations within the department. The issue here is that there is no fund. Mr Hadgkiss said that, if an officer were to make a claim against petty cash, that would be assessed. The officer would need a receipt or, if they did not have a receipt, they would have to provide sufficient justification.

CHAIR—Thank you, Secretary. Senator Cook, perhaps we can now move on.

Senator COOK—Thank you, Secretary, for drawing my attention to where I might obtain the information.

Senator CARR—You have to provide it, Dr Boxall. It is on the intranet. It is a departmental web site, isn't it?

Dr Boxall—It is on the intranet, and we are getting it.

CHAIR—They are going to provide it.

Senator COOK—Is there also information on the intranet about what guidelines there might be for someone without a receipt seeking reimbursement from this fund?

Dr Boxall—I think the answer to that is yes, but we will get a copy of what is on the intranet.

Senator COOK—At what level does the information on your intranet require that a more senior officer than a supervisor approve an outlay?

Dr Boxall—We will get that information and advise the committee.

Senator COOK—Who might that senior officer be in the case of the task force?

Dr Boxall—It tends to delegate down. There are deputies, people on the management board have certain authorisations and group managers have certain delegations. It goes down the line. It is very detailed and it shows which officers in the department are delegated to approve expenditure up to certain limits.

Senator COOK—In the case of the task force, does it show which officers are authorised to approve expenditure?

Dr Boxall—Yes, it would show that.

Senator COOK—Do you happen to know at what level that officer might be?

Dr Boxall—No, but when we get the material from the intranet will be able to advise you.

Senator COOK—Quite so. As far as expenditure above the level of a supervisor is concerned, are there particular guidelines that we are able to refer to that would guide an officer in making a decision to reimburse someone for expenses?

Dr Boxall—Yes, and we will be able to get that information for you.

Senator COOK—Mr Hadgkiss, does the task force take the view that in order to obtain information it may in certain circumstances be appropriate to offer expenses or some money to a possible informant?

Mr Hadgkiss—This has not arisen. Therefore, I cannot comment.

Senator COOK—I am not asking you whether it has happened. I am saying, ‘Do you regard it—

Mr Hadgkiss—If it did it would be judged on its merits. If I were in doubt I would seek advice from a higher authority.

Senator COOK—In judging it on its merits, Mr Hadgkiss, in a case like that what would your judgment be?

Mr Hadgkiss—Again, this is hypothetical. I am sorry, Senator Cook.

Senator COOK—No, it is a serious example. I want to know—and I think the Australian community is entitled to know—as far as the task force is concerned—

Mr Hadgkiss—Each case will be judged on its merits.

Senator COOK—Each case will be judged on its merits, but in a case like this what would the judgment be?

Mr Hadgkiss—An application would be made for \$10. The person would set out the reasons for the expenditure of that \$10. If a receipt had been obtained—for instance, if the 17-year-old boy signed for \$10, but as I understand it he declined the amount—that would then be adjudicated upon as to whether it was worthy of payment.

Senator COOK—I did not ask about the particular case; I asked about your operational approach.

Mr Hadgkiss—As I say, this has not arisen. We have no funds for this kind of payment.

Senator COOK—Let the record show that the witness refused to answer the question.

Mr Hadgkiss—I am refusing to answer a hypothetical question.

Senator COOK—It is not a hypothetical question; it is an operational question. What do you do in cases where this sort of thing arises? You say it has not arisen. Let me put it to you this way: would you approve such a claim?

Mr Hadgkiss—It would be judged on its merits by the relative supervisor.

Senator COOK—That means that you may or may not approve it.

Mr Hadgkiss—Again, we are talking in hypotheticals.

Senator COOK—Again, I make the point for the record that you declined to answer this question, Mr Hadgkiss.

Senator Abetz—That was very provocative, and that sort of editorialising does not assist.

Senator COOK—A straight answer would assist considerably.

CHAIR—And a lack of hypotheticals would also assist.

Senator COOK—We are talking about the probity of a public institution that claims to have a law enforcement responsibility.

CHAIR—We are also talking about wasting money. I would like to add up the time that has been spent this morning and last night on this \$10 and multiply that by the salary of the public servants who are here.

Senator Abetz—And the senators.

CHAIR—You talk about waste, and that is an incredible waste.

Senator COOK—Are you lecturing me, Mr Chairman?

CHAIR—I think you need to be lectured on wasting the time of this committee.

Senator COOK—I reject that.

Senator Abetz—It is a good point.

CHAIR—You have wasted at least two hours on this matter.

Senator COOK—If you have no interest in the principle of how the Public Service operates and is accountable, that is for you but it is not for me, it is not for the Senate and it is not for the community of Australia.

Senator Abetz—This is just interference being run on behalf of the CFMEU and the extreme union element that funds Senator Cook and the Australian Labor Party to the tune of millions of dollars each year.

Senator COOK—Is that editorialising, Mr Chairman?

Senator Abetz—If it is good enough for you, I will do it as well.

CHAIR—I ask everyone to stop editorialising. Let us return to questions on the estimates.

Senator CARR—Mr Chairman—

CHAIR—Senator Cook has the floor for the next question.

Senator COOK—I defer to Senator Carr.

Senator CARR—I have a point of order. I draw your attention to the chair's opening statement to these proceedings. He said:

I remind officers that, in its orders of continuing effect, the Senate has resolved that there is no area in connection with expenditure of public funds where any person has discretion to withhold details or explanation from parliament or its committees unless the parliament has provided otherwise.

Senator Abetz—But no money has been expended.

CHAIR—That is referring to facts, not hypotheticals.

Senator CARR—He asked about a fact.

Senator Abetz—It is an allegation, according to Senator Cook. You now make it a fact! Get your story together. You will have to caucus on this, Senator Carr.

CHAIR—Senator Cook has the floor.

Senator COOK—I have just conducted on behalf of the Senate Foreign Affairs, Defence and Trade References Committee an inquiry into the Bali bombing. There is no institution in Australia that is more at the forefront of such a serious matter as the war on terror than ASIO.

Senator Abetz—Is this a little lecture?

CHAIR—Can we return to the estimates before us?

Senator COOK—We have not spent any time questioning ASIO on this type of detail because they have been up-front and direct. They are a model, and I suggest that you, Mr Hadgkiss, look at ASIO's evidence to our inquiry as a way in which an organisation should properly conduct itself towards the parliament. They have done so in an appropriate manner.

Senator Abetz—This sort of gratuitous badgering of witnesses is completely unacceptable.

CHAIR—Order, Minister! The senator is about to return to some real questions, I hope.

Senator COOK—I go to your report *Upholding the Law—one year on*. At the top of nearly every page is a yellow box, and in those yellow boxes are pithy, quite value laden, quite colourful and quite denigrating quotes. The sources of these quotes are in many cases anonymous; there is no attribution at all. What is the purpose of including them?

Senator Abetz—Mr Benson's quote on page 7 says:

... 'industrial police' would 'probably have bricks dropped on them from a great height' in Tasmania.

That is a direct quote from a public newspaper. None of the quotes at the top of the pages indicates anything contrary to that which has been spoken publicly by union officials.

Senator COOK—On page 7 of my copy there is no such quote.

Senator Abetz—If you look on page 7 there is an article entitled 'Investigator ready to dodge brickbats', which has been circled by yellow highlighter pen. It is next to the warning, 'Drive out these rats'. This is the sort of pejorative stuff that this task force has to put up with on a daily basis. I refer people to page 7 of the report. Here we have the alternative government spending hours and hours defending this sort of behaviour.

Senator COOK—Are we having a lecture, Mr Chairman? It this time wasting?

CHAIR—Senator Cook, you are not the one to lecture people on lectures, on this morning's performance. Let us return to questions.

Senator COOK—But you will draw the minister to order in future, won't you?

CHAIR—I suggest you stop provoking him.

Senator COOK—He should stop provoking me, because his answer has nothing to do with my question.

CHAIR—My experience here is that the people leading the questions set the tone of what happens in this place. The tone you have set creates this constant argy-bargy backwards and forwards. I ask you to return to questions on the estimates.

Senator COOK—It may be uncomfortable for you to have me probe these witnesses, but I intend to.

CHAIR—We have spent two hours on \$10.

Senator Abetz—We want you to spend all day on this so the people of Australia know what the Labor Party would do in office.

Senator COOK—Is that another interjection that you are prepared to tolerate, Mr Chairman?

CHAIR—Yes, I am. I ask you to get back to questions that are not provocative.

Senator COOK—If it is going to descend into farce, we can all join in in making political statements, but I would rather have an answer to my question. Mr Hadgkiss is on the record as saying that he wrote this report with the assistance of one other officer, and he said a number of other things. I want to know what the purpose is of including those yellow boxes with the unsourced quotations—unsourced in the main; some are sourced—in a report to the minister, which is to be tabled in the parliament.

Mr Hadgkiss—I have nothing to add to what I gave in evidence last week.

Senator COOK—You have nothing to add?

Mr Hadgkiss—Correct.

Senator COOK—My question is: what is the purpose of including them?

Mr Hadgkiss—I enunciated that last week in my evidence in answer to your question.

Senator COOK—I do not recall, so you might tell me.

Ms Bennett—It is on page 77 of the *Hansard* record.

Senator Abetz—You ought to take up Mr Latham's idea of reading.

Senator COOK—Can you just tell me what the answer is? I do not happen to have the *Hansard* to hand.

Ms Bennett—You asked the question:

Senator COOK—On each of the substantive pages, there is a little yellow slip at the top with a quote in them. There is no context to the quote. We do not know when it was said, to whom it was said, to whom it was referring ...

Mr Hadgkiss—The reason for that is set out on page 1. The quote refers to a schoolyard ...

Senator COOK—That, I recall.

Ms Bennett—Mr Hadgkiss added:

The majority of these quotes have come from a section that I created within the task force called 'Customer service'. That is an individual who phoned members of the industry who reported a matter to the task force and it has reached finality. It was in an attempt to find out how the task force went, whether we resolved their problem and whether we placated their needs.

Senator COOK—There are no dates set alongside these quotes. Can you tell us when they were uttered?

Mr Hadgkiss—They were made during the life of the task force.

Senator COOK—In the last 19 months?

Mr Hadgkiss—Correct.

Senator COOK—There is no other specific detail. Do we know the circumstances in which these quotes were made?

Mr Hadgkiss—As Ms Bennett just read aloud from my evidence last week. I have nothing further to add.

Senator COOK—These quotes are stand alone quotes. For example, since the minister is being kind enough this morning to take an interest in these proceedings and has directed us to page 7, there is a quote in the yellow box on page 7 that says:

IR in the building industry is the law of the jungle.

Was that from a unionist complaining about how employers act or from an employer complaining about how unionists act or from an academic observer?

Mr Hadgkiss—It would have been provided in the circumstances about which I gave evidence last week.

Senator COOK—Are you able to produce to the committee a copy of the detail of that quote?

Mr Hadgkiss—It is an internal working document that was drawn upon for the creation of this report.

Senator COOK—That was not my question: are you prepared to produce the detail?

Mr Hadgkiss—No.

Senator COOK—Let the record show that you are withholding.

Mr Hadgkiss—On the grounds of protecting people who have cooperated with the task force.

Senator COOK—Then produce it to us in confidence.

Mr Hadgkiss—No.

Senator COOK—If you produce it to us in confidence, the confidentiality of those people will be protected. Can you produce it to us?

Mr Hadgkiss—I will take it on notice.

Senator COOK—Why do you need to take it on notice?

CHAIR—We do not accept things in confidence. That is not Senate committee procedure.

Senator COOK—Are you saying that we could not take this in camera?

CHAIR—No, I am not talking about in camera; I am talking about in Senate estimates proceedings, there is no provision for that.

Senator COOK—Maybe the committee of inquiry should seek it in confidence, in which case you would be prepared to supply it, wouldn't you, Mr Hadgkiss?

Mr Hadgkiss—I will take that on notice.

Senator COOK—When might you reply?

CHAIR—We have a schedule.

Senator COOK—I may have asked you this question, so if I have I apologise and I will withdraw it. But with respect to the quote on page 7, who was the person, not in their name but in their background? Were they an employer, a unionist or—

Mr Hadgkiss—They would be a member of the industry that made a complaint to the task force and it was followed up in the circumstances, as given in my evidence last week.

Senator Abetz—It wasn't from Senator Cook's 1993 speech about the need to clean up the building industry, was it? I think you used words very similar to that, Senator Cook.

Senator COOK—Chair, are you copping this rubbish?

CHAIR—I have actually read that quote as well, Senator Cook. It rather intrigued me with respect to what was happening in the building industry at the time.

Senator COOK—So you are joining in the debate in a partisan way, Mr Chairman?

CHAIR—You have asked me to comment on this. I am not commenting on the veracity of the minister, as I just said.

Senator COOK—You are very quick to editorialise about my interjections, but you are very slow to bring the minister to order.

CHAIR—I would not comment on editorialising, if I were you, Senator; I would return to the question. Let us move on.

Senator Abetz—Mr Chairman, to assist Senator Cook, on page 1, it says: 'These quotes have been sourced from discussions held between task force staff and industry participants.' Given the findings of the royal commission and of course the fear that still pervades the industry, and given that the divulging of the names of the people who said a particular thing in those quotes would clearly lead those people to being potentially intimidated, not to release the names of the people who have made those comments is of course highly appropriate.

CHAIR—I would agree with that, Minister.

Senator COOK—Without accepting that explanation, there are a number of questions which can be answered. Mr Hadgkiss, in which state was the complaint lodged?

Mr Hadgkiss—I am not familiar with that.

Senator COOK—Why not?

Mr Hadgkiss—I did not record that particular quote.

Senator COOK—You wrote this report, though?

Mr Hadgkiss—Yes.

Senator COOK—You selected these quotes?

Mr Hadgkiss—There were a number of quotes that were put forward. I would have ultimately made the final decision, yes.

Senator COOK—From which state did this come?

Mr Hadgkiss—I am not familiar with that.

Senator COOK—Are we meant to understand from this quote that it is true of the entire industry or part of the industry?

Mr Hadgkiss—From my experience, it is true of the whole industry.

Senator COOK—So you think that is emblematic of the entire industry, do you, Mr Hadgkiss?

Mr Hadgkiss—Certainly the CBD of capital cities, yes.

Senator Abetz—That is what the royal commission found. It is nothing surprising.

Mr Hadgkiss—That is correct.

Senator COOK—You are prepared to tolerate this rubbish, Mr Chairman?

CHAIR—The minister has just stated a fact, Senator: that is what the royal commission did find, and you claim you have read the report.

Senator Abetz—And the reason I intervened was Senator Cook asked, once again, for an opinion—if I recall correctly—whether Mr Hadgkiss thought something, and it seemed to me appropriate that I just remind the committee that it was in fact—not in so many words—the findings of the royal commission.

Senator COOK—I have a particular view about the findings of the royal commission and the way in which they were arrived at which, I dare say, is not your view.

Senator Abetz—The chances are we have reached agreement.

CHAIR—Next question, Senator Cook.

Senator COOK—As soon as I reply to the minister, I get cut off. Thank you, Mr Chairman.

CHAIR—No. You just keep trying to provoke the minister, so I am asking you to ask questions.

Senator COOK—Mr Hadgkiss, did the complaint of the person who made this statement go to prosecution?

Mr Hadgkiss—I am not sure. As I said in evidence last week, these are the result of files that have been closed and it prompted the customer service officer to call the people in the circumstances.

Senator COOK—You are not sure whether the complaint, from which this and the other unsourced quotes have been drawn, has gone to prosecution?

Mr Hadgkiss—They could have gone to prosecution. They could be from employers, employees, employer associations—I am unsure.

Senator Abetz—Mr Chairman, may I assist the committee—

Senator COOK—You are probably not going to assist the committee.

Senator Abetz—What we are dealing with is this quote:

IR in the building industry is the law of the jungle.

This is what is being questioned by the senator—whether there is any basis to that assertion being made. Immediately underneath that quote is an extract from the Hobart *Mercury* where a building union official, Mr Benson, is quoted as saying ‘industrial police would probably have bricks dropped on them from a great height’. I do not know what Senator Cook’s definition of the ‘law of the jungle’ is, but out of a unionist’s own mouth we have heard that bricks would probably be dropped on the task force. Now, if that is not the law of the jungle, I do not know what is. We have got the evidence right before us as a committee in this report black on white. Mr Benson has never suggested that he was misquoted in that article and I would have thought the record stands for itself.

Senator COOK—If that is the flimsy basis that the government wants to argue—

Senator Abetz—It is not flimsy; it is very serious to have that threat made.

Senator COOK—No, it is a very flimsy basis.

Senator Abetz—The chances are it would bounce off you, Senator Cook—

Senator COOK—Thank you for the gratuitous insult.

Senator Abetz—but for most people it would result in a serious injury.

CHAIR—Order, Minister!

Senator COOK—Are you prepared to tolerate gratuitous insults, Mr Chairman?

CHAIR—No, I have called the minister to order. Can you ask your next question.

Senator COOK—Did any of these quotes become part of a case that went to trial?

Mr Hadgkiss—I am unsure.

Senator COOK—Would you take that on notice and check?

Mr Hadgkiss—Yes.

Senator COOK—Would you advise the committee whether any did?

Mr Hadgkiss—We have six matters now completed before the courts.

Senator COOK—Yes, I know. My question is: you have put these quotes in, you will not source them, you will not indicate which state they are from, you will not indicate the type of person who is the complainant—whether they are a worker, a union, an employer, an academic, an observer. The only way we can know if there is any validity is if these quotes, or the people who have raised them in the context of their complaint, have been examined properly, and that is in a court.

Senator Abetz—And that is your attitude to the stolen generation report as well, no doubt.

CHAIR—Minister, that is not relevant.

Senator COOK—And we are to take you on face value about all of this, Mr Hadgkiss. Was the person referring to the housing sector of the industry?

Mr Hadgkiss—I will take that on notice. I do not think so.

Senator COOK—In any of the unsourced quotes, did you investigate whether those persons had been guilty of underpayment of wages?

Mr Hadgkiss—Not to my knowledge, no.

Senator COOK—Did you investigate as to whether those people had several offences or breaches of the occupational health and safety act?

Mr Hadgkiss—I would not have those powers.

Senator COOK—Did you bother to find out?

Mr Hadgkiss—I do not have those powers, Senator.

Senator COOK—Do you know whether these people paid their taxes properly?

Mr Hadgkiss—Again, I do not have the powers to find that out.

Senator COOK—Do you know whether these people contributed to training for the industry?

Mr Hadgkiss—No.

Senator COOK—Nor did you find out any of this information.

Mr Hadgkiss—I do not have the power, Senator.

Senator COOK—You could have asked—

Mr Hadgkiss—I am asking for the powers, yes.

Senator COOK—No, you could have asked them when they made the complaint.

Mr Hadgkiss—No.

Senator COOK—No, you did not ask them.

Mr Hadgkiss—Because I do not have the powers to ask them.

Senator COOK—Ha, ha!

Senator Abetz—Let the record show that Senator Cook is laughing at his own joke; nobody else is.

Senator COOK—As I recall, last Monday week you said—I do not have your quote in front of me and I am paraphrasing; so please correct me if I am wrong—words along the lines that you wrote the report with the assistance of one other person from the task force. You then said something like ‘it’s a coppers report’ or ‘it’s a police type report’.

Mr Hadgkiss—It is on the record.

Senator COOK—Yes.

Ms Bennett—Mr Hadgkiss confirmed that is what he said.

Senator COOK—What were the actual words?

Ms Bennett—The transcript reads:

One criticism that has been levelled at me is that it was written in police speak. I make no apologies for that. It was written by me, based on 34 years of law enforcement experience.

Senator COOK—Would that be in ‘police speak’ as far as an officer of the police force giving evidence is concerned?

Mr Hadgkiss—No.

Senator COOK—No, it wouldn’t be. When an officer of the police force gives evidence, they give time, dates, locations and circumstances, don’t they?

Mr Hadgkiss—I do not know; I do not know what you are talking about.

Senator COOK—I understand you are a former police officer, Mr Hadgkiss.

Mr Hadgkiss—Correct.

Senator COOK—You are more familiar than I am with police processes and procedures. I have only been, from time to time, an observer in the magistrates court. When I see police give a report, they stand up, open their pad, ask permission to quote from it and say: ‘So and so was proceeding on such and such a date in such and such a place. They were doing this, that and the other.’ They provide verification of what they report, don’t they? That is a police report as I understand it.

Mr Hadgkiss—I have nothing to add.

Senator COOK—That is what police report, isn’t it?

Mr Hadgkiss—No.

Senator COOK—No?

Senator Abetz—That is giving evidence in a court of law; this is a report to the minister. To try and equate the two is quite bizarre.

Senator COOK—I thought there was a natural anomaly between this being characterised as a police type report when there is no verification in this report at all.

Senator Abetz—Stop verballing him.

Senator COOK—It is uncheckable. This is a report, as far as you are concerned, on facts, Mr Hadgkiss?

Mr Hadgkiss—Yes.

Senator COOK—Why do you enter into political debate in your report?

Senator Abetz—That is a subjective question which is going too—

CHAIR—It certainly is, Minister.

Senator COOK—Okay, let me direct Mr Hadgkiss to the last paragraph on page 5 in which Mr Hadgkiss ventures an opinion for the enlightenment of all of us. He says:

It is held by some that the most suitable remedy for addressing the culture of lawlessness is to implement a consultative approach by facilitating ‘roundtable’ discussions ...

He then goes on and dismisses that notion. What has that got to do with the work of the task force?

Mr Hadgkiss—That is our experience.

Senator COOK—That is an experience of the task force?

Mr Hadgkiss—Yes.

Senator COOK—You have been involved in convening roundtable discussions?

Mr Hadgkiss—This is an experience of what members of the industry tell the task force.

Senator COOK—It is not said there. It is said in your own voice, as if it is your opinion.

Mr Hadgkiss—It is my judgment based on my experience and the experience of the members of the task force.

Senator COOK—Who did you interview to form this opinion?

Mr Hadgkiss—As I said, we had some 1,600 calls from people complaining to the task force who purport—

Senator Abetz—And the findings of the royal commission. I would imagine it would assist in coming to the conclusion too.

Senator COOK—You are getting into the realm of policy here, which does not seem to be your remit, but nonetheless you have done so on the basis of complaints. Have you taken any proactive action to assess whether that statement is justified or not?

Mr Hadgkiss—I have spoken to the industry at length.

Senator COOK—You are aware of the roundtable discussions that led to the agreement that covered the Olympic Games construction in Sydney?

Mr Hadgkiss—Not intimately, no.

Senator COOK—You are aware that the industrial record of that construction was probably the shining example of industrial peace in Australia? Low accident rates, low disputation, sites delivered on time and within budget. You are aware of that though, aren't you?

Mr Hadgkiss—I am not familiar with that. It is before the creation of the task force.

Senator COOK—Before making a general statement about whether roundtable discussions to seek common ground to solve problems does not work, wouldn't that have been a reasonable example to examine?

Ms Bennett—The royal commission highlighted that there were quite outstanding examples where construction occurred in Australia on time and on budget and through different industrial arrangements. What the royal commission was drawing was that was not the norm of behaviour in the industry and certainly concluded that if those role model behaviours could occur throughout the whole industry, then there would not be the problems that exist at the moment. Drawing on the success of the Olympics demonstrates what the potential is, as the royal commission pointed out, for the industry.

Senator Abetz—There is always the exception that proves the rule.

Senator COOK—What hopelessness. That remark made under my breath was aimed at you, Minister, not at Ms Bennett.

Senator Abetz—I did not hear it.

Senator COOK—I just said, ‘What hopelessness.’ It seems to be good public policy that, when something works, you take that example and extend it.

Senator Abetz—Like Spencer Street Station.

CHAIR—Do you have a question, Senator Cook?

Senator COOK—Yes. The minister decided to change the nature of this discussion.

CHAIR—The minister has the right to intervene.

Senator COOK—And I do not?

CHAIR—You have the right to ask questions. That is what you have the right to do.

Senator COOK—The view put by Ms Bennett—which is, dare I say it, a fair enough view—is that there are examples where this has worked. Were you aware of that part of the royal commission’s findings, Mr Hadgkiss?

Mr Hadgkiss—I am not familiar with it, no.

Senator COOK—You are not familiar with the royal commission’s findings?

Mr Hadgkiss—Not that particular one, no.

Senator COOK—Do you now think that you should have been familiar with it before making the statement?

Mr Hadgkiss—All I am saying is that, in the experience of the task force, dispute resolution procedures are not adhered to.

Senator COOK—That is not what you say. You say:

... that the most suitable remedy for addressing the culture of lawlessness is to implement a consultative approach by facilitating ‘roundtable’ discussions between employers, unions and government.

Senator Abetz—Further up he quotes the National Secretary of the CFMEU saying that ‘virtually everything we do breaches the Workplace Relations Act’. How much more evidence do you want? Even from your own master’s mouth those words have been uttered. You are on very thin ground trying to defend this.

Senator COOK—I am not on thin ground. Here we have the task force making policy and commenting on policy, which is not their remit, which has now been demonstrated—

Senator Abetz—They are not making policy.

Senator COOK—by the quotations given to us this morning by Ms Bennett that even the royal commission did not agree with.

Senator Abetz—Nor does Mr Sutton by the sounds of it. He acknowledges that ‘virtually everything we’—the CFMEU—‘do breaches the Workplace Relations Act’. Then we have an argument here as to whether the law of the jungle prevails in the industry when Senator Cook’s own masters are willing to say that on the public record.

Senator COOK—My masters are the electors. Let us get that straight.

Senator Abetz—No, they are not.

Senator COOK—Yes, they are.

Senator Abetz—It was the union infighting in Western Australia that determined your fate.

Senator COOK—No, it was not.

CHAIR—We are getting right off the point. I think it might be a good point to go to Senator Barnett, who also has some questions for the task force.

Senator BARNETT—Mr Hadgkiss, not so long ago Senator Cook asked you about your background as a police officer, a law enforcement officer. Can you give us a summary of your experience in law enforcement?

Mr Hadgkiss—My law enforcement career started in 1969 with the Royal Hong Kong Police. I remained there until 1977 when I joined what has now become the Australian Federal Police as a constable. In subsequent years I served on three royal commissions: the Williams royal commission into drug trafficking, the Stewart royal commission into the activities of the Nugan Hand Bank, and the more recent royal commission into the New South Wales police where I was the director of operations. I left there to become an assistant commissioner with the Federal Police, where I remained until 2000. I went to the National Crime Authority, now the Australian Crime Commission, and I have been on secondment as head of this task force since 2002. I hold two degrees, a Bachelor of Laws and a Master of Commerce. As a Winston Churchill Fellow I majored in organised crime. I have been a visiting fellow to Canada's largest law school, Osgood Hall, where I spent a winter semester in 1999 or 2000 at the Nathanson Centre for the Study of Organised Crime and Corruption.

Senator BARNETT—That is a good deal of experience. We appreciate that for the record. Obviously during that time you have seen a good deal of criminal activity and, I presume, a good deal of serious criminal activity. Is that correct?

Mr Hadgkiss—Regrettably yes, Senator.

Senator BARNETT—How would you compare what you have seen in your past experience to more recent times and your knowledge of the building industry in this country?

Mr Hadgkiss—It is as I record in this report we have discussed this morning. Lawlessness prevails. There has been no rule of law, based on the people we interact with.

Senator BARNETT—They are pretty serious comments and views, based on your experience, which is extensive. Can you outline a little further for us the 'lawlessness', as you call it, in the industry and how extensive it is? Can you give us some examples of some of that lawlessness?

Mr Hadgkiss—To me it is both systemic and endemic in its nature. It is a cultural problem, well entrenched, which will take no short period of time to rectify.

Senator BARNETT—That is an overview. I have had a long association with small business in my time prior to entering the Senate, and I have been a strong advocate for small business. Can you share with us your views in terms of the impact of this lawlessness, particularly on the small business sector around the country?

Mr Hadgkiss—Certainly small businesses that come to mind would be subcontractors who are sandwiched between head contractors and the militancy of employee groups—trade unions. These are the majority of the victims in the task force's experience.

Senator BARNETT—Can you expand on the impact of the lawlessness in this industry on small business, their employees and owners?

Mr Hadgkiss—A lot of small businesses, particularly, as I say, subcontractors, are victims and live in a world of fear and intimidation.

Senator BARNETT—Does that mean that they are forced into doing things that they would prefer not to do, which impacts on their productivity and their ability to employ people and their quality of life?

Mr Hadgkiss—Correct, Senator.

Senator BARNETT—With regard to your current undertakings, can you advise, based on your officers' findings, on any particular cities or towns that are more problematic than others?

Mr Hadgkiss—I believe it is consistent with what Royal Commissioner Cole found. Melbourne would be the worst, followed by Perth, but no CBD is spared.

Senator BARNETT—You are saying no CBD is spared.

Mr Hadgkiss—Correct, Senator.

Senator BARNETT—Can you provide some examples of where task force officers have been subjected to intimidation in the work that they have been undertaking? Have there been any intimidation or threats actually on the building sites in the course of their work?

Mr Hadgkiss—The experience of intimidation exists. My officers have experienced it in each jurisdiction, Senator. There is no respect for the law.

Senator BARNETT—What sorts of intimidation do they face?

Mr Hadgkiss—Such as is displayed on page 7 of my report and also in my executive summary. In the third paragraph from the bottom in my executive summary, I say:

The Taskforce continues to receive reports that union officials extort money and services in return for industrial peace on building sites. The Taskforce is particularly alarmed about elements of organised crime operating within the industry.

On page 7, these posters and other material are an indication of the intimidation and humiliation et cetera to which my officers fall victim.

Senator BARNETT—Can you describe to us what is in those posters?

Mr Hadgkiss—For instance, we have my officers described as 'task force goons' and the advice to members is to 'tell them nothing, take them nowhere, drop them halfway'. I am described in fairly unflattering terms; I am the construction worker. We have the investigator who has been the subject of questioning this morning and overnight. Posters still exist, and indeed signs are put on militant worker's hats, warning: 'Abbott's workplace rats are after your union wages and conditions', 'Drive out these rats' and 'Shed up and don't go back to work until Abbott's rats have left the site'. Despite the fact that the then Minister Abbott has moved on, these notices prevail. Indeed, as I mention in one report, when a site manager removed such a poster he was unceremoniously marched off the site by a union official. A subsequent union newsletter stated that the site was then shut down for 48 hours in protest and the site manager was transferred to another site for his troubles.

Senator BARNETT—Are you saying that is typical of the CBD or some of the building sites that you have been involved with?

Mr Hadgkiss—It is endemic in the CBD, yes.

Senator BARNETT—So what you have just been explaining to us is endemic around the country?

Mr Hadgkiss—That is what my investigators experience.

Senator BARNETT—Do your investigators experience any fear for their personal wellbeing and their safety?

Mr Hadgkiss—There have been calls, which have been reported to police, of an intimidatory nature.

Senator BARNETT—Are they quite serious matters?

Mr Hadgkiss—I do not think anyone likes receiving nasty phone calls.

Senator BARNETT—Is that just a one-off or would that have occurred more than once?

Mr Hadgkiss—A number of investigators have received such phone calls.

Senator BARNETT—What is behind it? Can you describe or share what your thinking is as to what is behind this intimidation and the motives for it?

Mr Hadgkiss—It is a natural progression, in my experience, that where a law enforcement agency enters into a world of lawlessness it will be heavily resisted and the law enforcement agency will be undermined, derided and ridiculed.

Senator BARNETT—You mentioned in your earlier answers the concern about organised crime and its tentacles reaching into the building industry and the building sites and about the involvement of the unions. What is the link there and what are the unions doing to differentiate themselves or address these issues that you have put to us?

Mr Hadgkiss—In terms of the betterment of the situation?

Senator BARNETT—Yes. Where do the unions sit in your analysis?

Mr Hadgkiss—There has been information provided to the task force when certain organised crime elements have been used by those parties.

Senator BARNETT—Do the unions that you or your officers have been involved with actually tolerate this type of intimidation and this type of behaviour?

Mr Hadgkiss—It is not tolerated; they are the perpetrators.

Senator BARNETT—So the unions are in it up to their necks. Is that the way you would describe it? How else would you describe it?

Mr Hadgkiss—That would be a fair description.

Senator BARNETT—What sort of unions are we talking about? Can you describe some of the unions?

Mr Hadgkiss—The unions associated with the building and construction industry in the CBD areas.

Senator BARNETT—So you would say this is a very serious matter. What is being done to address some of these concerns? Have you talked to the unions? What has been their response?

Mr Hadgkiss—It is not serious; it is critical—and, yes, I have spoken to senior union officials.

Senator BARNETT—So you are saying that there is a direct link between the organised crime that you talked about earlier and the unions involved in the building industry?

Mr Hadgkiss—There have been connections, yes.

Senator BARNETT—How close are these connections?

Mr Hadgkiss—As I say, there is an association. I have to be careful here because my last position prior to taking up this one was with the National Crime Authority. I base that judgment on my knowledge there. I was also the liaison officer between the National Crime Authority and the Cole royal commission on all matters pertaining to organised crime.

Senator BARNETT—Do you ever have any fears for your safety and personal wellbeing?

Mr Hadgkiss—More for my family.

Senator BARNETT—So it must be a somewhat stressful job at times.

Mr Hadgkiss—Frustrating, Senator.

Senator BARNETT—In your understanding and experience, what are the unions doing to encourage good behaviour in the building industry? Is anything being done? Is something being done?

Mr Hadgkiss—I think people at a senior level say they wish the industry to be cleaned up. It is a matter of talking the talk but perhaps not walking the walk.

Senator BARNETT—An onlooker would say that proper and acceptable behaviour should exist in all respects, including on building sites. You are saying that really very little is being done to address that type of behaviour.

Mr Hadgkiss—I have quoted one such national secretary in this report and referred to his attitude towards the status quo.

Senator BARNETT—What do you think they get out of maintaining the status quo? Where are the benefits for these people?

Mr Hadgkiss—It is all about profit. It is all about money.

Senator BARNETT—So it is about greed, is it?

Mr Hadgkiss—I am afraid so, yes.

Senator BARNETT—Is that what is motivating these union officials and others that are involved in this behaviour, including the organised crime?

Mr Hadgkiss—That is correct.

Senator BARNETT—Your view is that it is endemic, systemic and rife.

Mr Hadgkiss—Absolutely.

Senator BARNETT—Over the last 20-odd years there have been a number of calls such as, ‘Let’s have a consensus to try to address these problems so that they can go away.’ There have been numerous attempts by governments of all flavours, but they have not really got anywhere. Do you think another talkfest is the way to go or are there other options?

Mr Hadgkiss—My view is completely aligned with Royal Commissioner Cole’s.

Senator BARNETT—What effect would additional powers for your task force have on the industry?

Senator COOK—That is hypothetical. No additional powers have been specified.

Mr Hadgkiss—That is set out in my report, Senator Barnett.

Senator BARNETT—What do you say in your report?

Mr Hadgkiss—We are seeking powers in line with the bill that is currently before the Senate.

Senator BARNETT—It is in your report that you support those additional powers.

Mr Hadgkiss—From page 17 onwards, under the heading ‘Need for greater powers’, I talk about the history of the enforcement provisions. I talk about the paucity of the current powers and the impediments to successful investigations and prosecutions. I give case studies and then I give a conclusion and recommendation.

Senator BARNETT—So you are saying that those additional powers as per your report are required to more comprehensively address the systemic problems within the industry.

Mr Hadgkiss—Yes.

Senator BARNETT—Can you advise us what the effect on the industry will be if those powers are not provided?

Mr Hadgkiss—The task force will continue the way it is going. I would like to think that the task force is effective, but it is not as effective as it needs to be to ensure that a lawful and harmonious nature prevails in this industry.

Senator BARNETT—What sort of time scale are we are looking at to address these problems? How quickly could we address the problems that are rife within the building industry if you had those additional powers?

Mr Hadgkiss—Again, Senator, it would depend upon the attitude of the parties and, again, I could not see this culture changing with light switch precision. It will take a number of years and certainly, as I say, it will take a change in attitude by the relevant parties—the employers and employer associations and the trade unions et cetera.

Senator BARNETT—So if you do not get those additional powers what you are really saying is that it would take a considerably lengthy period of time to address concerns, if they were fully and properly addressed at all?

Mr Hadgkiss—We will have the status quo.

Senator COOK—Mr Chairman, I note that you interrupted my line of questioning for Senator Barnett.

CHAIR—Senator Cook, I am entitled after you have wasted three hours to give other senators the chance to ask questions, which is what I have done.

Senator COOK—With due respect, I have not wasted any time. If questions had been answered we would have been finished by now.

Senator Abetz—For the record, it is quite normal in Senate estimates to hand over the questioning, sometimes at 15-minute intervals, between senators. I think we had hours last night and I do not know how long this morning. I think you have been more than fair to Senator Cook.

CHAIR—Absolutely, Minister.

Senator COOK—If the rules of the game were to hand over at regular intervals we would all know what the rules of the game were. Mr Hadgkiss, you cited your police record in response to questions from Senator Barnett.

Senator Abetz—Not ‘police record’ in the normal sense.

Senator COOK—No, of course I meant police career. I am not making any adverse comment about Mr Hadgkiss in terms of his police experience or qualifications or attainments. But as you said last Monday week, Mr Hadgkiss, you have no qualification whatsoever in industrial relations, do you?

Mr Hadgkiss—Correct.

Senator COOK—Do you equate industrial relations law with criminal law?

Mr Hadgkiss—In order to maintain harmonious industrial relations, obviously there should be no criminal law breaches.

Senator COOK—There should be no criminal law breaches, and if there are the police force should enforce the criminal law, shouldn’t it?

Mr Hadgkiss—If the police force will react, yes.

Senator COOK—The police force is there to do that, isn’t it? That is its purpose.

Mr Hadgkiss—That is its purpose.

Senator COOK—Industrial law has been long regarded as a separate province from criminal law, hasn’t it?

Mr Hadgkiss—I am not familiar with that.

Senator COOK—You indicated that you have a law degree.

Mr Hadgkiss—Yes.

Senator Abetz—Mr Chairman, whilst we accept that Mr Hadgkiss has a law degree, I am not sure that asking this particular officer about the division between criminal law and civil law and whether the task force should be or should not be pursuing certain things is right. Mr Hadgkiss operates under administrative arrangements. These are decisions made by the government, and asking Mr Hadgkiss for his view on the way the law should be divided and whether industrial matters ought to be pursued in the industrial relations club or whether they

ought to be by criminal sanctions or civil law is a matter for government policy, not for Mr Hadgkiss.

CHAIR—I am sure Senator Cook's questioning is leading somewhere and I would ask him to move to it fairly quickly if he could.

Senator COOK—Mr Hadgkiss, you said to Senator Barnett that you are aware of money being extorted in return for industrial peace on building sites. Are you aware that in the 19th century that occurred and was in terms of strike action, which led to industrial relations law recognising the right of workers to withdraw their labour in certain circumstances?

Mr Hadgkiss—I was not around in the 18th century, Senator.

Senator COOK—No, I know that, Mr Hadgkiss. But we are all products of our age and we all know the history whence we came. To go on strike is to exercise coercion, is it not, by withdrawing labour?

Senator Abetz—Mr Chairman, once again, I cannot see the point in these sorts of hypothetical situations. There are, as I understand it, sanctioned strike actions sometimes and so to ask the bland question really invites a dissertation on the law, and if Senator Cook is interested in that I suggest he enrol in industrial relations law somewhere, but this is not the place to obtain that information.

CHAIR—Senator Cook, I invite you to get to the point.

Senator COOK—Thanks for the gratuitous insults. I notice you have tolerated them, Chair.

CHAIR—If you could, get to the point, Senator.

Senator Abetz—I thought I was being very soft and tolerant.

Senator COOK—Mr Hadgkiss makes these remarks as though strike action or lockouts are not extortion or intimidation—coercion in those senses.

CHAIR—Do you have a question for the officer?

Senator COOK—I note for the record that he declines to answer.

CHAIR—This is the estimates, Senator. It is not a history lesson, so just ask—

Senator COOK—If someone would answer a question, we would make a lot—

CHAIR—Ask a sensible question. I am sure they will answer it.

Senator COOK—With respect, Chair, I have asked sensible questions and they have not been answered. You regard yourself as part of a law enforcement agency, Mr Hadgkiss?

Mr Hadgkiss—I would call it that, yes. We are trying to uphold the law.

Senator COOK—A law enforcement agency: is that set down in the ministerial direction?

Mr Hadgkiss—I am sorry?

Senator COOK—In the ministerial direction under which the Building Industry Taskforce is established, is it set down as a law enforcement agency?

Mr Hadgkiss—I do not think so.

Senator COOK—Then why do you hold your task force to be one?

Mr Hadgkiss—Because that is what we are trying to do. We are trying to uphold the law on building and construction sites throughout Australia.

Senator COOK—But not without fear or favour—selectively?

Mr Hadgkiss—That is correct.

Senator COOK—I will not go through all of Senator Barnett's questions because several of them traverse ground which has been traversed before. There is no point, since the arguments about those matters are well known, in simply regurgitating them. What you did say—and I want to be very careful about this because it is quite an important element of this debate. I was privileged to be part of the Senate inquiry. We went to every state in Australia. We asked the Master Builders Association, employers and unions in each state what the criminal involvement was in the building industry. The record shows that their evidence was that there is none. You are saying that there is criminal involvement.

Mr Hadgkiss—I have answered and I have nothing to add. That is my experience.

Senator COOK—So they are all wrong.

Mr Hadgkiss—I do not agree or disagree.

Senator Abetz—If I may clarify an issue, Senator Cook asked whether or not the task force is a law enforcement agency. In the charter, the role of the task force is 'to secure lawful conduct throughout the building and construction industry'. Securing lawful conduct might, in some people's terminology, be akin to law enforcement. We can play semantics but really 'to secure lawful conduct' or law enforcement I would have thought is very similar to most—

CHAIR—Thank you for clarifying.

Senator COOK—It is a big debate because the Constitution provides a head of power to prevent and settle industrial disputes going beyond the borders of one state. How that is done is the key question.

CHAIR—Do you have a question?

Senator Abetz—Your questions were about whether or not it is a law enforcement agency and I have just indicated that the charter indicates—I have just read it out—that the task force is 'to secure lawful conduct'. I would have thought that is very similar if not identical to law enforcement.

Senator COOK—Your evidence to Senator Barnett a moment ago, Mr Hadgkiss, was that it is all about money and profit.

Mr Hadgkiss—That is correct.

Senator COOK—You were asked, 'Are they lining their pockets?' You gave an affirmative reply to that, did you not?

Mr Hadgkiss—That is my experience.

Senator COOK—Who are 'they'?

Mr Hadgkiss—They would be certain trade union officials.

Senator COOK—Do you have any evidence that certain trade union officials are engaging in activity in order to line their own pockets?

Mr Hadgkiss—As I have said, we do not have the power to get those matters before the court.

Senator COOK—That is not my question. Do you have any evidence?

Mr Hadgkiss—We have strong allegations to that effect.

Senator COOK—You have allegations? We know from the allegations that have been made about the conduct of the task force that according to your standards allegations have to be made specifically, in detail and on notice. If those allegations are true, that is a police matter, isn't it?

Mr Hadgkiss—I have no reason to doubt these allegations.

Senator COOK—I am not questioning whether you doubt them but, if those allegations are true, that is corrupt behaviour and a matter for police, isn't it?

Mr Hadgkiss—We do refer matters to the state police.

Senator COOK—How many prosecutions have been taken by the police?

Mr Hadgkiss—That is a matter for the state police.

Senator COOK—Do you happen to know how many?

Mr Hadgkiss—That is set out in my report.

Senator COOK—How many matters dealing with people 'lining their own pockets' have you referred to the state police?

Mr Hadgkiss—I think there is an answer to a question on notice from the last Senate estimates to that effect. A number of matters certainly have been referred to state police including extortion, blackmail—

Senator COOK—I understand that you are saying that; I want to know how many.

CHAIR—On that point, from the evidence we received on the Senate inquiry, isn't it true that police officers are very reluctant to go onto building sites?

Mr Hadgkiss—I have no experience of police officers actually going on a building site, so that is a fair description.

Senator COOK—If you do not recall the actual number can you give us a ballpark figure? I will not hold you to it.

Mr Hadgkiss—Some 21 briefs of evidence have gone to external agencies ranging from state police, state entities, ACCC, Australian Securities Investment Commission and so on.

Senator COOK—Let's do the countdown. You would not have referred a matter to the ACCC where you believed there was an allegation worthy of further investigation about union officials lining their own pockets, would you?

Mr Hadgkiss—No.

Senator COOK—And you would not refer that to the securities commission either, would you?

Mr Hadgkiss—Not necessarily; that would be mainly phoenix companies.

Senator COOK—Effectively, an allegation of that sort would go to the state police.

Mr Hadgkiss—Yes.

Senator COOK—How many of those have been referred?

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

Senator COOK—You are suggesting that a number have been referred but you do not want—

Mr Hadgkiss—Where we are able to gather the evidence and people have been willing to testify, a brief of evidence has left the task force and gone to the relevant police force.

Senator COOK—And the police force have the power of investigation—this is a criminal offence, isn't it?

Mr Hadgkiss—Yes.

Senator COOK—How many matters that have been referred—we do not know the number, but you will get back to me with that—have gone to prosecution?

Mr Hadgkiss—I set that out in my report. My experience is that there is a reluctance on the part of state police to take action.

Senator COOK—But these are criminal matters and you have prepared the brief and given it to them. In fact, it is a gift wrapped piece of evidence, in your submission, to the police.

Mr Hadgkiss—But, as I point out in my report, it is the experience of the task force that the local police talk victims out of complaining.

Senator COOK—It is also the truth that if the police think there is a case they refer it to the director of public prosecutions in their state and the case is reviewed by the director to see whether it will proceed.

Mr Hadgkiss—That would be the proper course of action.

Senator COOK—Have any cases at all proceeded to the courts?

Mr Hadgkiss—I am not familiar with that.

Senator COOK—Couldn't it equally be the case that the evidence does not stand up?

Mr Hadgkiss—That sometimes happens. The victims withdraw their complaint; they just do not want to go on with it.

Senator COOK—Or, upon closer inspection, the evidence does not exist.

Mr Hadgkiss—No, before a brief of evidence would leave the task force it is scrutinised by our lawyers and not just the word of investigators.

Senator COOK—Yes, but it goes through the filter of the DPP in each state.

Mr Hadgkiss—No, from my lawyers it would go to the relevant police force.

Senator COOK—How many matters that you have referred to the police have been referred to the DPP?

Mr Hadgkiss—I do not know. Once it goes to the police force it is out of the hands of the task force.

Senator COOK—But you say that none of them have gone to prosecution.

Mr Hadgkiss—I am not sure. I do not know. Once it leaves us and goes to the police force it is a matter for the state police.

Senator COOK—But it is equally possible, isn't it, that the evidence upon review does not justify a prosecution?

Mr Hadgkiss—Certainly if the witness is talked out of complaining, there is no evidence.

Senator COOK—Even if the witness is not talked out of complaining, as you propose.

Mr Hadgkiss—That is not my experience.

Senator COOK—It is not your experience?

Mr Hadgkiss—With these matters, no.

Senator COOK—But you have just given us evidence that you do not know how many have been proceeded with.

Mr Hadgkiss—There have been a number—

Senator COOK—But you do not track what the police refer to the DPP.

Mr Hadgkiss—When unable to, the police will invariably not give feedback to the task force.

Senator COOK—It is easy to make a general assertion, Mr Hadgkiss, but the facts do not necessarily support you. That is unfortunate.

Senator Abetz—There is a wealth of information in the royal commission, if you are interested in that, rather than being desperately defensive of the corrupt practices in the industry.

Senator COOK—None of it tested at law—that is the whole point. It is easy to smear and to make these assertions, but the check is what actually succeeds. The record is very little indeed.

Senator Abetz—I suppose no drug dealing takes place either, Mr Chairman.

Senator COOK—Industrial relations is not the same as criminal law, Minister. You should understand that.

Senator Abetz—You were just asking about criminal prosecutions and why there was not a particular number. We still do not know the particular number, but we all know about the drug scourge on our streets. Unfortunately a lot of information that is to hand cannot lead to prosecution because people are intimidated. If criminal behaviour is involved, it is not surprising that certain elements will intimidate witnesses or ensure that witnesses do not come forward.

Senator COOK—I just happen to believe working men and women are entitled to a fair remuneration in a safe environment with access to training and should pay their taxes.

Senator Abetz—Like the union with the \$10 million fund.

Senator COOK—I happen to believe that, and they should not necessarily have to put up with being stigmatised in the manner in which they have been by this report.

CHAIR—Do you have another question, Senator?

Senator Abetz—And the royal commissioner and all the employers—

Senator COOK—Yes, and the royal commissioner.

Senator Abetz—and all the small subcontractors who have made complaints.

CHAIR—Can we return to questioning? Senator Cook, you have the floor to ask a question.

Senator COOK—Certainly the royal commission. I want to go to another matter that is referred to in your report. I might take a moment to find my place here, Mr Chairman, so if any other members of the committee have questions it is probably an appropriate time.

Senator MARSHALL—During the discussion about covert recording last night, I do not think you actually got around to answering the question about what constitutes exceptional circumstances for covert recording. It was a question we talked about, but you never indicated to the committee what they actually are. Can you take us through that?

Senator Abetz—We did not because it was considered to be hypothetical. The evidence was that each case would be decided on its merits.

Senator MARSHALL—That was partially the evidence given, but the evidence was very clear that there would need to be exceptional circumstances. You said that quite a few times.

Senator Abetz—That is right.

Senator MARSHALL—So I ask you: what are those exceptional circumstances?

Mr Hadgkiss—It is a matter for the deputy director of operations to judge each matter on its merits based on his experience, and probably legal advice as well.

Senator MARSHALL—Is he here?

Mr Hadgkiss—No.

Senator MARSHALL—Can you obtain that information from him and advise the committee?

Mr Hadgkiss—But it is on a case-by-case basis.

Senator MARSHALL—I understand that, because each case will be different and there will be different circumstances that apply. But you clearly indicated that there are a set of exceptional circumstances, and I would like you tell us what the exceptional circumstances are.

Senator Abetz—With respect, I am not sure that the witness said that there was a special or a clear set of exceptional circumstances. All we were told was that in exceptional circumstances it may be allowed and each circumstance would be decided on its merit and

then determined whether or not it might fit into the broad definition of exception based on legal advice and the view of the deputy director. But to try to make up scenarios today as to what might be in or out on the basis of hypotheticals is something I thought we had dealt with last night.

CHAIR—There have been a number of rulings on that.

Senator MARSHALL—I have not put any hypotheticals; I am simply asking what constitutes the exceptional circumstances required for the covert recording of people under investigation or witnesses.

Senator Abetz—There is nothing further to add to what was said last night.

Senator MARSHALL—The question was not answered last night. Is the answer that you do not want to answer the question?

Senator Abetz—No.

Senator MARSHALL—Mr Hadgkiss has indicated that that information is available but that it is with somebody else—

Senator Abetz—No, somebody else is the decision maker.

Senator MARSHALL—Somebody else is not here, and I am asking whether the witness is prepared to obtain that information from that somebody else who is not here to advise the committee.

Senator Abetz—Senator Marshall is misunderstanding the evidence again. It is not that the information is with somebody else; it is the deputy director of operations who will ultimately make the decision. The use of tape recording and video equipment which is concealed will be allowable only in exceptional circumstances in accordance with the legislative constraints and then only with the approval of the deputy director of operations. That is basically the evidence that was given last night. Going into what may or may not constitute exceptional circumstances is singularly unhelpful and it is not something that we can traverse this morning.

Senator MARSHALL—I do not accept that, Minister. There are guidelines which indicate that there needs to be a test or threshold that has to be passed in order to conduct covert recordings. All I am asking is: what is that test and what is that threshold? Again, Mr Hadgkiss has indicated that that information resides with somebody else, and I am asking him—

Senator Abetz—No, not information—decision, not information.

Senator MARSHALL—Can someone tell me what is the test and what is the threshold to constitute exceptional circumstances?

Senator Abetz—The test is exceptional circumstances, and how that will be decided upon by the deputy director of operations will be determined in each individual case on all the facts presented on each and every occasion. To try to say out of the blue what would or would not be ruled in or out would oblige us to be here all day. Also, I could imagine that the permutations would be so large that we could be here all year.

CHAIR—I think you have your answer, Senator Marshall. Can we move on?

Senator MARSHALL—I do not actually have an answer.

CHAIR—You have an answer.

Senator MARSHALL—I think it is being indicated that I am not going to get an answer to that question. Is that the case?

CHAIR—Order! The minister has the prerogative to answer the question in the way he sees fit. He has answered the question, so you are just wasting time, Senator Marshall.

Senator MARSHALL—He has made a statement; he has not actually answered the question that I asked.

Senator Abetz—It is logical that we cannot countenance or traverse every single possible circumstance or scenario. When the deputy director of operations is clothed with all the facts then he will make the determination whether or not it fits into exceptional circumstances and within the relevant legislative frameworks. I think there was evidence last night, for example, that the legislative framework may vary from state to state. Therefore, to answer what Senator Marshall has just asked at large—what might be an exceptional circumstance and what legislative framework would apply?—we would have to go through each state and territory. We would be here forever and a day. It is just not a useful discussion, with respect.

CHAIR—So could we move on, Senator Marshall?

Senator MARSHALL—The word has been put in there to establish a test. What is the point of having the word ‘exceptional’ in there if there is no measurement and you cannot give me any idea of why that test is in there? Why was the word ‘exceptional’ put in those guidelines if it has no meaning?

Senator Abetz—In the law it is well known to have tests like this that you cannot pin down. For example, the reasonable man test is often used in the law. Senator Marshall could come in here and say, ‘Right, what is your definition of ‘reasonable man’ in every circumstance?’ No court of law would ever give a ruling on what a reasonable man would be, would decide or would agree upon in every particular circumstance. Similarly with the term ‘exceptional circumstance’. It is one of these terms that is used in the law to describe a situation where there are a whole host of scenarios that might apply and you cannot nail down each one of them specifically, so you have to have a broad test of reasonable man or exceptional circumstances. It is like with drought relief—we have exceptional circumstances. What is an exceptional circumstance? The minister for agriculture will not tell you until such time as an actual application is made. It is quite common in the administration of the law that these terms are used without any specificity until such time as you have a specific example.

CHAIR—Senator Marshall, you have an answer. Would you move on, please?

Senator Abetz—I should be charging HECS fees for these law lectures. I thought that might fire up Senator Carr, but it didn’t!

Senator COOK—That was hopeless, Eric, really. Give it away, mate! If that is the best of your legal ability, you had better give it away.

CHAIR—Order!

Senator MARSHALL—In the instances where covert recordings have been authorised, can you tell me what the exceptional circumstances were?

Mr Hadgkiss—I am not familiar with those.

Senator MARSHALL—Who would be familiar?

Mr Hadgkiss—The deputy director of operations. I do not recall it ever having been approved.

Senator MARSHALL—Can you check on that for us and obtain that information? If in fact it has been observed, can you advise what the exceptional circumstances were?

Senator Abetz—Can we take that on notice?

Senator MARSHALL—I ask that because the person who has the information is not here. That is why I am asking the witness.

Senator Abetz—Also, in taking it on notice, it may—and I am just thinking this through; the task force or the minister may well be of a different view—relate to an operational matter or an investigation and therefore it may not be appropriate to give that detail. That is all that I am flagging.

Senator MARSHALL—You will take the question on notice?

Senator Abetz—We will take it on notice and see what we can do.

Senator MARSHALL—You are also taking on notice the issue of whether you will answer the question. Is that what you are telling me?

Senator Abetz—Yes. I think that is appropriate.

Senator MARSHALL—Thank you.

Senator COOK—Mr Hadgkiss, in your report at page 5 you have a case study entitled ‘Commission orders workers to return to work’. You refer to a matter dealt with by Commissioner Harrison where he, in your words, ‘handed down a return-to-work order’. Have you quoted that case accurately?

Mr Hadgkiss—That was compiled by my legal staff. I would assume so.

Senator COOK—You take responsibility for it. It is your report, though.

Mr Hadgkiss—Yes. I was not there when Commissioner Harrison handed down his decision, no.

Senator COOK—Nor was I—nor, I guess, was anyone in this room—but what a commissioner hands down as an order is a document that we can obtain. This is a case study which leads us to believe there was a flouting of the orders of the commission. That is what this case study is about, isn’t it?

Mr Hadgkiss—It is as it is recorded there.

Senator COOK—Are you aware of what day it was that Commissioner Harrison handed down that order?

Mr Hadgkiss—No.

Senator COOK—Your report says it was 7 October.

Mr Hadgkiss—If it is said there, that is it.

Senator COOK—I have a copy of the order that Commissioner Harrison handed down, and it is dated 8 October.

Mr Hadgkiss—That may be so; I do not know.

Senator COOK—That is when the order is dated. So your report is wrong in terms of the date.

Mr Hadgkiss—When he handed it down and when he signed the order may be two different dates. I do not know.

Senator COOK—You say in this document that Commissioner Harrison of the AIRC ‘had already handed down a return-to-work order on the previous day, 7 October’. The date of his decision is 8 October.

Senator Abetz—I ask that a copy of that document be made available to us, so that we can ascertain the veracity of the document and that it does relate to this matter. It would help the witnesses.

CHAIR—Are you happy to table it, Senator Cook?

Senator COOK—I have my own writing on it and some prompt notes for myself, so I would rather not make this document available.

CHAIR—Do you have a clean copy available?

Senator COOK—This is the department of industrial relations—I am sure it has access to Commissioner Harrison’s orders.

Senator Abetz—I am sure it does—and all the other orders that have been made over the past 12 months, and they would undoubtedly fill up this room—and, surprisingly, the department did not bring them all along with them.

Senator COOK—I am not surprised that the department does not have a copy of the order at this hearing. This matter is the Master Builders Association of Victoria and the Australian Capital Territory and the Construction, Forestry, Mining and Energy Union and others, C2003/5834 and C2003/5928. It is a section 127(2) application to stop or prevent industrial action. It is a decision by Commissioner Harrison. In researching this, this is the only decision I can find of Commissioner Harrison that approximates to the description in the alleged case study that appears in this report. That is the reference; I am sure the department can obtain a copy of that order.

Senator Abetz—I am sure that it can, but it would be helpful to have it available immediately. This was a case involving which branch of the MBA?

Senator COOK—The Master Builders Association of New South Wales, Victoria and the Australian Capital Territory.

Senator Abetz—That is the same MBA that gave evidence about officers being threatened and intimidated on a weekly basis. That would be the same MBA, I think.

Senator COOK—I cannot verify that because I do not know about that. What I do know is that this is an application made to the Industrial Relations Commission—

Senator Abetz—That was evidence, as I understand it, to you, Senator Cook, in your committee in December last year. It is interesting that you were not aware of it.

Senator COOK—Have you decided to ask the questions at estimates, Minister, in order to avoid me asking mine?

Senator Abetz—I just want to correct the public record to save you having to come into the Senate to correct the public record yourself. I am just giving you some advance notice.

Senator COOK—I have not misled anyone.

CHAIR—The minister has the right to respond how he sees fit.

Senator COOK—I have not misled anyone.

CHAIR—Can we return to questions?

Senator COOK—I reject any allegation that I have misled.

Senator Abetz—But we have agreed that it is the MBA that has officers being intimidated.

Senator COOK—This is completely out of order.

CHAIR—Order! The minister is speaking.

Senator COOK—This is hopeless.

CHAIR—Senator Abetz.

Senator Abetz—I have finished.

CHAIR—Questions, Senator Cook?

Senator COOK—I am referring to the decision. Having referenced that decision, dated 8 October 2003, in Sydney before Commissioner Harrison, the decision discloses ‘alleged industrial action, opposition by union members to proposed changes to the Workplace Relations Act 1996 and evidentiary requirements to establish jurisdiction’. This is the decision that you are referring to, Mr Hadgkiss, in your case example?

Mr Hadgkiss—I do not know. It was an order made by Commissioner Harrison relevant to these circumstances.

Senator COOK—There is the problem: I cannot find an order made by Commissioner Harrison. The closest thing I can find is this decision made by Commissioner Harrison. I want to take you to what the decision says. I am happy to go through the whole lot, but that would just be time wasting. On page (iii), at point 9, he says:

The issuance of orders under s.127 of the Act is a serious step and potentially exposes the respondent to penalty for breach. It is a discretionary exercise by the Commission and the applicant bears the onus of satisfying the Commission as to the jurisdictional prerequisites.

Then he goes to point 10, which states:

Having regard to the submissions of Mr Pearce—

I understand he was the person appearing on behalf of the MBA—

I am not satisfied on the material before me that the jurisdictional prerequisites identified in subsection 127(2) have been established.

Then he goes to point 11, which states:

If I am in any way wrong on this point, I am still not persuaded that this matter is an appropriate case in which to issue the orders sought.

Then he goes to point 12, which states:

Even if I were to take a “*real world view*” as urged by Mr Calver for the MBA—

sorry, I may have misrepresented who Mr Pearce was, but I do not see a list of appearances here—

the absence of evidence and the vagueness of the orders sought mitigate against the Commission exercising its discretion in this instance.

Point 13 of his decision states:

Having regard to all of the circumstances and the matters set out above, the Commission dismisses the applications for Orders pursuant to s.127(2).

Your case study is headed ‘Commission orders workers to return to work’ and this sentence appears in it:

Commissioner Harrison of the AIRC had already handed down a return-to-work order on the previous day, 7 October, expressly stating that all workers were to return to work ...

That is not verified by the actual decision that you have acknowledged is the one that you have referred to in this case study.

Senator Abetz—Chair, until such time as we have the actual decision and the information before us, all we can reasonably do is take all that on notice, source this case study and try to put it together.

CHAIR—Of course, the department is at a disadvantage of not having any of this before it, so I think it is reasonable to take it on notice.

Senator Abetz—I refer the committee to a bit below that case study, where the national secretary of the CFMEU says, on the public record, ‘virtually everything we do breaches the Workplace Relations Act’. We have got it out of the mouth of the CFMEU National Secretary that that is their modus operandi. Whether the date of the decision be the 7 or 8 October—we can pick around those things—the fact is that the CFMEU seem to be proud of the fact that virtually everything they do breaches the Workplace Relations Act.

Senator COOK—That is not related to the questions I am pursuing at all and—

Senator Abetz—Yes, it is. It shows a code of conduct.

Senator COOK—there is no context to what Mr Sutton may or may not have said, and it is not verifiable in any way, so let us just go on with this.

Senator Abetz—What? Are you denying that is what he said?

CHAIR—Order! The senator is offering to go on.

Senator COOK—I do not know what Mr Sutton said; all I know is what Mr Hadgkiss says Mr Sutton said.

Senator Abetz—But you are not denying that it was said.

Senator COOK—I am conducting a line of questioning here about what the task force has said. It is very nice to try to divert it back onto me but—

Senator Abetz—No, you are conducting a line of trying to defend the indefensible.

Proceedings suspended from 10.43 a.m. to 11.04 a.m.

CHAIR—We resume consideration of our examination of the Building Industry Taskforce. I believe that the departmental secretary has a statement to make.

Dr Boxall—Earlier Senator Cook asked a question about the guidelines or delegation for the expenditure of moneys within the department. The staff have been able to pull together some information which I can provide. There are two guides on our intranet which are of relevance to petty cash. One is a practical guide for petty cash and the other is a practical guide for spending public money. Both are underpinned by our chief executive instructions and delegation limits under the Financial Management and Accountability Act. Officers of different levels will have different levels of delegation to spend public money, including petty cash. The petty cash guide, in summary, states:

Petty cash can only be used for low value purchases, generally less than \$50. If a purchase would be greater than that then normal process is to purchase the item using the credit card or raise a purchase order.

It goes on to state:

Costs are reimbursed from petty cash on receipt of an acquittal from the officer making the claim, including supporting documentation such as a receipt or a petty cash supporting form. On receipt of the acquittal the petty cash officer has the delegation to reimburse the claimant.

Our practical guide on the spending of public moneys, which includes petty cash, states:

The expenditure must be consistent with the purpose for which the money was appropriated and represent value for money. In addition, all practical guides state that staff are subject to a number of requirements, including the Financial Management and Accountability Act, the APS Code of Conduct and APS Values and any other relevant legislation.

In the case of the delegations, in the Building Industry Taskforce there is a delegation for the group manager, who is Mr Hadgkiss. The departmental expense for delegation for Mr Hadgkiss is \$1 million and that is consistent with the delegation of other group managers. For the deputy director of operations—a position that has been referred to in evidence, which is an executive level 2 position—the delegation is \$50,000. The task force has an administrative officer, an EL1, I believe, for whom the delegation would be \$20,000. I think that makes it fairly clear that these officers have delegations for much higher than the petty cash limit. Petty cash is normally for small items of, say, \$50 or less, accompanied by relevant receipts and documentation. The expenditure must be consistent with the purpose for which the money was appropriated—in other words, expenditure must be consistent with achieving, in this case, the departmental expense for achieving output 2.2.8.

Senator COOK—Thank you for providing that information. Is it possible to make the document from which you were quoting available to us?

Dr Boxall—My staff advise not to table the intranet document. One reason for not tabling an intranet document is that the delegations actually name a number of relatively junior officers who have delegations.

Senator COOK—In my view, it is appropriate that the names of junior officers not be tabled. Is it possible to make that document available to us with the names of those officers removed?

Dr Boxall—We will take that on notice.

Senator COOK—Can I say, just for the sake of guidance, that in my experience on the Foreign Affairs, Defence and Trade Committee, when sensitive documents are being provided to the committee it is quite usual for the names of officers to be removed by the military in providing the documentation. That is an accepted practice. It is not the names we want to know; it is the issues of the document that we want to know.

Dr Boxall—I appreciate that intervention. We note that intervention.

Senator COOK—Turning to the low value purchases—that is, purchases less than \$50—reimbursement applies subject to a series of qualifications being met by the person claiming reimbursement. Those qualifications require that it be for the purpose for which the overall fund is provided. You said that is to achieve output 2.2.8?

Dr Boxall—Yes. To clarify that, parliament has appropriated money for outcome 2. The portfolio budget statement tabled by the minister shows a breakdown on page 53 of departmental appropriations. You might recall that we discussed that the amount for output 2.2.8, which is the Building Industry Taskforce, for next year is \$8.99 million. This says that expenditure must be consistent with the purpose for which the money was appropriated. Therefore, any claim for petty cash would have to be consistent with achieving that output, because that of course is what the money was appropriated for.

Senator COOK—Yes. In order to understand what the money is appropriated for, we should look at the role and purpose of the task force? Is that a shorthand way of saying it?

Dr Boxall—Yes. For example, in outcome 2 is ‘Higher productivity, higher pay workplaces’. Within that, output 2.2.8 is the Building Industry Taskforce. The Building Industry Taskforce has a charter, which has at least been discussed in previous estimates and it has probably been tabled. Therefore, the people who are exercising these delegations would have to satisfy themselves that an individual who made a claim for petty cash had a receipt or could substantiate it and that it was consistent with the purpose that the money was appropriated for.

Senator COOK—As you have said, they require a receipt but, as I heard you, there were a list of things that they had to have or could have, one of which was a petty cash acquittal form. Did I hear you say that?

Dr Boxall—Yes. It says here ‘costs to reimburse from petty cash on receipt of an acquittal from the officer making the claim, including supporting documentation such as a receipt or a petty cash supporting form’.

Senator COOK—Obviously, if the officer has purchased something, there is a receipt for that purchase. It is conceivable that in certain circumstances—and the regulations seem to

allow this—an expenditure occurred for which no receipt was available and it would require the officer to complete a petty cash acquittal form—I hope that is its correct title,.

Dr Boxall—A supporting form.

Senator COOK—If the officer then submits that petty cash supporting form and it is subject to output 2.2.8, then they can normally expect reimbursement.

Dr Boxall—That is correct.

Senator COOK—They would not always expect reimbursement.

Dr Boxall—No, because it may be that the person doing the reimbursement makes a judgment that that expenditure is not consistent with the purpose for which that the money was appropriated, or the person might make a judgment that the petty cash supporting form is not complete enough. There are instances—and this is not what you are asking, but I think it illustrates the point—for example, where somebody might be going on official business. They may pay for car parking at the airport, because they do not use a taxi, and they might lose the receipt. They would have to come back and sign off that that is what it was for and support it.

Senator COOK—Yes. We would have a rough idea in those circumstances—because all of us at one time or another have lost receipts of that magnitude—of what the cash value of that would be. It would seem to me that there is no guideline that would prevent the task force, if it deemed the activity was in conformity with output 2.2.8, to use the petty cash impressed account or whatever it is called to purchase information?

Dr Boxall—The people in the task force would have to make a judgment about whether (a) there is a receipt or a petty cash supporting form and (b) it is consistent with the purpose for which the money was appropriated, represents value for money and also that staff are reminded of their requirements under the Financial Management and Accountability Act, such as at section 44, that public moneys must be expended in a way that is efficient, effective and equitable. They would need to make a judgment about that. In the event that they made a judgment that indeed this expenditure was consistent with the purpose for which the money was appropriated and represented value for money, and indeed was consistent with requirements under the FMA Act, they could refund the moneys.

Senator COOK—Is this account audited?

Dr Boxall—This account would be subject to internal audit. In the event that the internal audit was doing that, it could be subject to audit by the ANAO, because the ANAO audits our books, as it does for every other agency.

Senator COOK—Do you know if this account has been audited?

Dr Boxall—My staff advise me to clarify that it is not an account as such but, to get to the crux of your question, petty cash is audited as part of the ANAO process for the financial statements.

Senator COOK—That audit is directed at whether or not the money has been expended in conformity with the guidelines.

Dr Boxall—That is correct.

Senator COOK—Not at the judgment as to—

Dr Boxall—The ANAO would have to see whether the money has been expended according to the chief executive instructions and the supporting guidelines, and they would have to see whether reasonable steps had been taken in order to ensure that the money was consistent with the purpose for which it was appropriated.

Senator COOK—But, in that context, a judgment by the responsible officer on whether a petty cash support form was consistent with 2.2.8 would not be something that the auditor would argue was fair or unreasonable. They would accept a judgment of the officer, wouldn't they?

Dr Boxall—I am advised by my staff that indeed the ANAO is able to question—

Senator COOK—I see. For expenditures above \$50, I think the guidelines as I heard you read them—and I did not take it down in detail—recommend that they be by credit card.

Dr Boxall—That is correct, Senator Cook. Like most agencies, we have a credit card for purchasing. We would expect that items above \$50 would be purchased on the credit card or that one would raise a purchasing order.

Senator COOK—Do I understand, therefore, that it is not possible to draw cash on the credit card to make a payment and that, if a payment that was necessary could not be made by credit card, a special purchasing order would have to be raised for that purpose?

Ms Graham—Essentially all purchases for items above the \$50 that we have used as a guide in the petty cash guide are purchased either by ordering—so through a straight purchase order—or are purchased on a credit card as tangible things. I do not believe there are any circumstances where an amount of cash is drawn for the purchase of something, because these days generally things can be purchased either through a purchase order or on a credit card.

Senator COOK—Yes, I understand that. Am I, therefore, to conclude that it is not possible, at a level above \$50, to make a cash payment in order to purchase, for example, information?

Ms Graham—It is possible to, in that you can draw cash on the credit card. Again, it has to be within the guidelines and within the purposes for which—

Senator COOK—Yes.

Ms Graham—So with the delegation that the person is using at that time, they still have to satisfy themselves of all the same things that they have to satisfy in the spending of public money. No matter which way you happen to get that money—whether you are spending it on a credit card, through a purchase order or in cash—all of those guidelines, which include, as Dr Boxall mentioned, the FMA Act and the APS code of conduct, still apply in the spending of public money.

Senator COOK—Yes, I understand that. Those expenditures are of course audited?

Ms Graham—Our financial statements are audited every year by the ANAO.

Senator COOK—By the National Audit Office?

Ms Graham—Yes, that is right.

Senator Abetz—The tenant of Centenary House.

Senator COOK—I knew that you could not resist it.

Senator Abetz—I could not resist, Senator Cook.

Senator COOK—In the hope that peace might break out, let me laugh along with you at your aside. The auditors report is of course available to us?

Ms Graham—The ANAO sign off on the financial statements in that there is a letter attached to the front of our financial statements and there is also a report tabled in parliament on the interim audit performed by the ANAO on each government agency.

Senator COOK—Thank you.

Senator Abetz—If I may return to the matter that was the topic of discussion before the morning tea adjournment and seek to assist the committee and just clarify a few matters. Inspector Clouseau told us that the date 7 October was undoubtedly incorrect because the order was made on 8 October. I am now advised that the hearing did in fact occur on 7 October and was adjourned at 5.40 p.m. on 7 October. Paragraph 2 in the body of the decision states:

During proceedings in Sydney on 7 October 2003 ...

Then paragraph 3 states:

The rallies and or meetings are scheduled to commence in Melbourne on 8 October, in Sydney on 9 October and in Canberra on 10 October ...

Clearly that is written about the future—that rallies and meetings are scheduled to commence—otherwise one would expect the commissioner may well have written: ‘The rallies and or meetings are scheduled to commence today in Melbourne.’ That I think is a moot point, but, as I understand it, the decision was handed down first thing on 8 October. It was a relatively short statement of reasons for decision, as the hearing actually took place on 7 October. Whether a direction is made by the commission on 7 or 8 October, can I indicate not much, in my respectful view, revolves around that.

What is, however, very interesting is that Senator Cook in going through this decision unfortunately did not take us to the bottom of page 2, where it states:

... I issue the following directions to the Unions.

1. Where the Unions provide transport to the scheduled meetings they should also provide transport back to employees’ work sites at the conclusion of the meeting.

It is interesting that the commission found it necessary to make such a direction. He continues:

2. All meetings should be advised that it is the Commission’s direction that normal work resume at the conclusion of the meetings.

Those are the directions of the Australian Industrial Relations Commission. It would have been very helpful if those matters had been put on the record prior to the questioning by Senator Cook having commenced, because it now puts it all in a completely different light. I would imagine that that case study now stands.

Senator COOK—I have not finished my questioning on this matter, Chair, but I thank the minister for jumping ahead and anticipating my next raft of questions. Now that he has saved

me from doing that, I go to what the case study says. The first of what has just now been said is to confirm in fact that the decision by Commissioner Harrison was issued in Sydney on 8 October, not on 7 October as stated in the case study. The sentence in the case study says, 'Commissioner Harrison of the AIRC had already handed down a return-to-work order on the previous day, 7 October.' What is now confirmed is that he had not and that he handed down his decision the next day. I am not saying that a lot turns on this, but it is wrong and the fact that it is a mistake is significant.

Senator Abetz—If not much turns on it how can it be significant, Chair?

Senator COOK—If I may finish, Chair.

Senator Abetz—He is contradicting himself and he is editorialising.

Senator COOK—We are invited to take so much on trust because so much of this is unsourced and uncheckable that when we are able to check something and we find an error, that is significant. The next part of this—

Senator Abetz—It is a strong case!

Senator COOK—It builds up and gets a lot better, don't worry.

Senator ABETZ—It would want to. You have got nowhere so far.

Senator COOK—We have already established that the report is wrong.

Senator Abetz—No.

Senator COOK—Yes; the date is wrong. The next part is what the case study says. An order of the Australian Industrial Relations Commission has a certain status. As the commissioner himself said in paragraph 9:

The issuance of orders under s.127—

this was a section 127 application—

of the Act is a serious step and potentially exposes the respondent to penalty for breach.

And he went on to talk about how serious that is. When you read 'the commission orders workers to return to work' and 'a return to work order', which is in the case study, that in fact is not an accurate statement, because an order under section 127 is able to be taken through to prosecution, and no such order was issued. A direction was issued, which is a different matter.

Senator Abetz—We are now playing semantics—

Senator COOK—No, we are not. If you have ever been on the end of a 127 order, there is no doubt about what your responsibility is.

Senator Abetz—as to what a direction is as opposed to an order.

Senator MARSHALL—Maybe you can explain the difference to us, Minister?

Senator Abetz—As I understand it, the Australian Industrial Relations Commission makes recommendations, directions and orders basically in that order of seriousness. Whether you are in breach of a direction or in breach of an order the simple fact is that the Industrial Relations Commission expects its directions to be adhered to, and as the National Secretary of the CFMEU has told us, virtually everything they do breaches the Workplace Relations Act.

Senator Cook is trying to put his sail up on the mast by saying that somehow the breach of a direction as opposed to an order is justifiable. I would have thought that a breach of either would be unjustifiable and it confirms the sort of activity highlighted in this report and by the royal commission.

Senator COOK—I see that the department's legal officer is at the table. Would he please explain to this committee the difference between an order, in the context of a 127 application for an order, and a direction?

Senator Abetz—Chair, that is seeking legal advice from the table.

Senator MARSHALL—You have been offering plenty today.

Senator Abetz—Gratuitous, I know, to try to better inform you.

Senator MARSHALL—We want some real stuff for a change.

Senator Abetz—If that question is allowed, we can be asked about the meanings of sections 127 or 123 or the implications of section 3 of the act. We can spend all day getting free lectures on the Workplace Relations Act.

CHAIR—I ask you, Senator Cook, to focus more on the estimates. I do not think it is useful to go through these hoops of definition. Please get back to the main matters before us.

Senator COOK—These estimates go to expenditures by the department. One of the expenditures by the department in the year gone was the publication of this report. This report is held to be an accurate summary. This report is unchecked except perhaps for this part of it. In checking to see whether public moneys has been fairly and properly expended, questions on whether this report reflects accurately the facts is a matter of public interest. That is the connection for estimates purposes. I also understood the minister to be arguing that there is no difference between an order and a direction, and I simply sought clarification from a legal expert.

Senator Abetz—No, I did not argue that. I indicated that there were three categories—recommendation, direction and order. I indicated that previously. It is another example of Senator Cook trying to put words into witnesses' mouths. It is completely unacceptable.

Senator COOK—I reject that. This case study refers to an order in two parts. It never refers in any part to a direction. We know an order has a specific legal meaning within the terms of the act, as this matter under section 127 sets out. To pretend that an order was issued on this decision by Commissioner Harrison is untrue, isn't it?

Senator Abetz—You can play your technical word games, but I do not think there is any dispute that the direction was read out to the meeting. It is interesting to note that the union followed that direction of the Industrial Relations Commission, undoubtedly to get the laugh that is reported. So the union followed that direction. Just for the record, paragraph 14 says:

... I issue the following directions to the Unions.

...

2. All meetings should be advised that it is the Commission's direction that normal work resume at the conclusion of the meetings

It is quite clear that the union did follow that direction, and accepted that that is what they should do. The problem is that they did not follow the next direction, which I think indicates once again that unions will pick and choose and decide when and how they will follow the directions of the Industrial Relations Commission. I suggest that that is the real problem we are dealing with, and that which Senator Cook is spending the rest of his parliamentary life in defending.

Senator COOK—Again, gratuitous advice from the minister, but let us again ignore the gratuitous observations. A section 127 order, if breached, exposes the organisation that has breached that order to penalty, doesn't it?

Senator Abetz—I think the law is clear in relation to—

Senator COOK—That is 'yes', is it?

Senator Abetz—The estimates are not for lectures and dissertations on legislation.

Senator COOK—I am just asking a question. Either it does or it does not. Does it? I am asking.

Senator Abetz—Yes, but it is legal advice that you are seeking, which you cannot get.

Senator COOK—You said yes. Thank you. Yes, it does. A direction, if breached, does not expose an organisation to a penalty automatically, does it?

Senator Abetz—Once again you are seeking legal advice.

Senator COOK—No. Was any appeal taken by the MBA or by the minister, who was an applicant in these proceedings and thus had standing, for the direction to be enforced?

Mr Smythe—I do not think so. I will check that for you, but I do not think there was an appeal.

Senator COOK—I think you are right and that, when you do check it, you will find that no action was taken—for the reason, one presumes, that no penalty is attached. Here is a case in which the language of industrial relations has been misconstrued to create a falsity in reporting to the parliament. Light may be made of it, but it is one of the very few cases—if not the only case—where there is a reference that I am able to actively check. That does raise a very serious question mark about all the other matters that are unable to be checked. In the same case study on page 5, the last sentence says:

The Taskforce is currently investigating 22 head contractors and substantially more subcontractors who appear to have unlawfully paid strike pay on that day.

Have those investigations been completed?

Mr Hadgkiss—No.

Senator COOK—Is there an expectation that those investigations will be completed within a reasonable time frame?

Mr Hadgkiss—Hopefully, yes.

Senator COOK—This occurred in October last year. That is eight months ago. Is eight months a reasonable time frame in order to complete an investigation of this sort?

Mr Hadgkiss—In my law enforcement experience, it is a long time, I agree; but, based on our current powers within the Workplace Relations Act, this is to be expected.

Senator COOK—Your investigators have powers to enter the workplace of the employers concerned?

Mr Hadgkiss—Correct.

Senator COOK—Your investigators have powers to examine the time and wages records?

Mr Hadgkiss—If they issue notices to that effect.

Senator COOK—Yes, but they have powers to examine what has been paid out to workers?

Mr Hadgkiss—Pursuant to a notice. Then 14 days later the documents are made available.

Senator COOK—So they can investigate whether or not this has occurred. Have those steps been taken?

Mr Hadgkiss—Yes.

Senator COOK—Were they taken in a timely fashion after the event?

Mr Hadgkiss—I am not familiar with that.

Senator COOK—How much longer are we to wait—knowing that you have reported through the minister to the parliament that this number of contractors may be in breach of the act—before those people are either exonerated as being innocent of the allegation or before their matters are taken to court?

Mr Hadgkiss—Parties are being interviewed as we speak. I can throw no more light on it than that. It is anticipated that prosecutions will be forthcoming.

Senator COOK—Let us wait and see what happens, but it was eight months ago.

Senator Abetz—I understand that when Craig Johnston, of some notoriety, went on his rampage, it took approximately 12 months before that case finally came to the court and was dealt with. So within that time frame, it seems relatively reasonable.

Senator COOK—It did not take 12 months for the charges to be laid. No charges have been laid in this case.

Senator Abetz—You would undoubtedly have an intricate knowledge of Craig Johnston's dealing with the law.

Senator COOK—I do not have, but it was fairly notorious. If this is the pathetic argument in defence of the slowness of the task force—

Senator Abetz—That is very provocative language.

Senator COOK—it did not take that long for charges to be made.

CHAIR—Next question, Senator Cook.

Senator COOK—I am trying to find the reference for my next matter.

Senator Abetz—He cannot read the CFMEU's handwriting.

Senator COOK—It is actually typing and it is not from the CFMEU.

Senator Abetz—Then there should not be any excuse. I was just giving you the benefit of the doubt.

Senator COOK—On page 11 of your report, the bar at the top says ‘Quote: “The industry is full of cancer”’. I am sure that is an extremely helpful observation. I know not to what it refers, but there it is. On the same page in the ‘Case study: not bad for a day’s work’, you set out three dot points—

Senator Abetz—Did you say ‘day’s work’?

Senator COOK—I am sorry, ‘not bad for a week’s work’; you are correct.

Senator Abetz—You know it is very important to get these things correct. I do not know how often Senator Cook may have misled this committee using his own standards. This is how pathetic it is getting, and I am just highlighting that to Senator Cook.

Senator COOK—I directed the committee to the report so that everyone was on the same page as me.

Senator Abetz—And you misread it.

Senator COOK—The first dot point says:

- a shop steward was paid \$2,821 for the first week and \$3,156 for the second, purportedly having worked 76 and 83 hours, respectively.

Are you aware that at the hourly rate that would be an appropriate payment for those hours?

Mr Hadgkiss—No, other than what I have set out in the final paragraphs in terms of awards.

Senator COOK—Did your inspectors inspect the time and wage records of the employer concerned?

Mr Hadgkiss—Correct.

Senator COOK—In so doing, did your inspectors verify those working hours?

Mr Hadgkiss—This is the matter that is in question, and I really do not want to comment. These are operational matters that perhaps will soon come before the court.

Senator COOK—You cannot get away with that. You reported this to the parliament. If it is an operational matter, you put it out there. It now has privilege. You cannot now invoke an operational rule on what you have told us.

Senator Abetz—That is quite wrong and, with his 22 years experience in the Senate, Senator Cook would be aware that that is a bit of a try-on. You can detail circumstances such as this in general terms, but trying to drill down into the detail is like talking about how many cases or examples of what the Australian Federal Police might be dealing with without dealing with the actual operational matters of each case.

Senator COOK—My experience in the Senate Foreign Affairs, Defence and Trade Committee is with the intelligence agencies. I might say they are a good case study for this agency—

Senator Abetz—I think we have heard this lecture before.

CHAIR—You ran through that before.

Senator COOK—because they are commendably forthright and thoroughly professional in answering questions.

Senator MARSHALL—They have less to hide.

Senator COOK—If this is an operational matter, the \$64,000 question sitting up there—the elephant in the room—is why did you report it to the parliament while it was still on foot?

Mr Hadgkiss—There is nothing in that report which would jeopardise a potential prosecution. I am afraid where you are leading me could have that potential.

Senator COOK—This is a new defence.

Senator Abetz—No, it is not. It was the standard response of officers under your former government for many years—and it is under ours now.

Senator COOK—No, the facts of the case have been reported.

Senator Abetz—No, they have not.

Senator COOK—The alleged facts have been reported.

Senator Abetz—No, some basic details that is all—not the whole facts.

Senator COOK—I do not know what the difference between a smear and a fact is, but what this says is—

Senator Abetz—I can understand that you do not understand the difference between a smear and a fact, but we do.

Senator COOK—that a shop steward was paid a given amount and that the shop steward ‘purportedly’ worked those hours. ‘Purportedly’ suggests that there is a question mark, in your mind, Mr Hadgkiss, as to whether those hours were worked or not, doesn’t it?

Mr Hadgkiss—I cannot say that based on prejudicing a fair trial.

Senator COOK—I am not asking you any question that goes to who these people might be. We do not know their identity, we do not know the time and we do not know the location. We do not know anything about them other than what is here. We do know that if those hours were worked they would have been properly paid. We do know that. I am not asking you to prejudice their trial. If there is prejudice, it is in the use of the word by you of ‘purportedly’ because that suggests they have been improperly paid.

Senator Abetz—I do go on to say:

Such hours and work practices are extremely questionable when one considers that the maximum hours a CBD site is ordinarily open for work are from 6.30am to 3.30pm on weekdays (including one unpaid hour for lunch) and from 6.30am to noon on a Saturday. This amounts to 45 hours per week.

That is why I mentioned ‘purportedly’—because it is not consistent with normal work practices for people to be paid that amount of money.

Senator COOK—Can I just take you up on that because you are plain wrong. The evidence before our inquiry is that the standard working hours in Victoria, for example, are 56. In Queensland it is of the same order. I forget what it is in New South Wales, Western

Australia and South Australia. But the award hours and the hours expected to work under the award or the agreement are two different things. Under the award or agreement 56 or 52 is a normal working week, six days a week. So to pretend that it is 40 or 48 is not true.

Senator Abetz—That is a matter for debate.

Senator COOK—It is not a matter for debate. That is evidence before the other committee.

Senator Abetz—The references committee can deal with it in due course.

Senator COOK—Again it raises a question of credibility. If Mr Hadgkiss believes what he has just told us then it is at variance with what the industry says and it is at variance with ascertainable documentary proof about what the commitment is under the EBAs in this industry.

Senator Abetz—I would have thought, Mr Chairman, that in this scenario Senator Cook would say, ‘It is concerning that these hours are being worked. Good luck with the investigation.’ Why he should be so defensive about this alleged practice is just gobsmacking. One wonders why he does not simply say, ‘These sorts of hours are surprising. Good on you for investigating.’

Senator COOK—They are surprising.

Senator Abetz—So we now have an acknowledgement from Senator Cook that the hours worked are surprising. Guess what? It excited the interest of the task force. They are investigating—end of story.

Senator COOK—The question is: are they true?

Senator Abetz—That is what is being investigated.

Senator COOK—This report suggests they are not true. I am simply asking, since this report was put down sometime ago: have we now ascertained whether or not they are true?

Mr Hadgkiss—That is the subject of the ongoing investigation.

Senator COOK—Yes. So you are prepared to smear someone and then hide behind operational—

Senator Abetz—Mr Chairman, this is outrageous.

CHAIR—That is unfair, Senator Cook.

Senator Abetz—There has been no smear of anybody.

Senator COOK—No, there has been a smear.

CHAIR—The officer answered that it is part of the ongoing investigation. How on earth that is a smear I am not too sure.

Senator COOK—No, that is a smear.

Senator Abetz—On whom?

Senator COOK—On whoever the anonymous worker is.

CHAIR—Can you go on with your next question, Senator Cook.

Senator Abetz—That is great—it is a smear on an anonymous person. I am sure the anonymous person is very offended.

Senator COOK—Smear someone anonymous and you smear everyone in that category—you know that.

Senator Abetz—Now it is everybody in that category. How many people do you think are in that category?

Senator COOK—I do not know.

CHAIR—Senator Cook, could you move on to your next question, please?

Senator COOK—I have spent a lifetime trying to get people to work reasonable working hours—I might say not always with a great deal of success.

Senator Abetz—That is why I would have thought these hours were concerning to you.

Senator COOK—Sometimes people prefer to work excessive hours for the overtime that it brings. I wish they would not, but they do. While that is an odd amount of hours, it is not unusual in this industry that that length of hours be worked.

Senator Abetz—As I say, it did surprise you, but it is not unusual.

Senator COOK—It does not surprise me.

CHAIR—Let us move on to the next question now we have established that.

Senator COOK—I am disappointed—that is a better way of putting it—that people work those excessive hours.

CHAIR—It is not up to these officers or this committee to change that. So could we go to the next question please?

Senator COOK—But the plain fact is that the standard working hours for this industry in the major cities—and this is provable by reference to the EBAs—is between 52 and 56 hours a week. I think that is excessive. If people do not work them—

Senator Abetz—All the more so, 76 and 83 hours are excessive.

Senator COOK—they can be subject to penalty, and I think that is unfair. Let me get that on the record. Towards the end of the case study, at the third dot point, you go on to say:

The Taskforce has not been able to trace where this money went to due to its lack of powers to follow the money trail.

The money that ‘went’ being the money that these workers earned for working the hours that they did. I accept that you have a question mark over whether they genuinely worked those hours. What I am mystified by—and believe me it is a genuine mystification—is that, if this money was paid to these workers for working those hours, what does it matter to the task force how they spent it? I get paid and no-one queries me how I spend my money—I am entitled to make those choices myself. This money was paid to these workers.

Mr Hadgkiss—It was not; that is what we are saying—20 hours have gone missing.

Senator COOK—No, what you say here is that ‘a shop steward was paid’. Presumably, what you are telling us when you say that a shop steward was paid is that a shop steward was

paid that amount. Then you tell us later on that you were unable to trace where the money went.

Mr Hadgkiss—No, I say that unlike the other two employees this man received no payment for those 20 hours claimed. That is the question mark.

Senator COOK—Did you refer it to the department for prosecution?

Mr Hadgkiss—I referred it to the tax department, as I say in the next sentence.

Senator COOK—If this worker worked those 20 hours, and he did not receive payment for them, that is a breach of the award or the agreement, isn't it?

Mr Hadgkiss—Correct.

Senator COOK—Since the matter appears to be over \$10,000—well, it is not, really—you would nonetheless, by evidence given earlier, refer it to the department for the department's officers to investigate.

Mr Hadgkiss—We are investigating this matter.

Senator COOK—You are investigating it?

Mr Hadgkiss—Yes, this whole scenario is being investigated by the task force.

Senator COOK—The evidence that we received yesterday was that, if there is an underpayment of wages by an employer, the task force does not investigate that routinely; it refers it to the department.

Mr Hadgkiss—Routinely, that is correct.

Senator COOK—But on this occasion you are telling me that you have broken the routine and are investigating it yourself.

Mr Hadgkiss—It is a bigger case. This is not a routine matter.

Senator COOK—So, what are you in fact investigating?

Mr Hadgkiss—I cannot comment any further than I have already as set out in pages 11 to 12 of my report.

CHAIR—The officer has concluded his answer.

Senator COOK—You say, 'The ATO were briefed as a consequence.'

Senator Abetz—That is not a question; that is clearly there on page 11.

Senator COOK—Then you say—and this is a bid for the extra powers that you seek:

As previously noted, because the Taskforce is not a statutory law enforcement agency—

we understand you believe it is a law enforcement agency; but it is not a statutory law enforcement agency—

recognised under the Income Tax Assessment Act and the Taxation Administration Act, no feedback can be provided.

Dr Boxall—From the ATO.

Senator COOK—The ATO do not provide feedback on individual taxpayers; they provide feedback on classes of taxpayers and things of that nature.

Mr Hadgkiss—There are exceptions under section 16 of the Income Tax Assessment Act, which deals with secrecy provisions. There are exceptions for law enforcement.

Senator COOK—There is no date in your case study as to when these alleged events occurred.

Mr Hadgkiss—It is at the top of the case study—Friday, 1 August 2003.

Senator COOK—So it is still within this tax year?

Mr Hadgkiss—Yes.

Senator COOK—If those workers received the income they, for all we know—and you will not know until the end of the tax year—

Senator Abetz—I would have thought they are tax office questions.

Senator COOK—I know, but if workers received these payments—and the inference is that they have not paid tax on them—they have till the completion of the tax year in order to make good any underpayment of tax.

Senator Abetz—That is speculation, but—

Senator COOK—It is not speculation; it is the tax act.

Senator Abetz—The words actually written are:

... this man received no payment for those 20 hours ...

So it is not only an issue of non-payment of tax on those 20 hours work; it is that there is no payment.

Senator COOK—I never introduced the matter of the taxation department; the case study did. I am genuinely mystified here and I am going to roll up my sleeves so you can see that there is nothing up my sleeves. I do not understand how the lack of powers for the task force in any way relates to a worker who has allegedly been underpaid and to two other workers who have allegedly been paid according to their hourly rate. I do not see the connection.

Mr Hadgkiss—This is a complex investigation including potential money laundering.

Senator COOK—So that is the allegation.

Mr Hadgkiss—This is why the tax department were briefed—because we lack the powers to go that stage further.

Senator COOK—The tax department do not lack powers to enforce the tax act. They are very good at it in fact. Have they told you that they are going to take the matter up?

Dr Boxall—No.

Senator COOK—The police have powers for money laundering. Have you referred it to the police?

Mr Hadgkiss—In the first instance I have referred it to the tax department—that is a matter for them.

Senator COOK—Yes, but there are also criminal offences relating to money laundering.

Mr Hadgkiss—If the tax audit finds that, no doubt they will refer it to the appropriate authority.

Senator COOK—So the answer is you have not referred it to the police.

Mr Hadgkiss—I have referred it to the tax department.

Senator COOK—That is the full extent of your answer, ergo you have not referred it to the police?

Mr Hadgkiss—Correct. It is a matter for the tax department in the first instance.

Senator COOK—I do not know why we have to work so hard at some of these things. We would have made a lot more progress if we just got simple, straight answers to these questions. You have not referred it to the police?

Mr Hadgkiss—No, I have referred it to the tax department who will refer it to the police if necessary.

Senator COOK—I am just going to go on to another matter that does relate to one of the case studies set out here. I am just trying to find the one it relates to. Let me deal with it this way. Are you aware of the matter known as *Alfred v. Brcic* heard on 2 and 3 March this year before Mr Justice Hughes of the District Court of New South Wales?

Mr Hadgkiss—Yes.

Senator COOK—Is the Alfred mentioned in the title of this case an officer of your task force?

Mr Hadgkiss—Yes.

Senator COOK—His Honour Mr Justice Hughes has decided this case?

Mr Hadgkiss—Yes, the CFMEU pleaded guilty.

Senator COOK—How many charges were brought?

Mr Hadgkiss—We offered only one, following a compromise.

Senator COOK—That is right; that is the reference in here to a plea bargain.

Mr Hadgkiss—Yes.

Senator COOK—Forty-nine charges were brought and—

Mr Hadgkiss—No.

Senator COOK—How many were brought?

Mr Hadgkiss—Six.

Senator COOK—Was it Brcic who pleaded guilty?

Mr Hadgkiss—I think the CFMEU pleaded guilty.

Senator COOK—The union as an entity?

Mr Hadgkiss—Yes. It was the union which was brought to court. From memory, they gave medical evidence that Mr Brcic was unable to attend.

Senator COOK—And so the court dealt with the guilty plea of the union and fined them or took whatever action was appropriate.

Mr Hadgkiss—It fined them \$2,000.

Senator COOK—Did the judge make any reference in his summing up of the case to the task force?

Mr Hadgkiss—I have called for a transcript of what the judge said, based on CFMEU publications. I am yet to receive that.

Senator COOK—So you do not know what the judge said?

Mr Hadgkiss—No, I was not there.

Senator COOK—You do not know that the judge referred to the task force as ‘this sort of shadowy group’?

Mr Hadgkiss—That is what the CFMEU publications say, but I have no knowledge of that and it has not been verified.

Senator COOK—That the judge said that?

Mr Hadgkiss—Correct.

Senator COOK—I have here what purports to be an excerpt from what the judge said.

Mr Hadgkiss—So do I. It is from *Workers Online* and the heading reads: ‘Taskforce “Disgraced” in Court’.

Senator COOK—Is that what it says?

Mr Hadgkiss—Yes—which is also factually incorrect.

Senator Abetz—Who publishes that?

Mr Hadgkiss—It is the official organ of LaborNET.

Senator Abetz—A credible source!

Mr Hadgkiss—Until I get the transcript—

Senator COOK—Until all of us get the transcript, none of us can be sure exactly what was said. But we do know that this is what is at large.

Mr Hadgkiss—This is the allegation pursuant to this publication.

Senator Abetz—We do know that the union was fined \$2,000 and that the head contractor lost \$40,000 in costs. That is not disputed.

Senator COOK—I cannot verify what the head contractor lost because I am not aware of that fact, but I am aware that the union pleaded guilty.

Mr Hadgkiss—Correct.

Senator COOK—And I am indebted to Mr Hadgkiss for telling me what the fine was.

Senator Abetz—So you were not told that in the publication on LaborNET?

Senator COOK—I could happily read into the *Hansard* what—

Senator Abetz—We know that Mr Latham has a fetish for reading at the moment, but I do not think we need to have that here.

Senator COOK—His fetish is for reading to his kids. This is not an analogous situation!

Senator Abetz—He wants to read to Senator Stott Despoja's child in the first few days and weeks. I do not know of anybody who has actually read to their child in the first few days or weeks.

Senator COOK—Are you aware that in this matter a witness, a Mr Peter Crabtree, was called?

Mr Hadgkiss—No.

Senator COOK—I have here a statement that appears in the form of a declaration witnessed and signed by Mr Crabtree. I will not read it all to you, but I am happy to make a clean copy of this available—I say in preface that I have a habit of writing on the documents that are handed to me and it is not appropriate that I hand up the documents I have written on, but I can obtain a clean copy and make it available to you. In this document he says that he was pressured into making, in effect, a false statement by the task force.

Mr Hadgkiss—This was never raised before the court.

Senator Abetz—I suggest that those questions we will take on notice subject to the full document being made available because, as we just found with the Industrial Relations Commission hearing, there is a tendency to quote selectively from documents and that may well mislead the committee.

CHAIR—It would be helpful if we had the documents.

Senator COOK—I quoted accurately on all occasions.

Senator Abetz—Accurately but selectively.

Senator COOK—No.

Senator Abetz—I was not suggesting you were misleading, although I think you were getting close to it.

Senator COOK—I was not misleading. I was wanting to go on to the point but I was interrupted for morning tea. You will recall that when we broke I indicated that I still had further questions. I was not able to go to those before you came and helpfully aided my examination.

Senator Abetz—No. I exposed the weakness of your examination—the popping of the balloon, as it might be called.

Senator COOK—This is an allegation that officers of the task force have pressured this person into making an inaccurate statement.

Mr Hadgkiss—I am informed that there were two witnesses from the company. Both witnesses gave evidence that they denied any suggestion, as indeed they denied the suggestion of any aggressive intervention by the task force. In fact, on the day in question both the workers involved and the union reps had left the site before any task force officers arrived.

Senator Abetz—What is the suggestion—that they perjured themselves? In that case you have a duty to take it to the police, I would have thought.

Senator COOK—Would you encourage pressure being put on witnesses to provide misleading evidence?

Mr Hadgkiss—Of course not, Senator. And this was never raised before the court.

Senator COOK—Do you have employed on the task force a person called Guilietta Siciliano?

Mr Hadgkiss—Yes, a female investigator with the task force.

Senator COOK—There is such a person. And Gregory Alfred is also a person employed by the task force?

Mr Hadgkiss—That is correct.

Senator Abetz—He was the one that brought the successful prosecution?

Mr Hadgkiss—That is correct.

Senator COOK—Do you happen to know that they interviewed a Mr Peter Crabtree?

Mr Hadgkiss—I am not that familiar with this matter. I have never heard of Mr Crabtree.

Senator COOK—The issue was that water had been cut off from the job and the workers had stopped work because there was no drinking water or there was no water for the toilets. Part of the allegation made here is that the task force persuaded the employer that the employees should not be paid for the time that they were not working because of the water cut.

Mr Hadgkiss—These matters have been canvassed before the court. The water was turned off for 10 minutes. By the time the task force got there the workers had gone home and then demanded strike pay. The employer, as I understand it, was reluctant to pay strike pay. When those demands were made a charge of coercion was made against the CFMEU and others. Before the court the CFMEU subsequently pleaded guilty to coercion and were fined \$2,000.

Senator COOK—This statement says that the employer at the site told a worker—

Senator Abetz—Senator Cook is trawling through a statement which we do not have. We do not know when it was dated et cetera. The way in which this is being conducted is not very helpful. The statement should be made available, which begs the question: if the assertion is being made that somebody has perjured themselves in a hearing, one wonders why the information has not been provided to the police.

Senator COOK—I have indicated I am quite happy to make the statement available.

CHAIR—It would be useful for the statement to be before the officers. When can you do that?

Senator COOK—As soon as I get an opportunity. If there are other questions for these witnesses I could seek the leave of the committee and get it copied.

CHAIR—That is not the usual procedure. You move on to other questions and, given that we are 20 minutes away from lunch, you can then get us that document.

Senator Abetz—It just seems bizarre to me that these allegations are made that people have perjured themselves in relation to a matter that proceeded as a plea of guilty. That just amazes me for police and criminal proceedings. If the court was misinformed by perjured evidence—which I find difficult, given that CFMEU pleaded guilty to the matter—usually that is something that the person or organisation aggrieved would take to appeal to have the decision set aside. As I understand it, this statement, which we do not have before us, has not been reported to the police to assert that somebody had perjured themselves nor has the matter been appealed. Indeed, the matter proceeded on a plea of guilty.

CHAIR—Senator Cook, I suggest that you bring the documents after lunch and move on to other issues.

Senator COOK—Can I just categorically say something. The minister has used the word ‘perjured’. I know not on what basis he forms that conclusion. I certainly do not. That is an allegation by him.

Senator Abetz—No, incorrect—

Senator COOK—Excuse me, I have not finished.

Senator Abetz—Incorrect information being given to the court—

Senator COOK—You keep saying ‘perjured’. That is your description of it. I do not accept that as a description of it and I think that you ought to be more careful about using language of that sort.

Senator Abetz—Thank you for your gratuitous lecture, but the clear implication was—

CHAIR—Can we move on to questions please.

Senator Abetz—The clear implication—not even an implication—was that false evidence was forced out of somebody or pressured out of somebody, which led to a result. If that were the case, you would think the person would have been cross-examined in the court, but on a plea of guilty that usually does not happen. The CFMEU stands convicted of coercion, a \$2,000 fine was imposed, and here we have Senator Cook seeking to defend the CFMEU.

Senator COOK—I am not.

CHAIR—Order!

Senator COOK—I am not seeking to defend—

Senator Abetz—You are in a position—

CHAIR—Senator Cook!

Senator COOK—I am entitled to refute an allegation directly made against me.

CHAIR—We can go backwards and forwards on these things; it is not advancing the cause of the estimates.

Senator COOK—As long as he keeps impugning my integrity, I will defend it. It is as simple as that.

CHAIR—Senator Cook, could you provide us with this document after lunch.

Senator COOK—Yes, I can.

CHAIR—Then we can come back to this matter. And could you go on to other matters in the meantime.

Senator COOK—Okay. There is one other aspect of this matter that does not go to this document, and that is this. Isn't it a fact that the matter of payment for lost time on this site was taken to the commission?

Mr Hadgkiss—I am sorry?

Senator COOK—Payment for lost time on this site was taken to the Industrial Relations Commission.

Mr Hadgkiss—My understanding of the facts is as follows. It was admitted that in October 2002 the CFMEU coerced a head contractor on the Sutherland hospital building site by threatening unlawful industrial action. Five other counts relating to trespass and coercion by the CFMEU and one of its officials were withdrawn by the task force. The following day, a pecuniary penalty of \$2,000, which to date has been the maximum handed down for a task force matter, was handed down by Judge Hughes of the District Court.

Senator COOK—But the question of whether or not the worker should be paid for the lost time was one of the substantive questions. Are you aware that that matter went to the Industrial Relations Commission?

Mr Hadgkiss—I am not familiar with it other than with the facts that I have given.

Senator COOK—Are you aware that the Industrial Relations Commission found that they were entitled to be paid?

Mr Hadgkiss—But this is not an issue here. It is coercion that is in question here.

Senator COOK—There is another issue here: conduct of the task force in conducting an investigation. I will have to wait until after lunch, because it goes to what is deposed in the statement by Crabtree.

Senator Abetz—Why did the CFMEU plead guilty? It just beggars belief.

Senator COOK—I imagine because they were.

Senator Abetz—Because they were?

Senator COOK—I imagine they pleaded guilty because they were guilty.

Senator Abetz—So the task force—

Senator COOK—I cannot think of any other reason why you would.

Senator Abetz—So the task force investigated and brought a prosecution. The CFMEU pleaded guilty because they were guilty. That has advanced us a long way.

Senator COOK—The question I am pursuing, however, is whether the task force brought improper pressure on the employer not to pay money for lost time. That matter subsequently went to the commission and the commission found that the employer should play lost time, and they did.

Senator Abetz—There is a lot of credibility in the assertion that the CFMEU may have been intimidated into pleading guilty. Give me a break!

Senator MARSHALL—I want to come back to the issue of the credit cards that was raised earlier in the day. I am sorry, I have forgotten the name of the financial officer.

Senator Abetz—It was Vanessa Graham.

Senator MARSHALL—Thank you. I think she indicated that officers who have been issued with departmental credit cards can draw down cash on those credit cards. I would like you to advise me how often that happens and whether there is a limit.

Ms Graham—There are limits and there are only certain circumstances in which that can be done. Primarily, it is for the purposes of travel in that there is an amount that can be drawn down for incidentals while an employee is travelling and in circumstances where the credit card cannot be used for accommodation in regional and remote areas.

Senator MARSHALL—Are there guidelines for the use of that?

Ms Graham—Yes, there are.

Senator MARSHALL—Are we able to have a copy of those guidelines?

Dr Boxall—We will take that on notice.

Senator MARSHALL—What is the limit?

Ms Graham—I do not know off the top of my head.

Senator MARSHALL—Is there a different limit depending on the—

Ms Graham—We understand that the card limit is \$500 a day.

Senator MARSHALL—Does that change for the level of officer?

Ms Graham—We believe it is a function of the card, but we will check on that.

Senator MARSHALL—Can you tell me on how many instances cash has been drawn down?

Ms Graham—No.

Senator MARSHALL—Will you be able to take that on notice?

Ms Graham—Yes. I am not sure if that information is available. I imagine it would be but I will take it on notice.

Senator MARSHALL—I am assuming that the same auditing process that was described earlier would apply to that as well. Is that right?

Ms Graham—The audit process actually covers our financial statements in terms of the money that we spend generally as a department. So, anything related to spending Commonwealth money, which is then reflected in our financial statements, is a part of the audit process.

Senator MARSHALL—Is there a time frame for reconciling cash draw downs on credit cards?

Ms Graham—We reconcile credit card statements each month. Any amount that is drawn down has to be acquitted and any amount that is unspent has to be returned to the Collector of Public Moneys within the treasury area of our department.

Senator MARSHALL—What is the time frame for acquitting that draw down?

Ms Graham—Generally, as soon as the officer is available—so, when they return from travel. As I explained, it is predominantly while officers are travelling away from the department.

Senator MARSHALL—Is there any outstanding money that has not been acquitted?

Ms Graham—Everything is acquitted. At any point in time there could be someone who is currently carrying receipts with them and needs to bring them back to their administrative officer, but it is all reconciled every month.

Senator MARSHALL—So there is no money outstanding from a previous month that has not been acquitted?

Dr Boxall—There would be no money that is not accounted for. Moneys are acquitted as soon as possible, and there would be no money left outstanding. In the unlikely event an officer had not acquitted as soon as possible, their manager would be questioning them about it. If there were any suspicious circumstances, there would be an investigation.

Senator MARSHALL—I accept that, but I do not think that answers the question I asked. Is there any money outstanding for more than a month that has not been acquitted back to the department?

Dr Boxall—At any point of time there will be money that has not been acquitted. For example, if somebody left yesterday to go on a trip to a remote area for three days and they took a cash advance within guidelines because it was not possible to use a credit card in a remote area, then by definition they would not have acquitted it because they have not come back. That is why the staff have answered as they have. If the question was whether there are moneys outstanding which have not been acquitted and which should have been acquitted, I would suspect there are not but, if there were, they would be the subject of internal investigations.

Senator MARSHALL—You talked about a cash advance. How is that obtained?

Senator Abetz—It is a feature of the card, as I understand it.

Ms Graham—It is just through an ATM.

Senator MARSHALL—When you say ‘cash advance’ people draw down on the credit card prior to going away?

Ms Graham—That is right.

Senator MARSHALL—Are there any other means through which people can get a cash advance other than using their departmental credit card?

Ms Graham—Only from petty cash, but you would have to acquit it.

Senator MARSHALL—And there is a limit of \$50 on that?

Ms Graham—Generally. That is right.

Senator MARSHALL—Earlier we talked about purchase orders. Are you able to obtain cash by raising a purchase order?

Ms Graham—No. A purchase order essentially seeks to purchase something from an organisation—a tangible object. For example, I put in an order to purchase stationery; therefore there is a purchase order. The goods are receipted when they come in. Someone ticks off on it, and it is invoiced. There is no cash advance.

Senator MARSHALL—I am trying to clarify in my mind whether it is possible and how it is possible for officers to obtain cash. I think what has been said to me is that, clearly, if it is \$50 or less it can be done through petty cash and the only other way is by getting a cash advance on the departmental credit card. Is that correct?

Ms Graham—Yes, that is correct.

Proceedings suspended from 12.23 p.m. to 1.35 p.m.

CHAIR—We continue with consideration of the building industry task force. Before I call for next questions, I believe the Secretary has a statement to make.

Dr Boxall—Ms Graham can clarify the answer to Senator Marshall's question on the cash limits.

Ms Graham—I confirm that, on travel credit cards, the cash limit is actually \$500 per week and not \$500 per day and, on purchasing credit cards, the cash withdrawal limit is \$500 per week, and it is only used for the purposes of replenishing petty cash floats. There is one credit card that is held centrally within Financial Management Group that has a credit limit of \$1,000 a week that is only used in exceptional circumstances. From time to time that limit be increased to cover travel costs for people travelling overseas.

Senator COOK—Before lunch, I had referred to a statement made by Mr Peter Crabtree in the case of Alfred v. Brcic. The issue was that the department claimed not to have a copy of this available to them. I now have a number of copies.

Senator Abetz—So we are agreed, this is the two-page statement, dated 24 February 2004, signed by Peter Crabtree and countersigned by Stephen Cahill, who I understand is a solicitor for the CFMEU.

Senator COOK—I am not sure if he works exclusively for them, but I understand he did appear in these proceedings. It is my understanding that this statement was lodged with the court in these proceedings and, therefore, was available through the court to the task force.

Mr Hadgkiss—No, Senator, that is not true. My understanding is that it was a contested matter. Therefore, no statements were submitted. It was all on oral testimony.

Senator COOK—We are at variance, but let me explain, because there may be a logical explanation for that. My understanding was that, when this proceeding kicked off, evidence was taken from Mr Alfred of the task force—evidence that he later sought to come back into the witness box to correct. But that evidence was taken and, at some point in these proceedings—before they were finalised—the task force approached the union to see if the indication that they would plead guilty to one of the charges was still alive. They confirmed it was and, at that point, the guilty plea was entered. So the proceedings were commenced but not concluded.

Mr Hadgkiss—That is not my recollection. As I understand it, the CFMEU made an approach to counsel for the task force to plead guilty. That is my understanding.

Senator COOK—It is a matter of fact, and I do not propose to go into those things. I am happy to do so, but I do not think that they serve any purpose. This statement by Peter Crabtree was put before the court at the time at which His Honour was considering the penalty to impose.

Mr Hadgkiss—That I would have to take on notice because I do not have that recollection. That has not been brought to my attention.

Senator Abetz—But it would seem, if that were the case, that the other witness statements were provided to assist in sentencing. I would find it interesting if that were to occur, but I imagine that it would have been done with the agreement of the solicitor acting for the CFMEU, and they would have had a copy of it.

Senator COOK—Of what?

Senator Abetz—Of the statement that was submitted to the court for sentencing.

Senator COOK—The Crabtree statement?

Senator Abetz—Yes.

Senator COOK—As you said, Cahill was the solicitor or barrister acting on behalf of the union in these proceedings and he is the countersignatory on the Crabtree statement. He did know about the statement. He took the statement down.

Senator Abetz—Let us just get this clear: which statement are you saying was submitted to the court for the purposes of imposing penalty? The 17 October document I was thinking—

Senator COOK—The one I have circulated today—the 24 February document.

Senator Abetz—So you are saying that the 24 February document was presented to the court for the purposes of imposing penalty?

Senator COOK—What I am saying is what I have said on the *Hansard*. To repeat what I have said on the *Hansard*, my understanding is that the proceedings commenced, they reached some point, a plea of guilty was entered, a finding was made, the court turned its mind—I am not sure whether it did it at the same time or at some time a little later—to what the penalty should be and in the proceedings in which the court turned its mind to the penalty the statement of Crabtree was entered into the record. That is what I am saying is my understanding.

Senator Abetz—We will have to take that on notice to ascertain—

Mr Hadgkiss—That is not my understanding, Senator Cook, but I will take that on notice. Mr Crabtree was to give evidence for the task force based on the statement that he had provided to the task force.

Senator COOK—Yes, I understand that. As I understand it, you are saying that you do not know and you have taken it on notice. I accept that. I have recounted the circumstances in which I believe, on advice to me, that the Crabtree statement was made available to the court. Because it was made available it was in the public evidence of the proceedings and, as a

consequence, it is a reasonable assumption that the task force would have known about it. But you are saying that you cannot confirm that and you need to take it on notice. That is where we are up to, as far as I am aware.

Senator Abetz—Yes.

Senator COOK—No problem.

Senator Abetz—I apologise for that confusion. I thought that you were talking about the 17 October document being put in. Thank you for clarifying that.

Senator COOK—There is no need for you to apologise to me, Minister. That is fine. I understand—

Senator Abetz—I am a very amiable sort of person, Senator Cook. You know that.

Senator COOK—I understand that in trying to get to the bottom of these things we need to be precise, and that might require some iterative discussion. I turn to the contents of this statement. I did not ask you any questions on it, because you reasonably raised the objection that you had not seen the statement and that maybe there was no way in which you could have known of the statement. In the statement Crabtree asserts that his statement was taken over several days. At the end of that time a draft copy was sent to him. He made alterations and returned the statement. He asserts that, during the taking of the statement:

... Siciliano was very involved in prompting me. It appeared to me that she was reading an account of happenings from other statements she had obtained.

7. The prompting was along the lines of recounting a version of words and events and asking me, “did this happen?” If I indicated “yes” it was recorded as my recollection. I therefore have doubts as to the accuracy of the statement according with my independent recollection.

I do not need to read it all, but that is the nub of what he asserts. He then goes on and says that in discussions over the payment because of the water stoppage a responsible officer of the company, Sal Ragonesi, said:

... he “thought it was fair—

that is, the payment was fair—

... but didn’t have the power to approve the payment” or words to that effect.

He then goes on to say:

After the Interim Task Force attended the site, Peter Yamin—

a responsible officer of the company—

said to me words to the effect, “I could be prosecuted if I pay the boys contrary to the Workplace Relations Act.”

What I am asking is: did officers of the task force lean on Mr Yamin not to make a payment on the basis that he may be prosecuted according to the Workplace Relations Act?

Senator Abetz—In relation to these two statements, it is very important for the record to indicate that the initial statement of 17 October 2002 is a seven-page document, 56 separate paragraphs, quite detailed. The other one is a 19-paragraph, 1½-page document. It basically plagiarises the first and last paragraphs—

Senator COOK—I would be careful of ‘plagiarises’. It is a potent word.

Senator Abetz—of the statement to the task force. Other than this—and this is a very important omission in my view, and something that the committee should take note of—in the statement given to the building task force, in the first paragraph we read that the gentlemen concerned is warned:

The statement is true to the best of my knowledge and belief and I make it knowing that if it is tendered in evidence, I shall be liable to prosecution if I have wilfully stated in it anything which I know to be false or do not believe to be true.

That is in the opening paragraph. Stephen Cahill, solicitor, in preparing this statement for Mr Crabtree—

Senator COOK—It is Crabtree’s statement, not Cahill’s.

CHAIR—Order!

Senator Abetz—in his opening paragraph says:

This statement made by me accurately sets out the evidence I would be prepared, if necessary, to give in Court as a witness.

Very interestingly the other part of that opening paragraph has not been repeated in the CFMEU solicitor prepared document, which means that Mr Crabtree was notified, or warned, that if he made any false statement, he may be liable to prosecution. That is a very important omission in relation to the integrity of these two statements.

Senator COOK—What we have is two statements.

Senator Abetz—That is right. One where he is being warned about the possibility of prosecution; the other one where there is no such warning. And guess who prepared which one? The task force provides the warning, the CFMEU—desperate to throw a bit of mud, or muddy the waters—does not give him the same appropriate warning.

Senator COOK—That is an outrageous liberty. I am not in a position to make any judgments about these statements, other than to ask questions based on them.

Senator Abetz—You raised them.

Senator COOK—Yes, I have raised them because they relate to the integrity of the task force.

Senator Abetz—That is right.

Senator COOK—In the second statement, which has been adduced in a court and presented to a judge in a hearing, Crabtree, of his own volition and witnessed by a solicitor, says in effect that the task force lent on the company not to pay these workers for their down time. My question is: is that true, Mr Hadgkiss?

Mr Hadgkiss—No, it is not true.

Senator Abetz—What we have in this statement are paragraphs like:

13. I state that I felt particularly pressured by the approach of the Task Force and intimidated.

It begs the questions, with the forensic mind of a solicitor at work in this: where was the particular pressure? Where was the intimidation? If a solicitor prepares something like this,

intimidation might have a particular legal meaning, but there is no evidence as to that—no examples, no detail other than an allegation that somebody might be prosecuted if they were paid contrary to the Workplace Relations Act. One would imagine that things that are contrary to the Workplace Relations Act may lead to somebody being put into some legal difficulty. That is why the Workplace Relations Act exists—so that if you are in breach of it, then certain legal consequences flow. Having said all that, can I indicate that at this stage it is not accepted—we do not deny it, but it is not accepted—that this statement necessarily did go to the court, and that has been taken on notice.

Senator COOK—It is a matter of fact one way or the other, and what the minister wants to do about that is up to him. But it is a matter of fact. My advice is that it did go to the court and was considered by the judge in the sentencing. Anyway, you have answered my question, Mr Hadgkiss. Did it lean on the company not to pay these workers? Did it put to the company in any way that they may be in breach of the Workplace Relations Act if they did pay these workers?

Mr Hadgkiss—I have no knowledge of that. They would certainly have provided advice to that effect if that were the case.

Senator COOK—If they believed it to be the case.

Mr Hadgkiss—On whatever evidence they were presented with.

Senator COOK—You are aware that the question of payment went to Commissioner Harrison and that following a conference there was a decision made to pay the workers?

Mr Hadgkiss—No.

Senator COOK—You are not aware of that. That goes to the Workplace Relations Act and to what is and what is not lawful. There is no suggestion that Commissioner Harrison would have signed off on a deal that was unlawful, is there?

Mr Hadgkiss—I cannot comment on that.

Senator COOK—This is a commissioner of the Australian Industrial Relations Commission who has sworn an oath of office to uphold his act and who, after a proceeding, signed off on an understanding that this will be paid. You are not suggesting in any way that the commissioner is outside the law, are you?

Mr Hadgkiss—I have no knowledge of these matters.

Senator COOK—No. But you are not suggesting he is outside the law, are you?

Mr Hadgkiss—I have no knowledge of these matters.

Senator COOK—I have just told you. You are not suggesting he is outside the law, are you?

Senator Abetz—If he has no knowledge of the matter, Mr Chairman—

CHAIR—I think that is the end of the matter.

Senator Abetz—it cannot be pursued further. If he did have some knowledge of the matter, he might indicate, for example, that the commissioner may have acted outside of the law and

that that is why the matter has been appealed or something of that nature. If the witness says he has no knowledge of it, it cannot be taken any further.

Senator COOK—The matter has not been appealed. It is, I submit, disingenuous to avoid the point. What I am trying to establish is this. There is no allegation here that a commissioner of the Australian Industrial Relations Commission has done anything outside the law, is there?

Senator Abetz—The allegation was that the CFMEU broke the law. They pleaded guilty and they were fined \$2,000. Those are the undisputed facts. Nearly everything else that Senator Cook is trying to throw up is conjecture.

Senator COOK—The undisputed facts are that a worker engaged by the employer, and not a member of the union, made this statement. It was presented in court in a sentencing situation.

Senator Abetz—No. That is, at this stage, not accepted. I am not saying it is disputed, but I am saying it is not accepted.

Senator COOK—I would not be asserting it if it were wrong. I am asserting it on good authority.

Senator Abetz—Senator Cook, you told the Australian people that the budget was in the black when there was a \$10.3 billion black hole!

Senator COOK—Get out of it! The budget was in surplus.

Senator Abetz—Your credibility as a witness of the truth is shot.

Senator COOK—If you want to have that argument, if you want to turn this into a farce, which you are trying to do, you are a joke. You should resign. You are a disgrace to the profession.

Senator Abetz—Your credibility is shot, Senator.

Senator COOK—My credibility is beyond reproach.

CHAIR—Order! Could we lay the obvious ground rule: one person speaking at a time. Senator Cook, you have the floor to ask a question.

Senator COOK—I will put it another way, Mr Hadgkiss. I have told you what I believe to be the facts. I do not think you are going to suggest to me that I am misleading you, but if you are you might—

Senator Abetz—No.

Senator COOK—No?

Senator Abetz—The important distinction has already been made, that we do not—

Senator COOK—Could I get my question out, Mr Chairman? I am halfway through my question.

CHAIR—Order, Senator Cook! The minister is speaking.

Senator Abetz—dispute and we do not accept. You are verballing the witness yet again.

Senator COOK—I have the call to ask it, and this being keeps interrupting me.

Senator Abetz—You keep trying to verbal witnesses.

Senator COOK—Do you want to be here until Friday? We can keep going if you want to be.

Senator Abetz—If you want to be, I am willing to take you on.

Senator COOK—If that is what you want to do we will just keep ploughing on.

CHAIR—You can waste the time however you want to, Senator Cook, that is your prerogative.

Senator COOK—Mr Chairman, I am asking this question. Can I have your protection to enable me to complete the question before the minister—

Senator Abetz—But he cannot mislead the witness in his question.

CHAIR—That is true, Minister. But let the senator finish his question and he will let you finish your statement, too, I am sure.

Senator COOK—I almost always have. I have been very indulgent. I put to you in good faith, Mr Hadgkiss, that this matter went to the commission and that the commission signed off on an understanding that the money would be paid. There is no implication here by you that that was wrong, is there?

Mr Hadgkiss—I do not know.

Senator COOK—But, in not knowing, I put it to you that these are the facts, and on that basis you are not saying that is wrong, are you?

Mr Hadgkiss—I have no knowledge, Senator.

Senator COOK—So you are not prepared even to admit that the integrity of the commission is being sullied by your refusal to recognise that what the commission did is—

Senator Abetz—That is just outrageous.

CHAIR—Order! If the officer says he has no knowledge, he cannot advance any information to you, Senator Cook. So that is the end of that matter.

Senator Abetz—Also, Mr Chairman, I must intervene and say that it is unfair to say to an officer that because they quite truthfully and correctly say to us that they have no knowledge of the matter that that somehow is designed to sully somebody else's reputation. That is just stretching things beyond credulity and is completely unacceptable.

CHAIR—That is true. You have been told several times, Senator Cook, by the officer that he has no knowledge on that, so can we move on to something about which he might have some knowledge?

Senator COOK—Mr Hadgkiss, as the head of the task force you are aware of this case, aren't you?

Mr Hadgkiss—Yes.

Senator COOK—As the head of the task force it is your responsibility to oversee these matters.

Mr Hadgkiss—Yes.

Senator COOK—As the head of the task force, officers involved in these matters report to you.

Mr Hadgkiss—Yes.

Senator COOK—As the head of the task force you expect your officers to report to you fully and in detail about these matters.

Mr Hadgkiss—Through appropriate chains of command, yes.

Senator COOK—Yes, through an appropriate chain of command. You do not seem to know very much about these matters, so does that suggest that the chain of command does not function and that you do not get the full reporting?

Mr Hadgkiss—No.

Senator COOK—If you do think it functions, how is it that you do not know that this statement was put into the record during the sentencing hearing?

Mr Hadgkiss—It might have been, but I have no intimate knowledge of this, Senator.

Senator COOK—It does raise the question as to whether you actually take an interest in these matters.

CHAIR—Senator Cook, that was inappropriate and you know it.

Senator Abetz—Mr Chairman, it is those sorts of gratuitous, nasty questions that are completely unacceptable. And then the senator complains when I am up in defence of the officers.

Senator COOK—Mr Chairman, allegations are made freely from the table about intimidation and coercion.

Senator Abetz—On the strength of a royal commission report.

Senator COOK—On a discredited one.

CHAIR—Order!

Senator COOK—But when questions about the conduct of the task force are put, all sorts of defensiveness occurs—memory lapses occur, no knowledge occurs and no understanding occurs, and we are unable to probe. I just think this is a quite farcical situation.

CHAIR—Senator Cook, you cannot expect officers to know every thing about every detail in every document that is within the purview of their authority.

Senator COOK—No, I do not.

CHAIR—Particularly down to every line in every court judgment.

Senator COOK—No, I do not.

CHAIR—I do not think that is reasonable, and if he has a chain of command—

Senator COOK—But when it is in a report to the parliament I do expect him to be able to answer those questions.

Senator Abetz—Mr Chairman, once again, the expectation that they should have immediate knowledge of everything that is in any report that may find its way into the

parliament has never been required of any officer under any government. For the record, Mr Chairman, it should be noted that Senator Cook did reflect on the royal commission by describing it as ‘discredited’.

Senator COOK—Yes, I believe that to be true.

Senator Abetz—So it is interesting, isn’t it, that somebody in the Industrial Relations Commission cannot have his credibility smeared or sullied on the quite honest basis of Mr Hadgkiss saying that he has no knowledge of a particular matter? That is a smear somehow, but saying that a royal commissioner who has spent many hours and days working to expose the corruption in the building industry in this country is discredited. That seems to me to be another classic example of Labor double standards.

Senator COOK—Another political speech from the minister, not related to the issue.

CHAIR—You have made a few yourself in the last 24 hours. Could you move on to next line of questioning.

Senator COOK—I am used to those rulings. I want to go back to where I commenced my examination yesterday. In fact, it is where I commenced my examination in the committee hearing the previous month. In that hearing, Mr Hadgkiss, I put to you the allegation that officers of the task force had engaged in covert recording of witnesses, which was in breach of your guidelines and which is potentially in breach of the law. On the *Hansard*, you undertook to investigate that. You advised us a week later that you have been unable to investigate it because the *Hansard* has not been available to you but that you did discuss it with your senior officer and that he had no knowledge of it. I have now repeated the allegation in full. I believe it to be based on credible information and to be a serious allegation. Can you describe for me now what you intend to do to investigate this?

Dr Boxall—Senator Cook, I think we dealt with this yesterday—

Senator Abetz—There is a standing order on boring repetition, Mr Chairman.

Dr Boxall—and we agreed that the department would investigate that case, which you outlined yesterday.

Senator COOK—The department will investigate it?

Dr Boxall—That is right.

CHAIR—As you have that answer, Senator Cook, we should move on.

Senator WONG—Which section of the department conducts such investigations?

Dr Boxall—You asked that yesterday, Senator Wong, and we said that it would not be the Building Industry Taskforce; it will be the general corporate area that deals with these matters.

Senator WONG—Has investigation commenced on that matter, or is it proposed to commence shortly?

Dr Boxall—The question was answered yesterday and we will get to it.

Senator COOK—‘The question was answered yesterday and we will get to it’?

Dr Boxall—That is correct.

Senator Abetz—They could not investigate it overnight.

Dr Boxall—We have been up here all the time, and we will deal with it.

Senator COOK—Yesterday I asked Mr Hadgkiss: is it true that between July and the end of last year he issued a written advice to his investigators about covert recordings? Mr Hadgkiss was unable to answer that question because I do not think he was in a position to answer it at that time. Mr Hadgkiss, have you checked with your office since then and are you now able to answer that question?

Dr Boxall—With respect, that question was dealt with yesterday. It was either answered yesterday or taken on notice.

Senator COOK—That is yesterday. We have had some time.

CHAIR—Order! If it was answered or it was taken on notice that will be the end of the matter, otherwise we will keep going round in circles for the rest of the week.

Senator COOK—It is a matter of fact whether such an advice was issued. My advice is that such an advice was issued. All I am seeking is: since I asked that question, have you checked as to whether such advice was issued?

Dr Boxall—These issues were dealt with yesterday. I cannot recall whether that specific question was answered on the spot or taken on notice.

Senator COOK—My understanding is that it was taken on notice.

Dr Boxall—Right. If it was taken on notice, it will be dealt with the way that all things are dealt with taken on notice.

CHAIR—Senator, on the first day I outlined the return dates for answers. You cannot reasonably expect officers to answer questions when they are up here in Senate estimates. They cannot be back in the department answering your questions, and they do have some time to do that. You are really trying our patience.

Senator Abetz—We have had a 10-hour break!

CHAIR—You are bringing up again stuff that we dealt with yesterday. If you have run out of questions, we should move on to the next matter.

Senator Abetz—Now that the camera person has finished taking pictures, Senator Cook might have finished.

Senator COOK—I am almost out of questions.

Senator WONG—That is an unnecessary contribution, Minister.

Senator COOK—As we did deal with this matter yesterday, which is to say almost 24 hours ago, and Mr Hadgkiss has a department, it is just a matter of putting a phone call through to them to check whether or not such a thing was done.

CHAIR—Senator Cook, that is unreasonable.

Senator COOK—No.

CHAIR—We do not say in the opening statement, ‘You must have the answer back next day.’ We say, ‘You have a certain time to do it,’ and they have a reasonable expectation that

they will go away and not just answer that question but a whole range of questions. What you are requesting is most unreasonable. If you have finished, we would like to move on with the rest of the program. We have wasted now seven hours on this matter.

Senator WONG—That is an unfortunate comment from the chair to suggest that it is wasted. That is a political comment.

CHAIR—It is wasted. Have a look at the *Hansard* and you will see how much wasting time there is.

Senator WONG—I have been here for a fair bit of it.

Senator COOK—If I look at the *Hansard* I will see that to every allegation made about misconduct by the task force details are required and that to every allegation made by the task force about everyone else no details are required.

Senator Abetz—What the *Hansard* will display is a pathetic attempt by Labor senators to defend—

Senator WONG—Here we go.

Senator Abetz—the criminal behaviour and the thuggery of the CFMEU and other building unions in this country. They would be given *carte blanche* if they were to win at the next federal election and that is something that the Australian people should be made aware of.

Senator WONG—Why don't you save the political speeches for the chamber, Minister?

Senator COOK—Mr Chairman, on the grounds that I have been misrepresented, I have never in my life defended criminal behaviour to anyone anywhere, and when I was minister of this department I took action to prevent unruly behaviour in all industries. That is a matter of record—

Senator Abetz—And the royal commission's findings will—

Senator WONG—Let him finish, Minister.

Senator COOK—I will hold my record as minister for industrial relations against anyone in this country with considerable pride.

CHAIR—You should be an enthusiastic supporter of this task force.

Senator COOK—I utterly reject the misleading and politically charged allegations by the minister.

CHAIR—Perhaps everyone can leave these statements for the chambers.

Senator Abetz—The royal commission's findings will show how successful Senator Cook was in cleaning up the industry.

Senator WONG—Are we going to do this until all day, Chair?

CHAIR—If Senator Cook proceeds with the line of questioning the way he has gone about it, we probably will. I would invite him to ask any more questions he has, otherwise we will move on to the agencies.

Senator COOK—I have completed my questions.

Senator WONG—I have some more questions on the department's Building Industry Taskforce. Mr Hadgkiss, did your office prepare these wallet sized booklets called *Key contacts for your toolbox*?

Mr Hadgkiss—No.

Senator WONG—I asked this at the outset and I was told it was the Building Industry Taskforce.

Dr Boxall—No, you were told outcome 2.

Senator WONG—Then I am asking about outcome 2. Which section of the department prepared this?

Ms Bennett—The Workplace Relations Implementation Group prepared the tool kit.

Senator WONG—Can you tell me how many were distributed?

Ms Bennett—250,000 booklets were produced.

Senator WONG—Were they all distributed?

Ms Bennett—The majority of them have been distributed. We have a small amount in stock for people who make follow-up requests.

Senator WONG—What was the cost of production?

Ms Bennett—The letter and the booklet, including postage, cost 86c each for distribution.

Senator WONG—What was the cost of production of the booklet?

Ms Bennett—\$215,200, GST exclusive.

Senator WONG—That is production only?

Ms Bennett—No, that is produced, distribution of letter and booklets.

Senator WONG—So the total cost of the exercise is \$215,000—

Ms Bennett—\$215,237.94.

Senator WONG—Is that the total cost of the exercise?

Ms Bennett—GST exclusive.

Senator WONG—How were the recipients selected?

Ms Bennett—We purchased a mailing list from a company called List Bank. List Bank is the largest mailing list holder in Australia.

Senator WONG—What was the cost of that purchase?

Ms Bennett—\$8,230.97.

Senator WONG—Thank you for coming so prepared. Is that amount included in the \$237,000?

Ms Bennett—Yes, it is.

Senator WONG—What were the parameters for your request on the list?

Ms Bennett—We were particularly aiming at small and medium sized businesses in the building and construction industry.

Senator WONG—How many of the people to whom it was sent do not employ anyone?

Ms Bennett—We purchased a mailing list—it is obviously a sample of information. The data is based from a range of sources that the mailing list company draws on, including *Yellow Pages* and the registration of other mailing lists. I cannot tell you how many did or did not have at that point in time an employee.

Senator WONG—Did you do a check?

Ms Bennett—No.

Senator WONG—So there was no cross-reference between the list and other databases you may have had on employers in the construction industry?

Ms Bennett—We know from the royal commission findings that 93 per cent or 95 per cent of businesses in the building and construction industry are small to medium sized enterprises. So that was the selection on the target. The bulk of employees in the building industry work for enterprises within that definition.

Senator WONG—That is probably quite true, but it was not the question I asked. Was there any cross-matching between any of the databases or information the department has on who employs people in the industry and the mailing list?

Ms Bennett—We do not keep databases on organisations that employ people, and there is no cross-checking of the mailing list. We purchased the mailing list as it was from the List Bank.

Senator WONG—I am aware that people who do not employ anyone received this toolbox pamphlet.

Senator Abetz—And that is fair enough, isn't it? Just flicking through it, there are industrial matters contained in this that may be of interest to a single-person operation, I would have thought.

Senator WONG—So it is not a problem from the government's perspective that this goes to non-employers?

Ms Bennett—No.

Senator Abetz—Absolutely not, because there are things in here that would be very helpful for subcontractors who might be a one-person band, such as coercion by a union to join to be allowed onto a work site.

Senator WONG—Minister, I am trying to be reasonably specific and focused in my questioning, bearing in my mind people have been here for a long time.

Senator Abetz—You are, and I am just giving you a good example.

Senator WONG—If you persist in making a political comment every time I ask a question, I will not be quite so appropriate.

CHAIR—I would not have thought it was a political comment. I thought the minister was just elaborating on what was in the document.

Senator Abetz—If I can just clarify, there was a clear inference or questioning as to why the government would be sending this to somebody engaged in the building industry who did not employ anybody. What I have given the senator, much to her distaste, is an example—

Senator WONG—Don't impute my response.

Senator Abetz—of where this very helpful booklet, called *Key contacts for your toolbox*, could be very relevant and very helpful for a single, non-employing contractor who is engaged on building sites.

Senator WONG—In the interests of efficiency, I shall ignore a lot of what was just said and move on.

Senator Abetz—There is no answer to it; that is why.

Senator WONG—No, it is not that I did not like the answer, Minister. I just do not want to spend the rest of the day having a pointless discussion with you.

CHAIR—I would appreciate it if you could go to questions.

Senator WONG—Dr Boxall or Mr Hoy, it occurred to me when I was looking at the questions I had in relation to the abolition of the National Occupational Health and Safety Commission that I probably should ask one question in the department before we move to the agency. The minister has announced the abolition of the commission. Have you received drafting instructions in respect of legislation to give that effect?

Mr Hoy—No.

Senator WONG—Have you sought or received legal advice as to the need to enact such legislation?

Mr Hoy—Yes.

Senator WONG—What date was that advice sought?

Mr Hoy—I cannot give you the precise date, but it was in the last couple of weeks.

Senator WONG—Has that advice been received as yet?

Mr Hoy—Yes.

Senator WONG—When was it received?

Mr Hoy—It was last Monday or Tuesday.

Senator WONG—From whom?

Mr Hoy—The Australian Government Solicitor.

Senator WONG—Do we have the cost of that?

Mr Hoy—No.

Senator WONG—That is costed across from AGS, isn't it?

Mr Hoy—There will be a cost, but I do not have the cost yet.

Senator WONG—I was going to move to the GEERS scheme.

Senator Abetz—Have you finished with the task force?

Senator WONG—I have finished with the task force.

[2.15 p.m.]

CHAIR—We will move to questions on GEERS.

Senator WONG—Ms Connell, I asked some questions, W420-04 and W421-04, which were not answered on the basis that the information requested was unavailable in a readily retrievable form. I refer you to some previous answers to questions on notice—question W11 from the February 2002 hearings and question on notice 503 in the House, to Mr Abbott—where, it is quite obvious, far more detailed information was provided.

Ms Connell—Sorry, could I have those question numbers again, please?

Senator WONG—The two that you essentially refused to answer were W420-04 and W421-04. Information about additional payment under GEERS should the caps be removed was requested by Senator Sherry in February 2002, and that answer was provided. Information regarding which employers' payments have been made and the state in which they have been made was answered by Minister Abbott in question 503 on notice in the House. I find it difficult to understand why, when similar information is requested on notice in Senate estimates, the department now says that it cannot obtain that information.

Ms Connell—Are you referring to a question on notice in the February 2003 Senate estimates? Do you have a number for that one?

Senator WONG—Which one? Do you want me to give you all the citations again?

Ms Connell—No, I have the W420-04 and W421-04 questions on notice at the last estimates, the February estimates.

Senator WONG—No, I am first referring to questions in February 2002 from Senator Sherry in which information was requested and provided by the department on what the non-payment amount was—that is, how much work is owed over and above the scheme caps. And I am referring to question 503 on notice in the House, which the minister answered, which provided information as to the payees—that is, the employers and the states in which those employers were—in relation to which payments under GEERS were made. I am asking why the department has previously provided this information—that is, relating to the questions I asked in W420-04 and W421-04—but is now not prepared to provide it.

Dr Boxall—We will need to get the two questions to see whether they are the same. We are unable to answer that unless we have the other questions so that we can see what information was provided then.

Senator WONG—I can tell you that in the W11 question to which I am referring the question asked was 'For those employees who would have been entitled to a greater payment if there was no cap, how much would the total amounts have been?'—words to that effect. Some detailed figures were given there. And in question 503, Mr McClelland asked the minister what payments had been made to employees of which employers under GEERS and what state or territory were those employers located in. That information was provided. I would have thought that at least those two aspects of the information ought to have been able to be provided in answer to my questions.

Dr Boxall—As the minister said in question W420-04, the information requested is unavailable in a readily retrievable form. It would involve a substantial and unreasonable diversion of resources from other activities to compile the information as requested. The question has parts (a) to (l) and asks: name of employer, location of employer, number of employees employed by the employer—it is incredibly detailed. That is the minister's answer. We are just at the moment printing off the questions.

Mr Hoy—If you give us the clear references, we can find them.

Senator WONG—Question W11 from February 2002 and question No. 503 in the House from August 2002.

Dr Boxall—I have question W11, which Senator Sherry asked at *Hansard* page 17.

Senator WONG—That is it.

Dr Boxall—Let me read it:

For those employees who would have been entitled to a greater payment (under GEERS)—

Senator WONG—I thought I had read it out already, but anyway.

Dr Boxall—I would like to read it out again because it is so much simpler than the question which the minister answered on notice recently. It says:

For those employees who would have been entitled to a greater payment (under GEERS) if there was no cap, do you have any idea of the total amounts?

So this was asking for total amounts. Question W420-04, which the minister advised would be a substantial and unreasonable diversion of resources, is asking for incredible detail down to name of employer, location of employer, number of employees employed by the employer, and number of employees who made a GEERS claim. Then it goes into total amount of annual leave owed, long service leave owed, notice payments owed, unpaid wages owed, redundancy pay owed, redundancy pay owed under GEERS. Then there is a question about superannuation. I put it to you, Mr Chairman, that that question requires substantially more detail, at a disaggregated level. Question W11 requires aggregates. The answer in W11 was that GEERS has two caps. It then explains, if both caps under GEERS were removed, how much extra would be received.

Senator WONG—Dr Boxall, I am just providing you with a copy of the other question which sets out the geographic location. I accept there is a distinction. I assume, therefore, that the department would not have any difficulty in answering for the financial year to date precisely the same question that Senator Sherry asked in W11?

Dr Boxall—I think that that question should be able to be answered the same way that Senator Sherry's question was answered.

Senator WONG—I appreciate that. You will see that the minister did provide payees—that is, the employers whose employees received entitlements under the scheme and by state.

Dr Boxall—That is correct.

Senator WONG—Are you able to provide the information for the same period in a similar format—that is, by state?

Dr Boxall—We should be able to provide the information similarly to the format of question No. 503. That information says that EESS and GEERS payments were made to ‘former employees of the following insolvent businesses’. Then it lists the businesses and which state they were in. That information is substantially less detailed than what was required in question W420-04. Should Senator Wong so desire, we could take on notice the equivalents of question W11 and question No. 503 for this financial year to date.

Senator WONG—I would appreciate that. To ensure I understand what I will be receiving, in relation to the W11 question format, I presume that would not include unpaid superannuation?

Dr Boxall—The question says—and I know you read it out, Senator Wong; but just so we are clear:

For those employees who would have been entitled to a greater payment (under GEERS) if there was no cap, do you have any idea of the total amounts?

The question explains there are two caps: one is the maximum salary at which employee entitlements are calculated and the other is the community standard of eight weeks. So we should be able to answer this question for this financial year.

Senator WONG—What I am asking is to ensure I understand how you calculate the additional payment should the caps be removed. Would that additional payment have regard to unpaid superannuation?

Dr Boxall—No, because superannuation—

Senator WONG—That is fine. I just wanted to check that. Would it include outstanding annual leave?

Dr Boxall—It would include all GEERS payments if there were no cap to the salary and if there were no cap to the community standard.

Senator WONG—I appreciate that, but I would like to go through and confirm what is in and what is out of that. It would not include unpaid superannuation—is that correct?

Ms Connell—Correct.

Senator WONG—It would or would not include annual leave owing?

Ms Connell—All annual leave is covered by GEERS, so there would be nothing on that.

Senator WONG—So it would include all unpaid annual leave. Would it include long service leave?

Ms Connell—Yes.

Senator WONG—Payments for notice periods?

Ms Connell—Payment in lieu of notice, yes.

Senator WONG—Would it include any unpaid wages—in a circumstance where the insolvent employer has, prior to dismissal, skipped a couple of weeks pay?

Dr Boxall—It would include that.

Ms Connell—The things you are listing are actually covered by GEERS. Are you asking for payments that would not be covered by GEERS?

Senator WONG—No. As I understand Dr Boxall, he thinks you can give me figures that work out, if the caps were removed, how much the scheme would cost—is that correct?

Dr Boxall—That is right.

Senator WONG—I want to confirm I understand what that would involve. Would it include a calculation for unpaid wages?

Ms Connell—Yes, it would.

Senator WONG—Presumably it would include redundancy pay?

Ms Connell—Yes, it would.

Senator WONG—But only award based? Is that right?

Ms Connell—Whatever is covered in the relevant industrial instruments.

Senator WONG—So a certified agreement that does an above award standard would be covered?

Ms Connell—As a greater payment in GEERS, yes.

Senator WONG—I will look forward to receiving those. Ms Connell, do you have any knowledge of a claim in relation to Drews Furniture Pty Ltd?

Ms Connell—I have received a brief on that, yes.

Senator WONG—As I understand this, GEERS has denied payment to about 30 employees of this company, and I am not sure whether it was on the basis of there being no termination or of the company not being insolvent. I think it is the former—is that correct?

Ms Connell—I understand that this matter has been referred to ASIC; it is a matter for ASIC. We have recently been advised that we can reconsider and we will be reconsidering the case.

Senator WONG—What was the basis for the original rejection?

Ms Connell—I understand that the original reason for rejecting this claim was that there was no point of the individuals being made redundant due to the insolvency.

Senator WONG—I am sorry?

Ms Connell—I am just seeking some legal advice to put it into words that are quite accurate.

Senator WONG—Thank you. Take your time.

Ms Connell—I understand that at the point at which it was referred to us it was receiver appointed. That does not necessarily reflect the insolvency of the business, which is a requirement under GEERS under their operational arrangements. If you need that further clarified I have legal counsel here.

Mr Carr—I understand that the situation was that a receiver was appointed to the company. A receiver can be appointed in circumstances where the company is not yet

insolvent so, pursuant to the scheme's requirements, the department sought confirmation that the employees were indeed terminated due to the insolvency of the employer. I understand that they have received correspondence from the receiver and that they are reconsidering in light of that correspondence.

Senator WONG—I provide to you—and I indicate that I have the consent of these solicitors—correspondence from Pitcher Partners to a Mr Armstrong, who I believe works in your area. Is that right, Ms Connell?

Ms Connell—Yes, it is.

Senator WONG—Have you seen that? I presume that you have seen it, Ms Connell.

Ms Connell—Yes, I have. We have a copy of that.

Senator WONG—That is a letter from Mr Rambaldi, who is the liquidator. I assume that he was originally appointed as receiver. Is that correct?

Mr Carr—That is right.

Senator WONG—It is he or she—I am not sure if it is a man or a woman. I am happy if you dispute how I interpret the letter, but he or she appears to be saying:

Although the receivers did not formally terminate the employees, they prevented the employees from accessing the premises and performing their work as required under their contract of employment. Based on advice, I am of the opinion that these employees were effectively terminated as a result of their employer's redundancy.

Mr Carr—That goes to the point that I raised. Indeed, that is the confirmation that was sought by the department. This is the receipt of that confirmation by the receiver on 10 May. I understand that the department is considering the matter.

Senator WONG—When did the events that Mr or Ms Rambaldi refers to occur—that is, the preventing by the receiver of the employees from accessing the premises and performing their work?

Mr Carr—I do not have that material to hand.

Senator WONG—Presumably those who administered the GEERS scheme must have because that was one of the facts upon which they based their decision to not pay these people.

Mr Carr—Can we take it on notice?

Senator WONG—You do not have that information here, Ms Connell?

Ms Connell—I do not believe we have it, no.

Senator WONG—When was the application by the employees first made?

Ms Connell—I do have the date that the receivers were appointed. It was 13 August 2002. That was when the receivers were appointed.

Senator WONG—So it has been a long time. When was the application for GEERS first received?

Ms Connell—I can give you the dates I have and see if they shed light on this. The employees were deemed to have been terminated from the company as of 14 August.

Senator WONG—Which year?

Ms Connell—2002.

Senator WONG—That accords with my understanding of the events. Go on.

Ms Connell—That is all I have, so we will need to take that on notice.

Senator WONG—The actions to which the liquidator refers occurred in August 2002. Presumably, at some point after that the applications that you rejected were made.

Dr Boxall—On this letter that you handed to us there are two dates. In relation to one date it says, ‘It is alleged that the company was insolvent from at least 13 August 2003’, and of the other date it says, ‘Based on the information at hand discussions with the receivers appointed to the company on 13 August 2002’. It is probably best that we take this on notice and sort through it.

Senator WONG—Ms Connell, you do have the date on which your records show the company as being insolvent.

Ms Connell—It is a very complex case, Senator.

Mr Carr—We do have some more dates. We understand that an application was made for winding up the company on 10 July 2003. Although you have a very early date for the appointment of a receiver, you would be aware that a receiver can be appointed for a number of reasons, not necessarily due to the insolvency of the company.

Senator WONG—But isn’t the critical issue the date on which the terminations were made?

Mr Carr—There are a number of requirements to satisfy the scheme’s operational arrangements. It requires more than the termination of employees.

Senator WONG—My information is that the events which are referred to occurred in August 2002, which I think accords with Ms Connell’s evidence before. Even if I accept that the scheme can only pay out from the date on which an application for liquidation is made, which I do not think is the test for GEERS, is it?

Ms Connell—It is, actually.

Senator WONG—No, insolvency is the test.

Ms Connell—That is correct.

Senator WONG—Liquidation is a different process to insolvency.

Ms Connell—That is correct.

Senator WONG—Companies can be insolvent well before they are liquidated—in fact, they usually are.

Mr Carr—The operational arrangements are detailed and are somewhat different between a receivership and a liquidation or other arrangement but, broadly speaking, you are right—they hinge to a degree upon insolvency.

Senator WONG—Let's work out what we know and what you can tell us, Ms Connell. Your records say the insolvency date is 13 August 2002. Is that right?

Mr Carr—The date of insolvency has only just been provided in that correspondence you refer to of 10 May 2004. As I understand it, that is confirmation that the receiver, again, was of the opinion that the employees were effectively terminated as a result of the employer's insolvency. Absent that piece of correspondence, I do not believe it was clear prior to this date precisely when the date of insolvency was.

Senator WONG—Be very careful in giving this evidence.

Dr Boxall—Maybe we should take it on notice.

Senator WONG—I clearly have information that shows applications were made, were denied and had to be remade. If you are saying that this is the first time it has been brought to your attention—and I am not sure, given Ms Connell's lack of detailed notes on this, that that is evidence you can substantiate—then you still have quite a lengthy period where it appears that you have rejected applications at least once without checking with the receiver as to the insolvency date.

Dr Boxall—I suggest that we take this on notice because it is not clear what the dates are. It may be useful if you let us know what issues you want addressed.

Senator WONG—I will do that, but I want to clarify something. Ms Connell, surely you do have details of the dates of the first applications from these employees.

Ms Connell—To the GEERS scheme? I do not have those dates with me.

Senator WONG—Do you have the date on which you rejected the first applications?

Ms Connell—No.

Senator WONG—Do you have any information on this issue at all?

Ms Connell—I have some notes here, which appear not to be helpful to your questions.

Senator WONG—Let us go through what I would like on notice, then. On what date were applications of employees or former employees of Drews Furniture from Campbellfield, Victoria, first received by the department? What action did the department take as a result of those applications? Did the department, prior to making a decision in relation to those applications, have discussions with the receiver, liquidator or representatives of the employees? I understand the claims were originally rejected—if so, on what basis? When were subsequent GEERS applications lodged by the employees? When did the department undertake any investigation as a result of those subsequent applications being lodged? And perhaps an explanation of why there has been—and this is my view—extensive delay in relation to processing these applications.

Dr Boxall—As you say, Senator Wong, that is your view, and we will check whether there has been a delay in processing them.

Senator WONG—Shall I try to phrase the question a little less provocatively: can the department explain the time frames involved with this decision making process? Dr Boxall, on notice, referring back to our GEERS discussion, is it possible to give me two sets of

figures—one for the period 1 July to 31 December 2003, and one for the period 1 July year to date?

Dr Boxall—That should be possible, Senator Wong. That is W11 and question No. 503.

Senator WONG—That is it, yes. Mr Carr—or perhaps it was Ms Connell—indicated that the Drews Furniture matter that I was previously asking questions about had been referred to ASIC. Are you able to give me any information on that? I thought one of the answers was that in the Drews Furniture matter there had been an issue referred to ASIC.

Ms Connell—That is what I have been advised, but I do not have any further details.

Senator WONG—Finally, Dr Boxall, a couple of issues have come to light in the last 24 hours. Is it the case that IT contractors in the department have been told that they will be granted permanency if they become party to an AWA?

Dr Boxall—Not that I am aware of.

Senator WONG—Have there been discussions with IT contractors regarding employment within the department?

Dr Boxall—There is the IT Services Group and there is a group in outcome 1, called the Employment Assistance Group. Both those groups hire a lot of IT staff, some of whom are contractors. From time to time the managers of those groups offer for contractors to come onto staff.

Senator WONG—Would it be consistent with DEWR policy for such offers to be predicated upon the acceptance of an AWA?

Dr Boxall—DEWR policy is that you can be on the certified agreement or an AWA.

Senator WONG—I am trying to clarify what that means. Would it be consistent with DEWR policy to offer employment predicated on the acceptance of an AWA?

Dr Boxall—No. The policy is that one can offer employment under an AWA but, if the person turns around and says, ‘No, I want to go on a certified agreement,’ that would be dealt with.

Senator WONG—One final issue about people on expired AWAs. I assume there must be some people in the department who have been on AWAs which are now expired.

Dr Boxall—There might be some people. I do not know whether there are.

Senator WONG—If a person does elect to return to the certified agreement, is their salary retained at the existing level or do they revert to a lower salary level if that is what is technically applicable under the certified agreement?

Dr Boxall—This is a cross-portfolio question. I do not have the relevant staff with me but I do know that, if people are on an AWA and it expires, we deal with that on a case by case basis.

Senator WONG—Perhaps on notice you could advise me whether it is possible for a person who was on an AWA and reverts to the certified agreement to in fact take a pay reduction.

Dr Boxall—On advice, if a person is on an AWA and it expires and is terminated, they would maintain the AWA salary if it were greater than the CA salary.

Senator WONG—That is the position of DEWR?

Dr Boxall—That is right, until the CA caught up.

Senator WONG—I think I understand. I am ready for the agencies.

[2.50 p.m.]

Comcare

Senator WONG—Mr Leahy, are you familiar with the Productivity Commission's inquiry into national workers compensation occupational health and safety frameworks?

Mr Leahy—Yes.

Senator WONG—When was that report finalised?

Mr Leahy—There was an interim report finalised in March last year. I understand the final has been provided to the minister, and the government is considering its response to the report at the moment.

Senator WONG—When did the government receive that report?

Mr Leahy—I am not familiar with that. It is a matter that should have been asked of the department.

Senator WONG—When did you receive it?

Mr Leahy—I have not received it.

Senator WONG—When did you become aware of the report?

Mr Leahy—It was some weeks ago.

Senator WONG—Are we talking January, February, March?

Mr Leahy—It is not actually something I have pencilled into my diary.

Senator WONG—I am not asking that; I am trying to get some sort of feel for when. It was not last year?

Mr Leahy—Perhaps I had better take it on notice and see if I can find a date for you. But as I said, it is a matter that we are not deeply involved in. While we are impacted by the recommendations in the report, the organisation that has been most responsible for submissions et cetera is the department.

Senator WONG—NOHSC is an independent body set up under the act?

Mr Leahy—Yes, and they are on next.

Senator WONG—Did Comcare have any involvement in this Productivity Commission inquiry?

Mr Leahy—We had some informal meetings in the lead up to the interim report with members of the commission and with some of the staff to provide them with some information on how we operate. They came back to us after the interim report to get further

information that emerged during the course of submissions that were put by other parties. We did not actually put a formal submission in. That was a matter for the department.

Senator WONG—I now want to turn to Australia Post. Are you aware that as a result of possible industrial action, there has been a suggestion that Australia Post may use replacement labour from overseas, including Germany, to run and sort and maintain post mail sorting machines at various centres, including Northgate and Underwood in Queensland? I assume Comcare covers Australia Post employees?

Mr Leahy—Yes, we do.

Senator WONG—Has there been any consideration of the occupational health and safety implications of importing new workers who have not gone through the proper induction process?

Mr Leahy—That is the first time I have heard of the possible import of workers from overseas. We were aware, and Australia Post advised us of this following a representation we received from the CEPU, that they were going to use, during the course of some industrial action a few weeks ago now, management staff and other office staff to do some of the mail work. We queried Australia Post about the occupational health and safety implications of that, and they assured us they had taken that into account and that no-one who was untrained in particular areas of activity would be required to do such work.

Senator WONG—Your query was because you were concerned about possible injury risks if people worked on things for which they have not received sufficient training?

Mr Leahy—Our query was because the CEPU advised us that this was a possibility and that they had occupational health and safety concerns. As a matter of course, unless something is frivolous or vexatious, we check to make sure that the relevant organisation is considering occupational health and safety issues when they go down major tracks like this. The advice that we received from Australia Post satisfied us that they had taken occupational health and safety issues into account. That does not go to the issue that you raised about overseas staff. When you raised that today it was the first that I had heard of it.

Senator WONG—I presume that what would be required, at least, to deal with some of these health and safety concerns would be proper training of staff to perform functions.

Mr Leahy—Absolutely. For example, in some of the Post's mail centres, they would have forklift drivers et cetera. We would not accept an untrained person operating a forklift, nor would it be legal. That is a simple example,

Senator WONG—You cannot, can you?

Mr Leahy—That is exactly right. You cannot legally and you cannot for OH&S purposes. They assured us that that was not their intention.

Senator WONG—What other machinery in Australia Post would one have to be licensed for, either internally or more broadly?

Mr Leahy—I have visited some mail centres—and they have trucks, cars and motorbikes et cetera and there is a range of other machinery—but I cannot give you that detail. I could take it on notice and get some information from post if you like.

Senator WONG—Australia Post has not advised you of the possibility of importing overseas labour?

Mr Leahy—No.

Senator Abetz—Senator Wong, do you want that question taken on notice?

Senator WONG—Yes, please.

Mr Leahy—My colleague who runs the occupational health and safety area, Mr Ellis, has advised me that he has not heard anything of this, either. So Comcare is unaware.

Senator WONG—Presumably, given your position previously in relation to management and staff operating machinery and so forth, you would equally want to satisfy yourselves that if there were overseas labour these people would be properly trained and licensed to perform the activities that Australia Post proposed to put them into.

Mr Leahy—The obligation is actually on the employer.

Senator WONG—Correct. But you are the insurer, so you have a vested interest.

Mr Leahy—Yes, that is right. The employer should ensure that, if they put those arrangements in place, they have met all the requirements of their duty of care under the occupational health and safety act.

Senator WONG—Anything further?

Mr Leahy—That related to the workers compensation arrangements.

Senator WONG—I have nothing more for you. Thank you.

[2.58 p.m.]

National Occupational Health and Safety Commission

Senator WONG—Mr Stewart-Crompton, can I ask you about the Productivity Commission report. Are you aware that that report has been finalised?

Mr Stewart-Crompton—I am aware, yes.

Senator WONG—To your knowledge, when was it finalised?

Mr Stewart-Crompton—I learned from the department that the final report had been completed and presented to the government around the end of March or early April, but the report has not yet been presented to the parliament.

Senator WONG—Have you seen it?

Mr Stewart-Crompton—No.

Senator WONG—So you do not know, either, what is in it?

Mr Stewart-Crompton—No. All that we know about the report is that it has been received. We have been informed that it is expected to be presented to the parliament, together with the government's response, later this month. Of course, we have seen announcements made by the minister as part of the government's response to the report.

Senator WONG—You indicated that you anticipate a response to the report to occur later this month.

Mr Stewart-Crompton—We have been informed that it is expected that the report and the government's response to the report will be presented to the parliament probably later this month.

Senator WONG—Later in June?

Mr Stewart-Crompton—Yes.

Senator WONG—You referred also to the minister's announcements to some extent. That has already pre-empted the report and the response to it, hasn't it?

Mr Stewart-Crompton—I know nothing more than what the minister has announced.

Senator WONG—Were you told about this in terms of media?

Mr Stewart-Crompton—Perhaps I should go back to the beginning. The minister had a meeting with his ministerial colleagues on the Workplace Relations Ministers Council on 18 May.

Senator WONG—That is where he advised them that he was going to do this.

Mr Stewart-Crompton—Yes. On the preceding day, officials who were supporting the minister were informed at an officials meeting—I was not present at the meeting, but I know that it took place on the same day I was advised by the department that this was taking place—that the minister would be advising his ministerial colleagues of what he subsequently announced in a media release and in the communique from the meeting. On the same day—Monday, 17 May—I understand that the department, with the authority of the minister, advised the ACTU and the ACCI of the announcement that the minister was going to make.

Senator WONG—Were you involved in consultations or discussions with the minister or his office prior to this decision to abolish being taken?

Mr Stewart-Crompton—No.

Senator WONG—That is somewhat unfortunate, isn't it?

Mr Stewart-Crompton—That would require some conjecture on my part, so I will not comment.

Senator WONG—So you did not know about it until you were told the day before the announcement was made?

Mr Stewart-Crompton—Correct.

Senator WONG—When was the last time the minister or his office sought advice from the commission on any matter?

Mr Stewart-Crompton—The minister receives advice from the commission about its work on a regular basis, particularly after meetings of the commission. That is consistent with the requirements of the Commonwealth Authorities and Corporations Act. The minister has had several discussions with the chairman since the minister took up the portfolio. I have had two meetings with the minister to discuss the work of the commission.

Senator WONG—When were those?

Mr Stewart-Crompton—The most recent meeting was last week. I took the opportunity to inform the minister of where the commission had got to with its planning for next year, which of course would be a relevant consideration for the minister given the announcements he has made. Prior to that it was about three months ago. The last meeting I had with the minister was on 1 March.

Senator WONG—Was there any indication at that meeting that the government was considering abolishing your commission?

Mr Stewart-Crompton—It did not come up.

Senator WONG—Was this a surprise to the commission?

Mr Stewart-Crompton—The commission did not know that this would be the government's response. The only notice that was given of the minister's announcement was as I have described to you.

Senator WONG—That is, that someone who was briefed the day before rang you?

Mr Stewart-Crompton—I spoke to the secretary to the department the day before. The deputy secretary of the department, Mr Lloyd, who is also a member of the commission, was authorised to speak to the ACTU and the ACCI. Officials from the department had a meeting with officials from state and territory departments on that Monday, 17 May.

Senator WONG—What I am trying to ascertain from 17 May is whether someone from the department contacted you to advise of the decision, or whether you had to ring people to find out about the decision.

Mr Stewart-Crompton—I was asked late on the preceding Friday to attend a meeting with the secretary on the Monday.

Senator WONG—In that phone call on the Friday, were you told what it was about?

Mr Stewart-Crompton—I did not receive the phone call myself, so an appointment was made.

Senator WONG—Were you aware, prior to going into the appointment, what the announcement was?

Mr Stewart-Crompton—I had enough knowledge to know there would be some discussion about the Productivity Commission report; otherwise, I had no idea what the secretary was going to tell me.

Senator WONG—You had not been asked for your input or your response to the Productivity Commission report because you had not seen it?

Mr Stewart-Crompton—Correct.

Senator WONG—Can we get the dates right? You got this phone call on the Friday.

Mr Stewart-Crompton—That was Friday, 14 May. I attended a meeting with the secretary on 17 May. I might add that it was very useful for me in my role as CEO because I was able to agree with the secretary of the department that we would provide information both to the staff of NOHSC and to the staff of the department about the announcement when it was made.

Senator WONG—The commission is an independent body set up under the act, isn't it?

Mr Stewart-Crompton—It is.

Senator WONG—Is it the case that the council with which the government wants to replace the commission will not be a separate statutory agency?

Mr Stewart-Crompton—That is my understanding and, I understand, it is the preferred position of the government that it be established administratively.

Senator WONG—The commission has enshrined in the legislation the nature of the tripartite membership of it?

Mr Stewart-Crompton—Correct.

Senator WONG—There is no indication that there will be a similar entrenchment of a tripartite structure with the new council?

Mr Stewart-Crompton—At this stage, all I know is that the minister has announced that it will have a similar tripartite structure. Presumably the government will announce how the terms of reference of the ASCC will be framed and so forth when it gives more detail. The minister issued a second media release on 28 May, in which he gave some more detail about the proposed new structure.

Senator WONG—Do you have that here?

Mr Stewart-Crompton—Yes. We have a copy that we can provide. Do you have the first one?

Senator WONG—I have one from 18 May.

Mr Fisher—That is the second one.

Mr Stewart-Crompton—The media release of 28 May also confirms that NOHSC is to continue its work until the new arrangements are put in place.

Senator WONG—There is a fundamental difference, though, between this structure and yours—that is, that you are an independent statutory authority and, as I understand it, this is an advisory body.

Mr Stewart-Crompton—I cannot add anything to what the minister has said. I think the minister's words have to speak for themselves. On what we know, it is quite correct that NOHSC is established under statute and the new council, under the government's preferred position, would be established administratively.

Senator WONG—That is right. It is simply an advisory structure.

Mr Stewart-Crompton—Again, I cannot say any more than the minister has said. We have provided that information to our staff.

Senator WONG—I think we agree there is a significant difference in terms of the structure. Do you see much distinction from the paltry information that you have, which I think is two press releases, between the responsibilities of NOHSC and the responsibilities proposed for the ASCC?

Mr Stewart-Crompton—Yes, the Australian Safety and Compensation Council. Again, until more detail is provided about the role of the new body, it is difficult to make any comment.

Senator WONG—Presumably you have had some discussions with the department about transition arrangements.

Mr Stewart-Crompton—We have.

Senator WONG—I presume your budget at some point will end if you are not there.

Mr Stewart-Crompton—We have an appropriation and that is provided in the appropriation bill that is before the parliament at the moment. We are in the early stages of discussion with the department particularly about the transfer of staff and resources to the department, which is one of the proposed elements of the new arrangement. Obviously there will have to be some adjustment to the appropriation. I am not in a position to say yet what funds the new council will have at its disposal or what the control mechanisms will be.

Senator WONG—Presumably the budget allocation that the Senate is being asked to approve for the commission will be rolled into the department's budget allocation at the point in time when the government is successful in getting legislation through—which may or may not be required; I am not sure what the government's view is on this. But if this actually occurs is it intended that your appropriation will be rolled into that of the department?

Mr Stewart-Crompton—I do not know the answer to that yet.

Senator WONG—What does that mean?

Mr Stewart-Crompton—It means we have not got to the point of working out whether some or all of the appropriation would be transferred to the department or whether there would be some other mechanism for control of the budget. At the moment the appropriation is under the control of the commission. The commission still exists. It is, as you pointed out, established by statute. It has members. It has an ongoing role until such time as the new arrangements are made and then there would obviously be a whole range of steps to have some appropriate transition. But at this stage I do not know what those steps would be. In the NOHSC office we have been identifying all the financial obligations, the staffing et cetera—all the things that might need to be taken into account for the transition. But we do not have information yet on how it is to occur.

Senator WONG—Is this statement correct: there is currently no national body for workers compensation in Australia?

Mr Stewart-Crompton—There is no national scheme and there is no formally established body that looks at workers compensation issues on a regular basis. There is certainly no national tripartite body that looks at workers compensation on a regular basis. There is a body which goes by the name of the Heads of Workers Compensation Authorities, which is an informal, non-statutory committee of all the heads of the workers compensation authorities at the Commonwealth, state and territory levels. They get together periodically to discuss operational issues.

Senator WONG—I probably should have asked this of Comcare. Does the Safety, Rehabilitation and Compensation Commission not deal with workers compensation issues?

Mr Stewart-Crompton—You are right, Senator; the question would be better put to the SRCC, but I happen to be a member of the SRCC, so I can advise you that the SRCC's role is

established by its act and its role is in relation to the Commonwealth's workers compensation scheme.

Senator WONG—Is there any appropriation for that commission under the appropriation for the NOHSC?

Mr Stewart-Crompton—No, there is not. Indeed, the Commonwealth scheme is off-budget because it is paid for out of premiums from the workers compensation scheme.

Senator WONG—I am sorry, can you say that again?

Mr Stewart-Crompton—The Commonwealth's workers compensation scheme under the SRC Act does not require an appropriation because it is funded out of the premiums paid by the people under the scheme, and the licence fee is paid by the licensees under the scheme.

Senator WONG—Is there anything in the budget papers that actually tells us how much that commission costs?

Mr Stewart-Crompton—I do not know the answer to that.

Senator WONG—Does Comcare administer the SRCC?

Mr Stewart-Crompton—No. The SRCC is a body in its own right. It has some specific responsibilities for the supervision of the scheme and the issuing of licences.

Senator WONG—From whom do I ask questions to find out how much money they spend?

Mr Stewart-Crompton—I am sorry, I did not quite catch your question.

Senator WONG—Who is the appropriate body to ask questions about the SRCC?

Mr Stewart-Crompton—It would be appropriate to ask Mr Leahy.

Senator WONG—From Comcare?

Mr Stewart-Crompton—Yes.

Senator WONG—I might put that on notice.

Mr Stewart-Crompton—Mr Leahy is also a member of the SRCC.

Senator WONG—So Comcare has a role?

Mr Stewart-Crompton—Comcare has a relationship with the SRCC.

Senator WONG—We will ask the question about the SRCC of Comcare. I presume that it was not the position of the commission to abolish itself.

Mr Stewart-Crompton—The commission was never asked the question as to whether it should abolish itself. I have noticed a degree of enthusiasm round the commission table for the work it has to perform.

Senator WONG—Commiserations anyway. We will see how it goes.

Mr Stewart-Crompton—Thank you.

Proceedings suspended from 3.16 p.m. to 3.31 p.m.

EDUCATION, SCIENCE AND TRAINING PORTFOLIO**In Attendance**

Senator Vanstone, Minister for Immigration and Multicultural and Indigenous Affairs

Department of Education, Science and Training**Australian National Training Authority**

Ms Janina Gawler, Chief Executive Officer

Mr Paul Jamison, General Manager, Stakeholders and Policy

Ms Kareena Arthy, Director, Research, Planning and Reporting

Australian Nuclear Science and Technology Organisation

Dr Ian Smith, Executive Director

Dr Ron Cameron, Director, Government and Public Affairs

Mr Ken Horlock, Replacement Research Reactor Project

Mr Steven McIntosh, Government Liaison Officer

Mr Ken Suter, Chief Financial Officer

Commonwealth Scientific and Industrial Research Organisation

Dr Geoff Garrett, Chief Executive

Dr Ron Sandland, Deputy Chief Executive

Dr Michael Eyles, Executive Chair, Agribusiness and Health

Mr Mike Whelan, Chief Finance Officer and Executive Director, Corporate Operations

Dr Jack Steele, Chief of Staff, Business Development and Commercialisation

Ms Donna Staunton, Director, Communications

Australian Research Council

Dr Stephen Walker, Acting Chief Executive Officer

Mr Greg Harper, Deputy Chief Executive Officer

Mr Andrew Cameron, Acting Executive Director, Corporate

Australian Institute of Marine Science

Mr Peter Willers, Acting Director

Mr Victor Bayer, Chief Finance Officer

Ms Susan English, Policy Liaison Officer

Questacon

Mr Grahame Cook, Deputy Secretary

Professor Graham Durant, Director

Cross Portfolio

Dr Jeff Harmer, Secretary

Dr Wendy Jarvie, Deputy Secretary

Mr Grahame Cook, Deputy Secretary

Ms Lisa Paul, Deputy Secretary

Mr Ewen McDonald, Group Manager, Corporate Strategy Group

Mr Arthur Townsend, Branch Manager, People Management Branch, Corporate Strategy Group

Mr Greg Cox, Acting Branch Manager, Parliamentary and Communications Branch, Corporate Strategy Group

Ms Susan Smith, Branch Manager, Business Performance Improvement Branch, Corporate Strategy Group

Mr Craig Storen, Chief Finance Officer, Finance Group

Mr Tony Kwan, Chief Information Officer, Information Services Group

Mr George Kriz, Chief Lawyer, Procurement, Assurance and Legal Group

Mr Richard Bridge, Chief Audit Officer, Audit and Investigations Group

Strategic Analysis and Evaluation Group

Dr Jeff Harmer, Secretary

Dr Wendy Jarvie, Deputy Secretary

Mr Grahame Cook, Deputy Secretary

Ms Lisa Paul, Deputy Secretary

Ms Jessie Borthwick, Group Manager, Strategic Analysis and Evaluation Group

Ms Oon Ying Chin, Acting Branch Manager, Economic Analysis, Growth and Evaluation Branch, Strategic Analysis and Evaluation Group

Ms Anne Baly, Branch Manager, Skills Analysis and Research Strategy Branch, Strategic Analysis and Evaluation Group

Ms Joan Kennedy, Acting Branch Manager, Transitions and Attainment Branch, Strategic Analysis and Evaluation Group

Mr Lucio Krbavac, Director, Indigenous Issues and Regional Economies Section, Strategic Analysis and Evaluation Group

Science Group

Dr Jeff Harmer, Secretary

Mr Grahame Cook, Deputy Secretary

Mr Colin Walters, Group Manager, Science Group

Mr Rod Manns, Branch Manager, Science Programs, Science Group

Mr Steve Irwin, Branch Manager, Science and Technology Policy, Science Group

Ms Sara Cowan, Branch Manager, International Relations and Collaboration, Science Group

Dr Caroline Perkins, Director, Radioactive Waste Management, Science Group

Higher Education Group

Dr Jeff Harmer, Secretary

Dr Wendy Jarvie, Deputy Secretary

Mr Bill Burmester, Group Manager, Higher Education Group

Ms Lois Sparkes, Branch Manager, Quality, Equity and Collaboration Branch, Higher Education Group

Dr Carol Nicoll, Branch Manager, Funding Branch, Higher Education Group

Ms Maria Fernandez, Branch Manager, Student Support Branch, Higher Education Group

Ms Elizabeth McDonald, Acting Branch Manager, Quality, Equity and Collaboration Branch, Higher Education Group

Innovation and Research Systems Group

Dr Jeff Harmer, Secretary

Mr Grahame Cook, Deputy Secretary

Dr Evan Arthur, Group Manager, Innovation and Research Group

Ms Leanne Harvey, Branch Manager, Research Systems Branch, Innovation and Research Group

Mr Ian Lucas, Acting Branch Manager, Innovation and Research Branch, Innovation and Research Group

VET Group

Dr Jeff Harmer, Secretary

Ms Lisa Paul, Deputy Secretary

Ms Aurora Andruska, Group Manager, Vocational Education and Training Group

Ms Linda Laker, Acting Branch Manager, Industry Training Branch, Vocational Education and Training Group

Ms Mary Johnston, Branch Manager, Quality and Access Branch, Vocational Education and Training Group

Mr Ben Johnson, Branch Manager, New Apprenticeships Branch, Vocational Education and Training Group

Ms Stella Morahan, Director, VET Policy and Review Section, Vocational Education and Training Group

Ms Suzi Hewlett, Director, Industry Skills Section, Vocational Education and Training Group

Indigenous and Transitions Group

Dr Jeff Harmer, Secretary

Dr Wendy Jarvie, Deputy Secretary

Mr Tony Greer, Group Manager, Indigenous and Transitions Group

Mr Shane Williams, Branch Manager, Indigenous Education Policy Branch, Indigenous and Transitions Group

Mr Shane Hoffman, Branch Manager, Indigenous Business Management Branch, Indigenous and Transitions Group

Mr Matt Davies, Branch Manager, Transitions Branch, Indigenous and Transitions Group

Schools Group

Dr Jeff Harmer, Secretary

Ms Lisa Paul, Deputy Secretary

Mr Chris Evans, Group Manager, Schools Group

Ms Catherine Wall, Branch Manager, Funding and Coordination Branch, Schools Group

Ms Di Weddell, Branch Manager, Performance and Targeted Programmes Branch, Schools Group

Ms Trish Mercer, Branch Manager, Quality Schools Branch, Schools Group

AEI Group

Dr Jeff Harmer, Secretary

Dr Wendy Jarvie, Deputy Secretary

Ms Fiona Buffinton, Group Manager, AEI Group

Ms Shelagh Whittleston, Branch Manager, Export Facilitation Branch, AEI Group

Mr Anthony Zanderigo, Director, Market Development Unit, Export Facilitation Branch, AEI Group

Ms Rhonda Henry, Branch Manager, Educational Standards Branch, AEI Group

Ms Linda Laker, Director, Industry Regulation Unit, AEI Group

Mr Brett Pattinson, Acting Director, Industry Regulation University, AEI Group
Ms Karen Holas, Director, Industry Regulation Compliance Unit, AEI Group
Mr William Thorn, Branch Manager, International Cooperation Branch, AEI Group
Ms Bettina Cooke, Director, APEC, North and South Asia Unit, AEI Group

CHAIR—We now move to the Education, Science and Training portfolio. I welcome the secretary, Dr Jeff Harmer, officers of the Department of Education, Science and Training and agencies, and observers to this public hearing. On 11 May 2004 the Senate referred to this committee the particulars of proposed expenditure for the year ended 30 June 2005, Education, Science and Training portfolio. The committee has resolved that answers to questions on notice be lodged with the committee by Friday, 23 July 2004. The committee will report to the Senate on 17 June 2004. I remind officers that they shall not be asked to give any opinions on matters of policy and that they shall be given reasonable opportunity to refer questions asked of them to superior officers or to the minister. I remind participants that oral evidence and documents in estimates proceedings are part of the public record. Before we proceed to questions, Senator Carr has a brief matter for the record.

Senator CARR—In accordance with the normal parliamentary procedures, I would like to take the first available opportunity to correct the record in relation to a matter that arose in the February estimates hearings. At those hearings I raised an issue concerning the Australian Institute of Commerce and Language International Grammar School in Sydney. I said that purported communication by letter said that the correspondent spoke to an officer in the education department in Mort Street in Braddon. In those tabled documents there are a number of letters. What purported to be a petition was tabled. The petition made complaints about quality issues and teaching standards of the particular school. There were claims that the department interviewed Mr Damian Nowicki about his complaints.

I have subsequently been advised that the document purporting to be a petition from the students was fraudulent. I have received advice from the provider directly, in the form of a dossier of information and statements from the students who apparently signed the petition. It seems that the petition actually signed by the students complained about a single matter only: the adequacy of access to the Internet as facilitated by the college. It would appear that Mr Nowicki or some other person unknown to me substituted the first part of the petition, where the single complaint was mentioned in detail, with a series of other additional statements and complaints. Thus the petition appears to complain about various matters that the signatories did not in fact wish to complain about. In other words, the document would appear to be fraudulent. I am persuaded by the comprehensive and entirely credible explanation provided by the provider in this instance. Obviously, I wish to correct the record accordingly. I indicate those matters to the department. For your files, the documents were all tabled on 20 February.

[3.34 p.m.]

CHAIR—Thank you, Senator Carr, for that correction. We move first to cross-portfolio issues.

Senator CARR—I want to begin by inquiring of the department as to why so many answers to questions on notice were received late. As I understand it, some questions have not been answered and some questions remain outstanding.

Dr Harmer—I apologise for the fact that we did not meet the deadline. I do try, as you know, to comply with this. My department does its best to answer the questions on time. As it turns out, at the February estimates hearings, we took 328 questions in the portfolio—a total of 1,122 parts. You might recall that at the February hearings I mentioned that the previous hearings set a record for questions on notice since we have been keeping statistics. However, the February hearings broke the previous record in terms of parts and so it was quite a big burden on the department. In addition to that, I believe, although my colleagues might disagree, the February to May period is the busiest period in the departmental cycle—with the budget in May and the policy advising function in the lead-up to the budget et cetera.

I apologise for not making the deadline. My people in the corporate services area have been constantly chasing up the various divisions, which have been very busy, and I believe that by last week we had 98 per cent of all the questions directed to the department answered. I think the department has four outstanding questions and three of those are in the skills area. All of them required a great deal of work. We have at least attempted to answer every single question. We have tried to do it, despite the fact we are busy, by complying with the request—even though some questions require a substantial reallocation of resources. Question No. E999-04, which required a coordinated response from the whole of the department, took in excess of 37-person days to do and about 250 pages. That, in itself, was quite a big task and there were a number of questions that were quite big exercises. I apologise for not making it. We are doing our best. As far as I am aware, within the department there are only four questions that we have still to provide answers for, and I believe we will be able to provide at least three of those before the end of these hearings.

Senator CARR—Thank you very much for your answer. I acknowledge that some of these questions are complex and that the bulk of the questions have been asked by me—not entirely, but I acknowledge the bulk of them are mine. Some of them are from coalition senators—I draw that to your attention—so it is not just a question of not answering opposition questions.

Dr Harmer—No.

Senator CARR—Nonetheless, a number of those that were not answered were not particularly detailed. They were seeking to establish points of fact, not requiring much research at all. As the secretary, this is not entirely your fault directly but, for instance, I asked a question about the employment of a consultant in CSIRO. It was a controversial matter—that is, the appointment of Mr Ian Dean, who was being paid \$700,000. It was a simple question: was advice sought? Can you confirm that you received advice either formally or informally from the then head of corporate affairs resources, Mr Peter O’Keefe, that you should go to tender on the appointment of Mr Ian Dean? It is a straightforward question. The answer was given to us only today. When I read the answer I can understand why people are so sensitive about it, but it strikes me that it could have been answered a lot quicker. Is there a problem with the minister’s office or is there a problem within the agencies? I take it the department receives questions from the statutory authorities. For instance, when did you receive question No. E983?

Dr Harmer—We certainly do see them as they come through. For the portfolio agencies we act, in a sense, as a postbox-coordinating body. We do our best, because we are responsible for coordinating, to facilitate their quick access. I think only two of the CSIRO

ones were outstanding and those two, I understand, have been or will be provided to you today.

Senator CARR—They have been, today, yes.

Dr Harmer—We would certainly have seen those answers as they came through. I do not believe at all that these were held up in the minister's office. I believe that they were matters that the CSIRO were working through and clearing.

Senator CARR—So these two are straightforward—I would not be surprised under other administrations if this was just a straight 'yes' or 'no' answer—but they are nine weeks late. It seems to me that that is not a reasonable response. I acknowledge the points you make about some of the complexities. I acknowledge that there are agencies that drag the chains a bit. But some of these questions, I suspect, are being held up because they are politically sensitive. I just wonder about the appropriateness of that. I do not want to make much more of it than that. The other bit of good news of course is that this will be the last round of estimates before the election, and I am sure you are as happy about that as I am.

CHAIR—We could go to May 2005.

Senator CARR—In your dreams! It may well be that there will be changed circumstances. But it does seem to me that, given that there are answers to questions from coalition senators as well as from me, there appears to be a broader issue at stake here. With regard to the launch of Backing Australia's Ability 2, the department was the agency responsible for organising that launch, was it not, Dr Harmer?

Dr Harmer—Yes.

Senator CARR—You coordinated the launch?

Dr Harmer—We did—in consultation, I think, with CSIRO. I will double-check that.

Senator CARR—I would hope so; it is their property. It was down at the Discovery Centre.

Dr Harmer—Yes, it was.

Senator CARR—Who made the decision to cancel the launch?

Dr Harmer—I do not know. It was a decision made, I think, by the PM or the minister. It was a small space and it was difficult to judge, but it was assessed by people who were there that it was probably going to be difficult to hear, a bit rowdy, and if the PM and the other ministers involved were going to get their message across to the media who had been invited then it was probably better to do it in a quieter space.

Senator CARR—What was the cost of the launch?

Dr Harmer—We probably have that information. I would like to take that on notice. It is probably one of those I can get you quite quickly, but I do not have it at my fingertips.

Senator CARR—There are a number of elements to putting on an event like that, so if you can give me the detail of the costs I would appreciate it. What were the printing costs for Backing Australia's Ability 2? Do you have that information available?

Dr Harmer—I probably do.

Mr McDonald—The BAA kit comprised presentation folders, which were at a cost of \$2,665.60. There was an achievement booklet at \$2,602.20. There were some fact sheets at \$4,340.82 and there were some collation costs at \$1,708.

Senator CARR—It was about \$12,000 for that, was it?

Mr McDonald—It was just under that, I think. I would have to add it up.

Senator CARR—What was the date on which the booklets were printed?

Mr McDonald—On those costs: I wish to clarify that they were in relation to the 2,000 kits that were released.

Senator CARR—Okay. Were there other kits prepared?

Mr McDonald—There were, but we do not have those costs at the moment.

Senator CARR—What were the other kits that were prepared?

Mr McDonald—There was just an additional number.

Senator CARR—I see. Was it another print run?

Mr McDonald—Yes.

Senator CARR—Was there an earlier print run? Was there only one print run?

Ms Paul—Yes.

Mr McDonald—Yes, to my knowledge.

Senator CARR—There was only one. When were they ready?

Ms Paul—The launch was on the Thursday just prior to the budget. It was the 6th, I think.

Dr Harmer—The launch was on the Thursday of the week before the budget.

Ms Paul—Printing would have been done during the week before that.

Dr Harmer—Yes.

Senator CARR—They were ready a week before that. So they were ready a fortnight before the budget?

Dr Harmer—No.

Ms Paul—It was probably closer than that.

Dr Harmer—I think it was early in the week of the launch, from memory. I remember getting one the day before.

Ms Paul—Yes.

Senator CARR—I have some other questions on BAA. When do you wish to handle those?

Dr Harmer—That is scheduled for when Dr Evan Arthur's group is scheduled.

Senator CARR—You want to do all the research—

Dr Harmer—I would prefer to do it then because that division coordinated the preparation of the material. Because you have asked, they will be able to come along. I think they are scheduled for tomorrow.

Senator CARR—The difficulty will also be that some matters relate to the ARC. They have capacity to answer questions across the portfolio, do they?

Dr Harmer—The people who coordinated the BAA in Dr Evan Arthur's branch coordinated the lot across the portfolio.

Senator CARR—That is fine, so long as they are available. That does not worry me.

Dr Harmer—They will be available.

Senator CARR—Dr Harmer, has there been a request recently for the department to provide any additional transport to the minister's office?

Dr Harmer—Not that I am aware of.

Senator CARR—No cars required?

Dr Harmer—Not that I am aware of.

Senator CARR—No requests for additional vehicles?

Dr Harmer—Not that I am aware of, but if you—

Senator CARR—The last one you want to ask is me. I am asking.

Dr Harmer—I am just after a little clue. I am not aware of this.

Senator CARR—You are not aware of any requests?

Dr Harmer—No, I am not.

Mr McDonald—Senator, on the kit: I am advised it was ready on the 5th, the day before the launch.

Senator CARR—There was no earlier print run?

Mr McDonald—Not to my knowledge, no.

Senator CARR—Thank you. Are you able to check whether or not there has been any request for additional vehicles?

Dr Harmer—Yes.

Senator CARR—We might come back to that. You will be here for a while, won't you?

Dr Harmer—Sorry?

Senator CARR—If it transpires that there has been a request that you are not aware of, we will come back to that.

Dr Harmer—Yes. Do you mean vehicles for people in the office?

Senator CARR—An additional vehicle, outside of the Comcar.

Ms Paul—For use by one of the ministers or their offices?

Senator CARR—Yes, for launches.

Dr Harmer—Mr Cox has reminded me that there is consideration being given to the use of a vehicle for the promotion of New Apprenticeships. That has certainly been discussed with the minister.

Senator CARR—What is the nature of the promotion?

Dr Harmer—Promoting one of the traditional trades in the New Apprenticeships campaign.

Ms Paul—It is part of the current New Apprenticeships campaign—you have probably seen the current media—which is focusing on traditional trades. This time the ads are not focusing on automotive, so it was thought, given automotive is one of the areas of skills shortage in the traditional trades, that it could be useful to have something available for things like the trade fairs. It is just one of the things that we are looking at in part of that campaign.

Senator CARR—When you say you are ‘looking at it’, what is the nature of your looking at it?

Dr Harmer—We did look at it, but the department will not be providing it.

Senator CARR—Where was the request from?

Dr Harmer—I think the idea was developed in our New Apprenticeships area to use a decorated Holden utility, painted up with New Apprenticeships signage, to attract and promote new apprenticeships in the automotive industry.

Senator CARR—So there was no request from the minister’s office to provide a utility for country trips to target young voters?

Dr Harmer—No. Well—

Senator CARR—You were emphatic before that there were not.

Dr Harmer—I am starting to recall. I did not draw the link with the request for additional vehicles. There has certainly been considerable discussion with the minister’s office about how effective such a vehicle might be—including how effective it might be if the minister himself appeared with the vehicle at certain venues, which we in the department believe would be a media event which would attract positive—

Senator CARR—This is a Holden ute.

Dr Harmer—That is what we were talking about, but I do not think we had settled on whether it was a Holden or a Ford.

Ms Paul—Holden is the company with the most new apprentices.

Senator CARR—Did you draw to the minister’s attention the promotional material that is associated with the Holden ute?

Ms Paul—That the ute would be labelled with the orange and the logos that you have seen. That was the opportunity for it to target young people hopefully interested in the automotive industry.

Senator CARR—So you told him that the Holden ute is the one you drive for a:

... high-performance sports machine and you’ll realise you not only own the road, you dominate every square inch of it. Size counts ...

Dr Harmer—I do not think we used those terms.

Senator CARR—The ute drives ‘straight off the page and into your soul’. Did you draw that to his attention?

Dr Harmer—I doubt it, Senator.

Senator CARR—Why did you choose not to do this for the minister?

Dr Harmer—I think, when we looked at the options of how we might acquire it, it proved to be reasonably difficult to defend under the program guidelines. So we talked with the minister and, after presenting the idea, we then had to say, ‘We don’t think we can do it.’ Having got him reasonably excited about the idea—

Senator CARR—I’ll bet you did!

Dr Harmer—we unfortunately decided that we could not do it. He was quite keen.

Senator CARR—Why do you think he would be keen to do this?

Dr Harmer—I think Minister Nelson is a very committed minister in terms of pushing New Apprenticeships, particularly in the traditional trades. He regards that as one of the key themes of the program. He takes every opportunity to promote apprenticeships, and I think he saw this as a good opportunity.

Ms Paul—It is because it joins up traditional trades with skills shortages, basically.

Senator CARR—And it is good electioneering. Did you think about that?

Dr Harmer—We certainly did not think of that. We were thinking, as my very clever and innovative people in the New Apprenticeships area are, about how best to promote new apprenticeships.

Senator CARR—Did Dr Nelson have a favourite ute?

Dr Harmer—I do not know.

Senator CARR—Apart from the painting of the slogans and visuals, what else was proposed?

Dr Harmer—It was a matter of acquiring a utility, decking it out in the New Apprenticeships logos and signage and promoting it in various locations where we thought we might get some media to promote apprenticeships.

Senator CARR—Did you get as far as picking a colour?

Dr Harmer—I do not recall whether we got as far as picking a colour.

Ms Paul—No, because we did not proceed—other than the obvious oranges, blacks and browns which, as you know, are on the New Apprenticeships signage.

Senator CARR—So it would have been in New Apprenticeships colours?

Dr Harmer—Yes. I think it was orange or red.

Ms Paul—It was mainly orange on a black background.

Senator CARR—So, basically, it was rejected because you could not find a way to purchase it under the current guidelines?

Dr Harmer—We looked at various options. It was quite difficult to see that this was reasonable.

Senator CARR—When was this happening?

Ms Paul—It had been under consideration for a while.

Dr Harmer—Several weeks, I think.

Ms Paul—It had been under consideration for many months, I think.

Senator CARR—When was it rejected?

Dr Harmer—I am operating entirely on memory now but it was a couple of weeks ago at least.

Senator CARR—Are you absolutely certain that this concept originated from within the department?

Dr Harmer—I am pretty confident that it did. It first came to my notice by people in the department saying that this might be a good idea to promote apprenticeships.

Ms Paul—It is undoubtedly the case that the minister was keen in the office.

Dr Harmer—The minister had some association.

Ms Paul—I think he had some sort of association with Holden.

Dr Harmer—At the end of last year.

Ms Paul—Because he knew that they had had the most new apprentices and so on. So I think there was a fair bit of enthusiasm right round. We looked into it and there it was.

Senator CARR—So the minister went down to General Motors in Melbourne to have a talk to them?

Dr Harmer—No.

Ms Paul—No, I do not think so.

Dr Harmer—But he did attend, and you may have seen this, the race at Bathurst?

Ms Paul—Yes.

Dr Harmer—He got some publicity towards the end of last year, I think—

Ms Paul—Yes, with the Holden team.

Dr Harmer—which he regards as one of the best ways to promote and found that he got a lot of coverage.

Ms Paul—There was quite a bit of coverage for the New Apprenticeships scheme there.

Senator CARR—Doesn't DOFA provide vehicles for the department?

Ms Paul—I think we do that now.

Mr McDonald—The vehicles are provided by Lend Lease.

Senator CARR—It is through Dasfleet, though, isn't it?

Mr McDonald—It was.

Senator CARR—That is the government transport arm, isn't it? It is privatised now but it is essentially the transport arm.

Dr Harmer—Yes, that is correct.

Senator CARR—I think they still trade under the name Dasfleet, don't they, in some circumstances?

Mr McDonald—It is LeasePlan now. It is a new contract.

Senator CARR—Were they unable to provide you with a vehicle?

Dr Harmer—We did not go as far as checking whether they could provide us with a decked out ute.

Senator CARR—Mr Kriz, are you still responsible for processing the exemptions from the formal consultancy guidelines?

Mr Kriz—Yes.

Senator CARR—Has the number of applications for exemptions increased over the last year?

Mr Kriz—It has decreased.

Senator CARR—The current percentage of consultancies has decreased, but you have also increased the point at which there are reportable requirements, haven't you? You have changed the guidelines?

Mr Kriz—Yes, there was a change in May 2002.

Senator CARR—Since that time you would expect there to have been a decrease if you are lifting the tolerance levels, wouldn't you?

Mr Kriz—I would not describe it as 'lifting the tolerance levels'. What we did was a risk based approach to structuring the business rules that we have in place for procurement. What I mean by that is that we have retained close scrutiny in relation to the high-value, low-volume transactions and have loosened the scrutiny in relation to the high-volume, low-value and other transactions. We are using our resources in a more effective way to ensure that we protect the Commonwealth dollar better. Looking at 2001-02 figures, we are talking about only eight per cent of the number of contracts, and only two per cent of the value, have been affected by the change of lifting the limit from \$50,000 to \$100,000, where the rules require that open tenders be entered into. So we are only looking at two per cent of the value of the spend.

Senator CARR—But eight per cent of the total—

Mr Kriz—Eight per cent of the numbers.

Senator CARR—are exempt?

Mr Kriz—No, you were asking about the change in the business rules. In May 2002, one of the main changes in the business rules related to the occasions where our departmental staff have to, as a basic rule, go to open tender. Prior to May 2002, the limit was \$50,000. From May 2002, we lifted the limit to \$100,000. What I was saying is that, in lifting that limit, we

have only affected eight per cent of the number of contracts involved and only two per cent of the value of the contracts.

Senator CARR—I see the point you are making. Within the new guidelines, what is the current percentage of consultancies that have an exemption—that is, either they do not go to a full tender or they have some sort of limited tender arrangements?

Mr Kriz—The last full-year records we have are for 2002-03. We are probably looking at 30 consultancies out of 149, so just over 20 per cent.

Senator CARR—In the previous year, it was about the same, was it not?

Mr Kriz—No, it was significantly higher.

Senator CARR—What was it in the previous year?

Mr Kriz—In 2001-02, 46 out of 140 were exempted, which is close to 33 per cent.

Senator CARR—Do you have the figures for the current financial year yet?

Mr Kriz—For the financial year to 31 December 2003, the respective figures would be nine out of 60, or about 15 per cent. As you can see, each year there has been a reduction.

Senator CARR—Would it concern you if the rate for exemptions was running as high as, say, 75 per cent?

Mr Kriz—Exemptions from what, Senator?

Senator CARR—That went to limited tenure—tenders or not full tenders.

Mr Kriz—Yes, it would concern me if it was running at 75 per cent.

Senator CARR—I understand that is the current figure within the CSIRO. Do you have any responsibility at all in the department for agencies that operate within the portfolio?

Mr Kriz—Do I have responsibilities?

Senator CARR—Does the department have any responsibility for agencies operating within the portfolio on such matters?

Mr Kriz—I personally do not.

Dr Harmer—As you would know, Senator, CSIRO operates as a separate entity. CSIRO have their own management team, board and guidelines for all of these things. In some cases they adopt APS guidelines and in some cases they do not. We have had discussions in the board—and I am on the board of the CSIRO—about it being wise, we think, to move closer to the APS guidelines in their administration. That point has been made with the board, but we do not have any direct control over the CSIRO. As to the nature of their work, we would have to be very careful in commenting on the appropriateness or not of percentages because they do very different work to us.

Senator CARR—I understand that. The issue I am raising with you is this: I take it you have responsibility to draw to the attention of the minister issues that would be of concern to you as the secretary?

Dr Harmer—Yes.

Senator CARR—About an agency operating within the portfolio.

Dr Harmer—Yes.

Senator CARR—As a board member, you obviously have responsibility to reflect a departmental view within CSIRO.

Dr Harmer—Indeed.

Senator CARR—With regard to the first issue, have you drawn it to the attention of the minister?

Dr Harmer—I do not believe I have done it formally, but I think informally I have discussed it—probably arising out of some questions around the letting of contracts.

Senator CARR—We have asked questions here so presumably there would have been an opportunity to discuss it.

Dr Harmer—Yes. As you would expect, we have had some discussions in the board around the procedures within CSIRO on contracts.

Senator CARR—Again, arising from proceedings of this committee, I would have thought there would be discussions on the board.

Dr Harmer—There have been discussions on the board. I think it is something that a number of board members would look at from time to time as a matter of good governance, frankly.

Senator CARR—Yes, but the Ian Dean affair surely has drawn some policy positions to your attention.

Dr Harmer—Yes.

Senator CARR—I will have to take that up with CSIRO directly. Have you found CSIRO responsive to your concerns?

Dr Harmer—Yes, I have. Generally, I have. The chair of the board is a very good chair. She is very attuned to good practice.

Senator CARR—Can I go through some of these contracts and consultancies that have been listed in response to E993-04. You have dropped off the number of fields for the reporting requirements, have you?

Dr Harmer—While Mr Kriz is checking that, I might refer to an earlier matter. I am advised that someone from the New Apprenticeships area at one point in the process of checking whether we could acquire a utility did check with LeasePlan about whether it could be provided. We had to marry up whether it could be provided with our departmental needs and it was concluded that we did not have a departmental need for such a vehicle.

Mr Kriz—You asked in question E993-04 whether we had dropped off some fields. The answer is no, we answered precisely the question that you asked.

Senator CARR—You cannot do more than that. Mr Robert Horne was an officer of the department, was he not?

Mr Kriz—Yes, he was.

Senator CARR—In contract No. 1738, is that the same Robert Horne who used to be an officer of the department?

Mr Kriz—I believe so. The specifics in relation to that would best be put to the relevant group, the AEI group. That should be in your answers. I believe he was a former group manager.

Senator CARR—What is the current policy about the rehiring on contract of former Commonwealth officers?

Mr Kriz—Mr McDonald may be in a better position to answer that.

Mr McDonald—The department's policy on re-engagements is consistent with the Public Service Act, which is selection based on merit. People who have left the organisation, as Mr Horne did, and then offer their services back to the department are considered at the time and, where appropriate, taken on in employment—as was the case here for a non-ongoing contract.

Senator CARR—Was there not a time limit for re-engagement of former officers by way of contract through consultancies?

Mr Kriz—Not to my knowledge. My recollection is that Mr Horne was employed on a fixed term contract. His fixed term contract ended and he left the organisation. There is no time limit on him reapplying or being re-engaged in the organisation.

Senator CARR—That answer surprises me. I feel quite strongly that there used to be guideline that said that you had to wait a certain period of time before you could be re-engaged by way of contract. You could rejoin the department as a full-time employee, presumably under the normal conditions of the APS, but as a consultant—

Mr McDonald—There are time limits where people take, for example, a voluntary redundancy, after which there is a 12-month time limit. There are also some time limits in relation to superannuation, depending on what option a person takes under their super scheme, but that is a matter for the individual as to whether they indicate they are retiring permanently or not.

Senator CARR—So as far as the current policy is concerned, it is theoretically possible for you to leave the APS and secure work back with the Commonwealth by way of the Department of Education, Science and Training.

Mr Kriz—Yes. If I resigned today, I could start tomorrow.

Senator CARR—As a consultant?

Mr Kriz—Absolutely.

Dr Harmer—As long as he had not taken a redundancy package. If he had taken a redundancy package there would be a 12-month time limit, but if he chose to resign without a redundancy package there would be nothing preventing Mr Kriz, for example—

Senator CARR—I do not want to wish this on Mr Kriz but, if he were to leave today, the Commonwealth could re-engage him tomorrow as a consultant on legal matters?

Dr Harmer—Yes, but he would have to come in through a competitive process.

Senator CARR—Not if he had pre-eminent knowledge.

Dr Harmer—I would make an exception in Mr Kriz's case because he is such an expert.

Senator CARR—He would probably get a ministerial exemption. That is right though, isn't it? You could move from the APS, according to the current arrangements—

Dr Harmer—Yes.

Senator CARR—How long has that been in place?

Dr Harmer—I do not think this has changed for a long time. I could be corrected, but I do not think there has been any prevention or any guideline that imposes a time limit on someone who retires or resigns without a redundancy, other than—and there are some probity issues around, which I think we would have to be cognisant of—if they are working on a contract, for example, and then they resign and go to work for the contractor. I think there are some conflict of interest issues which we would take into account and I think there are some guidelines around that.

Mr Kriz—Senator Carr, I think the policy you might have in mind is the policy that Mr McDonald mentioned, which related to redundancies. I think the policy idea with that was that if the government decides to shrink their public sector then it does not want the public sector to grow by some other means.

Senator CARR—I would have thought it is also that, if you are removing officers from the payroll, you do not want to re-engage them under another guise—

Dr Harmer—Absolutely.

Senator CARR—after they have picked up—

Mr Kriz—I must admit that I am not aware of any policy about normal retirement or resignation or anything like that. Redundancies, yes, but—

Senator CARR—Does Mr Horne have any other contracts with the Commonwealth that you are aware of? I suppose you can only answer that with regard to DEST.

Dr Harmer—Not that I am aware of, Senator Carr, but if you wish we can check that in relation to DEST.

Senator CARR—Thank you. I turn to PricewaterhouseCoopers contract No. 1814. Can you explain that contract to me? The way I read it it suggests to me that they are getting \$3 million for rent on buildings and residential properties already owned by the Commonwealth.

Mr Kriz—Would you have a page number for that?

Senator CARR—This one is on page 5 of the answer, attachment A. It is the third group from the bottom. Again, it is international branch. It appears to me that they are getting a contract of nearly \$3 million for office and residential rent of Commonwealth owned properties. Can you explain that to me?

Mr Kriz—I cannot. I think the AEI area—

Dr Harmer—Mr Kriz is responsible for the coordination and management of—

Senator CARR—the overall program.

Dr Harmer—Yes. But if you have specific questions, particularly about the purpose or output from a consultancy—and this one would apply when we have AEI here—

Senator CARR—I appreciate the points you make. However, Mr Kriz is also in an overall sense responsible for these contracts.

Mr Kriz—I do not know the full answer. You will have to ask the AEI Group if you want to get to the bottom of it. However, given the nature of the group, it might be premises that are rented for an overseas presence of the department. They might well be premises that are rented from DFAT and so on. So that might be the answer, but—

Dr Harmer—I think Mr Kriz is right.

Senator CARR—When a contract comes through do you look at whether or not it is appropriate to have that matter under contract or is that not part of your role?

Mr Kriz—Yes, absolutely. Yes, we do.

Senator CARR—So if there were a query about why the contract was being let, it would be appropriate for you as part of the executive management to say what was going on there?

Mr Kriz—Yes. There are 55 pages of this. I can get back to you on any one of them. I can take any one of them on notice and give you a full answer on any question that you have. It is just that it is not possible for me to have that level of detail. But I am happy to take any one of them on notice and get back to you on the basis that you have just mentioned.

Senator CARR—Is it the case that contracts are let very close to the barriers? Contract No. 1813 for the University of New England is \$1 short on the \$20,000 figure. Is there a limit there at \$20,000? That is on page 7. It is the third group down from the top.

Mr Kriz—I do not know offhand whether—

Senator CARR—That is an extraordinary level of precision on a \$20,000 contract.

Mr Kriz—There is no limit to our business rules, which kick in at \$20,000. Why it appears as it does is not clear, but it does not seem to be related to any business ruling.

Senator CARR—With regard to executive training, for the retreat to Bowral in 2002 half a million dollars was paid out for executive coaching and creative training. What was that about? There are a number of them. On page 9 there are a number of arrangements.

Mr McDonald—I can talk about the contract for executive coaching for SES staff. That was let following a tender exercise. The Australian Institute of Management and the Australian Institute of Executive Coaching were the two successful companies. Executive coaching was provided for all of our SES at the time. That executive coaching was over a 12-month period, where up to 10 coaching sessions were provided with each of the officers. That contract has ended. For this year, we are entering into a new arrangement where the SES officers can access executive coaching—again up to 10 per year.

Senator CARR—So you think half a million dollars is a reasonable sum?

Mr McDonald—The cost of the executive coaching was less than half a million dollars. My recollection is that it worked out at about or just over \$6,000 per SES officer as part of their development over a 12-month period. That coaching also provided them with the skills

to coach other staff in the organisation. My recollection is that it was much less than half a million dollars.

Senator CARR—You did not spend much in 2003. That is right, isn't it? The amount dropped off dramatically in 2003.

Mr McDonald—That was because the contract went over two financial years, but the cost per head, from recollection, was about \$6,500 per officer. We have about 40 SES officers.

Senator CARR—So the contract was let over a two-year period, and the figures predominantly appear in the first year. Is that how it works?

Mr McDonald—From my recollection, the commencement of the coaching was around November of that financial year and went to October or November in the next financial year. So that would be the reason why the majority of the costs were in that first financial year.

Senator CARR—I might come back to that. I think it is an extraordinary amount of money to spend on executive coaching and creativity training.

Dr Harmer—I am a personal supporter of executive coaching. In many respects it is a more efficient, effective way of improving the skills and leadership of some of the executive than traditional conferences, international courses and expensive management training. I have had a number of sessions with a coach myself. It has the benefit of making it individually tailored and it has more potential to change behaviour than the regular management courses.

Senator CARR—Half a million dollars.

Dr Harmer—As Mr McDonald said, \$6,000 a year for an SES officer's development I do not think is excessive.

Senator CARR—That is the only training they get, is it?

Dr Harmer—No. It is the main training, main intervention. There is a lot of emphasis in DEST on leadership and there are advantages to having SES officers who understand leadership behaviours and the impact they have on morale and therefore productivity so that level of training is appropriate.

Mr McDonald—Our SES officers have also signed up within their AWAs to a separate performance assessment for their leadership behaviours and values, so as part of their support for that the executive coaching was introduced.

Senator CARR—So \$6,000 per head. What other costs are associated with this executive training?

Mr McDonald—That is the total cost for executive coaching.

Senator CARR—You say that there are other in-service programs.

Ms Paul—That was the main one that was available to the SES in DEST during that calendar year.

Senator CARR—The hire of the theatre in Canberra—\$10,000—was that the cheapest venue you could find, Dr Harmer?

Dr Harmer—I will just check with Mr McDonald, but I think it was the only venue that would fit all the staff. I think it was for our once a year corporate event that we have in DEST, which is a get-together of all the staff and we need a particularly big venue.

Senator CARR—Is it the Christmas party—that sort of thing?

Dr Harmer—No. It is a once a year event where all of the staff in the department get together to hear from the secretary, who presents some awards for achievement, and there is culture building and team building. I think we are one of the few departments that does it. I am very pleased we do it. It is a very good event. We get very good feedback from the staff about it.

Senator CARR—It was \$10,000 in 2002. Where was the annual address in 2003?

Dr Harmer—In 2003 it was the Canberra Theatre.

Senator CARR—Same again, was it?

Dr Harmer—Yes. Yesterday we had it at Llewellyn Hall at the university.

Senator CARR—At the ANU, was it?

Dr Harmer—Yes.

Senator CARR—Did they charge you \$10,000?

Ms Paul—I am not sure what they charged.

Dr Harmer—I am not sure. We can find out what they charged us.

Senator CARR—You will need to answer me sooner or later.

Mr McDonald—It was less than that. I will be able to give you the exact figure in a minute.

Senator CARR—Chubby would have to be breaking in a bundle if that is the price.

Ms Paul—I think we had about 1,700 attendees. We think we had all of the national office there, which probably was about 1400 people in Llewellyn Hall for half the day yesterday.

Mr McDonald—The actual venue hire was \$1,500 but that \$10,000 figure you are talking about would have encompassed other things besides the venue.

Senator CARR—So the tea, bickies and that sort of stuff would be part of that.

Ms Paul—Yes.

Dr Harmer—And we provided a folder or something for each staff member.

Mr McDonald—The catering is obviously a significant part of the cost and at Llewellyn Hall it was \$6,700. That was the full cost for 1,500 people for morning tea, coffee, biscuits, et cetera.

Senator CARR—Contract No. 2184 was with Mr Peter Grills, who was engaged to investigate an anonymous complaint. Mr Kriz has provided me with some information on this in previous estimates. Have you contracted Mr Grills again?

Mr Kriz—I think Mr McDonald is the appropriate officer.

Mr McDonald—No, I do not believe we have.

Senator CARR—Was Mr Spring's contract—May 2003—No. 2306 the first contract Mr Spring was engaged under?

Mr Kriz—He was originally employed under a fixed term contract that ended in April 2003. From May 2003, he has been employed on a consultancy contract. I think it is scheduled to run to 30 June 2005.

Senator CARR—How much was that contract?

Dr Jarvie—I think the total cost of the contract was supplied in an answer to a question to you last time. It was \$227,000.

Dr Harmer—I reviewed this just before coming in. The figures we gave you last time in respect of that consultant have not changed.

Senator CARR—Bill Mutton, contract No. 1945, is the same Mr Mutton who was engaged to provide advice on the higher education review. Is that the same Mr Mutton who used to be a senior officer in the higher education division?

Mr McDonald—I think so.

Senator CARR—Has he undertaken any further work for the department?

Mr McDonald—Not to my knowledge, but you would need to check that with the higher education division.

Dr Harmer—I do not think so either but, when higher education is on, Mr Burmester will be able to confirm that.

Senator CARR—I will take up the other contracts with the relevant branches. There are a number of IT contracts. I take it that is a corporate matter?

Dr Harmer—It is in cross-programs.

Senator CARR—In the table you have given me there are 12 different references in the table for the provision of IT contractor services for various essential projects. That is quite a shorthand way of describing what is happening. The amounts for individual contracts vary between \$96,000 and \$280,000. These are obviously substantial contracts. Is it possible to get further details on each one of those contracts?

Dr Harmer—Yes, it is. We can probably provide some of that detail now. If you want more, we could take that on notice.

Senator CARR—I think it would be appropriate if I get that one on notice. All you would be doing is reading out a brief you have there. You could either provide me with the brief or make do.

Dr Harmer—We could provide you with further information on each of those 12.

Senator CARR—Each of those, because some of them are very large.

Mr Kwan—Perhaps I can briefly explain. The reason is that we consolidated some of our contracting arrangements previously. Now we have set up a number of panel arrangements with a number of companies. If there is a specific requirement for us to engage contractors, we will still treat them as a separate contract but under the panel arrangement. For each of those, we can give you specific details of the nature of the engagement.

Senator CARR—What is the total cost of IT services in the department?

Mr Kwan—The overall budget for IT fluctuates from year to year but I would say around \$30 million.

Senator CARR—Have you done any evaluation as to whether it would be cheaper to have that work done in-house?

Mr Kwan—Certainly. I think it is a matter of measuring whether it is more appropriate to engage contractors or to do it in-house. I would say that the bulk of IT that we are doing is in-house, but from time to time we do need to supplement our work with contractors.

Dr Harmer—We think we probably do a larger proportion of IT in-house than any other department. We are gradually taking back from Department of Employment and Workplace Relations some of the services that we had outsourced to them. Integrating that work back in has required Mr Kwan to engage some additional resources as well.

Senator CARR—Thank you very much. I will take up the rest of contracts from the previous year with the relevant divisions. On programs for 2004-05, how much are you planning to spend on advertising, Dr Harmer?

Dr Harmer—We have got funds of I think about \$4 million allocated for a higher education information program.

Senator CARR—What is that for? Are you able to give me a breakdown of that?

Dr Harmer—When Mr Burmester comes, we will be able to give you a detailed breakdown, but it is primarily to advise students about the changed arrangements to take place from 1 January 2005.

Senator CARR—What is the nature of the advertisements?

Dr Harmer—Mr Burmester will be able to confirm, but I am not aware that we have yet either selected the contractor or planned the specifics of the campaign. It will be targeted at informing students to make sure that they understand the changed arrangements that they will face from 1 January.

Senator CARR—Obviously we will need to follow that through to higher education. If you could advise Mr Burmester that I was interested in information about the buy, the duration of the campaign and the placement—

Ms Paul—Although I am sure Mr Burmester has more detail, I do not think they have gone to creative yet, so I am not sure how much detail is known. Anyway, I think we will know more—

Senator CARR—It is from 1 July, is it?

Dr Harmer—The funds are available from 1 July, so the campaign will certainly take place in the second half of this calendar year, sometime between—

Senator CARR—Before the election?

Dr Harmer—We will plan our campaign at the time it will have most effect on the students, and we will take advice on that. It will be somewhere between 1 July and the end of December.

Senator CARR—Is that the only advertising campaign you are intending to run in the department?

Dr Harmer—I think that is the major campaign. We are still continuing—

Senator CARR—New Apprenticeships?

Dr Harmer—In this financial year we have some funds remaining in the apprenticeships scheme, but we are nearing the end of that very effective campaign now.

Ms Paul—That was from the 2003 budget. I think the only new funding coming out of the 2004 budget for a campaign was the \$4 million for higher education. Mr Storen can confirm that. The New Apprenticeships one is the second stage of the campaign which was funded from the 2003 budget.

Mr Storen—You have asked a number of questions on notice about the advertising budget in the last round, and I think we provided an answer to you on that. The advertising budget, excluding this higher education money, has been running at about \$4 million to \$5 million per annum. The majority of that has been the New Apprenticeship campaigns that have been running. We do not budget separately specifically in the forward estimates for advertising, but there will be a continued commitment to New Apprenticeships communication in the forward estimates.

Senator CARR—But you are able to tell me what you anticipate the spend to be in the forthcoming year if you have an average of \$4 million to \$5 million on the previous year's? Is the proposition you are putting to me that there is an additional \$4 million for a higher education campaign on top of that?

Mr Storen—That is correct. As reported on page 77 of the portfolio budget statements, there is \$4 million for information to students under 'Our universities', for the 2004-05 year only. That is in addition to the \$4 million to \$5 million that I would expect our advertising budget to run to in the next financial year.

Senator CARR—So the department could be spending as much as \$9 million?

Mr Storen—Yes. The core advertising budget is over the course of the financial year and there have not been any commitments at this stage, other than running the current New Apprenticeships campaign.

Senator CARR—I appreciate that, but half of that money we know will be spent before Christmas.

Dr Harmer—Yes. And a proportion of the other—

Senator CARR—It is probable that at least half of the New Apprenticeships money will be spent in the first half of the year. There is no reason why you would spend it in the second half of the year, is there?

Dr Harmer—It would depend on the need, but that would be a reasonable expectation.

Senator CARR—So we are talking about possibly \$6 million to \$7 million being spent before Christmas.

Dr Harmer—Yes.

Senator CARR—That is for New Apprenticeships and higher education. Is there any money in other programs—for instance, in schools?

Mr Storen—There is no specific budget for a communication campaign of that style. There will be advertising in the normal course of contracting for tenders. When you ask questions about advertising we actually pick up a very wide range of small amounts.

Senator CARR—It will, obviously.

Mr Storen—But there is no significant campaign money, other than the higher education and the New Apprenticeships.

Senator CARR—We will put our usual questions on notice about those sorts of programs. But I am interested to know about any additional special arrangements, and you have identified that for me as \$6 million to \$7 million. I would like to ask about departmental travel. As I understand question on notice No. E1008, which I do not have with me so I will have to summarise, the department spent \$357,000 on travel in 2001; in 2002, \$455,000; and in 2003, nearly \$600,000.

Dr Harmer—Senator, are you talking about international travel or domestic travel?

Senator CARR—No, DEST travel in E1008.

Dr Harmer—The figures you have just read out do not fit with the figures I have in front of me on that question.

Senator CARR—These are for domestic trips. Is that right?

Dr Harmer—Question No. E1008-04 has a table, but I do not recognise any of the figures you have just mentioned. We can have our question copied.

Senator CARR—I have 02 here, but that will not tell me what the figures are for 2004. It is quite clear that I will have to return to that matter, if you do not mind, because my notes do not reflect it.

Senator CARR—I return to question on notice E1006-04 about management retreats. Dr Harmer, do you think there has been a change in the management arrangements for executive retreats and training between you and the former secretary?

Dr Harmer—I certainly have not made any deliberate policy changes. Management retreats are events that you plan for a year. You rarely do the same thing twice and usually you like to inject something a little different into the retreat. I am a firm believer, as I am in executive coaching, in at least one get-together of the SES per year for team building and for getting messages across about leadership and management. I am not aware of any specific policy change, but I am aware that from year-to-year you change the venue and the nature of the event.

Senator CARR—In 2002, there was the love-in at Bowral which cost \$40,000. Six months later, there was a six-day event at Batemans Bay which cost \$17,500 and was called a Leadership Imperative for the Future—LIFT, I am told, is the acronym that was used.

Dr Harmer—It is an intervention for our EL1 officers. Again, we are one of the very few departments that have a development program specifically for this level. It is a very innovative program.

Senator CARR—The cost of those events in 2002-03 was \$76,000. I see that in your time, however, there was one at the ANU for \$13,000. I commend you on your budgetary skills. There does seem to me to be a remarkable difference between the costings of these projects.

Dr Harmer—What is not shown there is that we had a retreat at Batemans Bay. It was between the period of February and now.

Senator CARR—Do you want to update the table?

Dr Harmer—I appreciate the congratulations, but we have had an event which is rather more expensive than that, which did involve all of the SES, at Batemans Bay.

Senator CARR—How much was that?

Dr Harmer—I can take that on notice, but we may have it here. It was for two days and one night, I think.

Mr McDonald—The total cost was \$25,900.

Senator CARR—You are almost up there then.

Mr McDonald—It is whether there is an overnight involved that is primarily responsible for the difference in costs.

Ms Paul—It is probably worth saying about the LIFT programs at Lincoln Downs that not only was the client group very different by way of being our lower level middle managers, the EL1s, but also it was more in the nature of a course than a conference—with trainers and so on. It would be like sending our people on an APSC course except that we have chosen to deliver it and bring the trainers to us.

Senator CARR—I will leave it there. I have a number of questions that I will put on notice, which will go to the usual cost overruns and underruns, and to advertising and the like—the standard general estimates questions at this time of the year. Thank you.

[4.53 p.m.]

CHAIR—We move to consideration of matters relating to the Schools Group.

Senator CARR—I will begin with questions regarding the EBA. Mr Evans, where do we stand now with the EBA? Is it true that the current EBA will be phased out after 2005-06?

Mr Evans—No, that is not correct.

Senator CARR—How will it function? I read in the brochure released as part of the BAA that there is a reference to science, maths and technology in government schools. Is that money coming from the EBA?

Mr Evans—That is correct. It is effectively a continuation of the EBA arrangements as they have operated in previous years.

Senator CARR—What is the total then? Is it \$150 million?

Mr Evans—It is \$93.2 million a year going out to about 2010.

Senator CARR—But that will not all be for maths and science teaching, will it?

Mr Evans—It is all money that is identified through the EBA arrangements that will be targeted in that area.

Ms Paul—It is an extension of what was the case under BAA1, which had that targeting aspect to it, as you say.

Senator CARR—I read this sheet published by the department and I look along the line, ‘Fostering scientific, mathematical and technological skills and innovation in government schools’ and at the line, ‘Science, maths and technology in government schools’. Should I add all those figures together?

Ms Paul—Which line are you on?

Senator CARR—There are two lines together.

Mr Evans—‘Fostering scientific, mathematical—’

Senator CARR—There is a line above that which reads, ‘Science, maths and technology in government schools’. Is that right?

Mr Evans—That is correct. That is the money that was identified in BAA1. In BAA2, it is factored into the forward estimates. That is that grey line going out through the line below.

Senator CARR—So we have two references here. The first line is in yellow.

Mr Evans—Correct.

Senator CARR—That suggests to me that the program will end in 2005-06.

Mr Evans—It is saying that that program, under BAA1, completes then. You can see it through the budget measures in the PBS.

Senator CARR—Which page?

Ms Paul—Page 47, BAA extension. It is the first one on that page. You will see how it is does not show numbers because it has been included in the forward estimates, but the text summary is showing the amount of money.

Mr Evans—That is why, on the BAA2 chart that you pointed us to, the money that was identified through BAA1 ceases at the end of 2005-06. The money is actually identified in the forward estimates, but it is not additional money that was announced through BAA2. That is why there are not figures in that BAA2 chart. In the budget measures sheet on the PBS you will see that it says that the government will provide \$372.8 million over four years. Again, there are dashes under each of the financial years because the money is already in the forward estimates. Otherwise, it would be double counting the same money. The budget measures table in the PBS shows how it has been treated in the BAA2 chart. That is a flat line at \$93.2 million a year out until 2010-11, so it is still assuming the same buffer arrangements that have been in place for the current year—a buffer of 0.75 per cent enrolment shift or 7,500 notional enrolment shift. You are familiar with the buffer arrangements?

Senator CARR—We will not find the term ‘EBA’ used after this, will we?

Mr Evans—It is a bit of vernacular we are familiar with, but mostly the way it is presented now is about Backing Australia’s Ability and the extension of the Fostering Scientific, Mathematical and Technological Skills and Innovation in Government Schools program.

Senator CARR—It will be effectively rephrased by calling it a different name?

Mr Evans—It is rephrased, but it is a bit of a mouthful.

Ms Paul—The PBS mentions the term we are familiar with, too.

Senator CARR—It identifies the source of the money, but that is not the name of the program anymore.

Mr Evans—It identifies the source. The Australian government then works with those states that are affected by the application of the EBA just to reach agreement on how that money will be targeted towards scientific, mathematical and technological skills applications.

Senator CARR—What was the distribution last year for this?

Mr Evans—For 2004 I can give you a distribution. It is \$9.2 million for Western Australia, \$65.2 million for New South Wales, \$10.6 million for Queensland, \$4.8 million for South Australia and \$3.4 million for Victoria. If my maths is right, that all comes to \$93.2 million.

Senator CARR—New South Wales got the bulk of the money?

Mr Evans—They were the most affected, so they retained that money. That reflects the impact of the enrolment shift in that state.

Senator CARR—While we will not call it an EBA anymore, the moneys will still be calculated on the same basis as the old EBA?

Mr Evans—The same principles will apply. In fact, if the states satisfy the Australian government's views about how they propose to apply that money then they will still retain that money.

Senator CARR—Are there any other programs in BAA that relate to schools?

Mr Evans—Yes. You will see on that same chart that you directed us to—

Ms Paul—The main one is called Bursting Innovation, Science, Mathematics and Technology Teaching.

Mr Evans—It is about two or three lines down below where we were with 'Fostering scientific, mathematical'—

Senator CARR—I see that.

Ms Paul—It is \$38.8 million over seven years.

Mr Evans—Those are the figures that start at \$6.3 million in 2004-05 and \$10.8 million in 2005-06. They continue out and give a total of \$38.8 million over the seven-year period. That particular initiative is the government's response to Kwong Lee Dow's review. It is also featured in the budget measures in the PBS, at the bottom of page 46.

Senator CARR—What is the money in real terms? I see them here in out-term figures. These are not in real dollars, are they?

Mr Evans—Like all the money amounts that are shown in the portfolio budget statements—and I believe in the budget documents—they are in out-term prices, so they have an assumption of adjustment in them. You are correct; they are not at the same price level all the way across.

Senator CARR—What is the effective difference? The indexation rate there is 7.3.

Mr Evans—If you are asking what is the basis of adjustment year on year for this particular line item, it is not adjusted using an AGSRC that I see you are familiar with—if that is your question.

Senator CARR—Yes, it is.

Ms Paul—It would be one of the wage cost indexes.

Senator CARR—The difference there is that they will be adjusted at 2.3. Is that right?

Ms Paul—Probably.

Senator CARR—Is that right? Wage price index, you said.

Mr Evans—The wage price index would be around that level.

Dr Harmer—Of that order.

Ms Paul—I think so.

Senator CARR—The other schools programs are adjusted at 7.3 and these will be adjusted at about 2.3.

Mr Evans—Let us approach it another way. The programs that operate through the states grants are operating off a commencing base. Year on year they are adjusted up. The totality of this \$38.8 million is additional to existing schools programs. Again, you asked about adjustment. Capital programs, as you would be aware, are adjusted by a different price basis.

Senator CARR—I know—a plethora of indexation arrangements. I now have a bit of a list.

Mr Evans—I think we provided you with a list.

Senator CARR—This is partly based on your stuff and a bit of work that I have done, too. It is a substantial list. One day I will get you to explain to me why such a discrepancy exists.

Mr Evans—It might be a long explanation.

Senator CARR—I suspect we will not have time at this estimates. But it is remarkable that the rates vary so dramatically between different programs within the one portfolio.

Dr Harmer—We could do our best to have a shot at that but it would take a long time. I think the department of finance and Treasury would be better placed to do that.

Mr Evans—The minister has received a lot of congratulatory correspondence from his state colleagues, I see, about retaining the AGSRC as the basis for adjusting them.

Senator CARR—I know. There is no shortage of argument as to why you would want to index at 7.3.

Mr Evans—It is not quite 7.3, though.

Senator CARR—What is it?

Mr Evans—It is a touch over six per cent; probably closer to somewhere between 6.3 and 6.5.

Senator CARR—I thought I had a figure here of 7.3 in one of your answers.

Mr Evans—That might have been the answer for last year—the adjustment for last year.

Senator CARR—It has gone down, has it?

Mr Evans—No. From memory I think it was 7.1 per cent for primary and about 7.4 per cent for secondary, but our expectation over the next few years is that figure I mentioned to you of closer to 6.3 to 6.5.

Senator CARR—But last year it was in the low—

Mr Evans—The actual last year was 7.1 per cent for primary and 7.4 per cent for secondary.

CHAIR—As a supplementary question, Mr Evans, did your state colleagues feel inspired to index at a similar rate?

Mr Evans—I know they did not index the non-government school grants.

CHAIR—Yes, these state indexation arrangements are pretty appalling.

Senator CARR—Mr Evans, you will get a chance to justify your press releases later on. We all know the routine by now.

Mr Evans—I do not do press releases, Senator.

Senator CARR—No, you do not do press releases. The way I read these two tables, in effect the difference on the fostering of the scientific programs is that the deflator is about 104 to 107 to 109. The effect in dollar terms in current price figures—and I trust you can confirm this for me—which you have cited already in the document from BAA2 is \$39.9 million, for instance, for 2006-07. It runs down to \$38.1 million and \$37.3 million versus \$39.9 million and so on. The net effect would be in the range of, instead of \$199.5 million, which I see as a figure on the table, effectively \$182.2 million. There is a substantial difference, is there not, Mr Evans?

Mr Evans—The way in which the figures in that particular initiative are costed is slightly different. They are actually costed on what we were purchasing here, so there are a number of issues. It was not exactly a year on year adjustment to maintain a particular program at that level; it was actually to provide some specific initiatives in the area of teacher education.

Senator CARR—This is the problem across the whole of these packages, and I will come back to it again and again. The difference between the current price and the constant price figures, in aggregate terms over a seven-year period for instance, will turn out to be \$5.3 billion as opposed to \$4.9 billion. If you are in these institutions trying to run services, that becomes a significant sum of money. That would be right, wouldn't it?

Mr Evans—I am not going to speak generally on areas beyond my area of knowledge.

Dr Harmer—Mr Evans's responsibility for that table is a very small part of it.

Senator CARR—Yes, I understand that and I will come to the officers concerned directly. I am trying to make the point that with regard to those school programs, there is quite a sharp difference between the figures published and those that will actually be delivered to schools.

Mr Evans—For that particular initiative two-thirds of the funding, or \$26.2 million, will go to 500 national school initiatives in science and innovation to build school clusters. These are carefully costed initiatives that will be delivered over a couple of years. It is not like you

are running a particular initiative and then price adjusting it up each year to maintain that at a particular price basis. It is quite a different way in which this particular response is funded over a number of years compared to maintaining a particular initiative, like a university.

Senator CARR—Yes, but will there be an indexation rate applied to the funding?

Mr Evans—They were costed up—there was a from-ground-up costing and there were some price adjustments put into it as well.

Senator CARR—So you can tell me what the costings are going to be in seven years time, can you?

Mr Evans—I can probably give you some of that. I will take it on notice.

Senator CARR—It would be a remarkable achievement if you can.

Mr Evans—We make estimates about what price movements there are likely to be and we factor those in. They can go up, they can go down—that is the nature of estimating.

Senator CARR—Indeed, but it is not exactly as precise as I thought you were implying to the committee. There is a seven-year price program for individual projects. How many projects did you mention?

Mr Evans—There are 500 national school initiatives.

Senator CARR—You truly are a remarkable branch of the department if you can do that.

Dr Harmer—He is pretty outstanding.

Mr Evans—I will take it as a compliment.

CHAIR—He meant it as a compliment.

Senator CARR—You should—it is remarkable. Can I turn to the DEST discussion paper *Learning together*. It is a discussion paper on funding for schools for 2005-08. I take it that document has now been published.

Mr Evans—That document was issued and is up on our web site. It has been provided to the government and non-government sectors around Australia and has been the subject of consultations the department has had face to face around Australia but also at MCEETYA and AESOC. There is a corresponding paper that Mr Greer will probably talk to you about on Indigenous issues.

Senator CARR—After the dinner break Senator Crossin presumably will be able take that on.

Mr Evans—Have you got a copy of the document?

Senator CARR—Yes. Was that accompanied by a ministerial press release?

Ms Paul—It is DEST's consultation paper on the quadrennium arrangement. I think we prepared it following the minister's announcements to help us in our consultation round, which we have done around all the states and territories with the government and non-government sectors on the quadrennium seeking their input. It was the same paper that went to MCEETYA and AESOC.

Senator CARR—So the paper went to MCEETYA. Why did you take it to MCEETYA, given that on page 1 of the paper it says:

As in previous years the broad features of the package are not subject to negotiation.

Ms Paul—Ministers were interested in the overall shape of the quadrennium arrangements, including not just the financial aspects but the other aspects. The consultations have been well attended, so it seems to have garnered a significant amount of interest around the place.

Senator CARR—So are there any aspects of package that are open to negotiation?

Ms Paul—The parts which people have been particularly interested in are the reporting and information arrangements and so on. People felt a need to get more of an explanation from us about the various parts, including the funding because of the complexity of it.

Senator CARR—So who is the government intending to negotiate with on these additional matters?

Ms Paul—It is the employing authorities—so the states, the National Catholic Education Commission, the independent sectors and so on in the usual way. They have come along to our sessions around the country.

Senator CARR—There are a number of priorities listed in the paper with five identified—the first being to provide choice and education for all families. Do you have unequivocal evidence that the funding policy has increased choice for all families? What is the nature of that choice and the evidence that supports it? Do you have anything on that?

Ms Paul—I think it is a reflection of the existing policy about new schools and the funding approach to non-government schools which we are all familiar with. I do not think there is anything different to what you would be familiar with except that the emphasis on reporting to parents and transparency in providing information about school performance to parents in terms of helping them choose is probably a flavour which is a bit highlighted here. I would draw your attention to those examples.

Senator CARR—You know we are about to embark on another schools inquiry. It was put to us last time that the new funding regime would cause private schools to reduce their fees. Do you recall that argument?

Mr Evans—I think we had the words ‘downward pressure’, Senator.

Senator CARR—Do you think I have misrepresented that by saying ‘reduce fees’?

Mr Evans—I think we have discussed this at previous—

Senator CARR—We have, but I am hoping that you will be able to now produce the evidence of the success of your policies by showing me where there has been what I call ‘reduction in fees’ and what you call ‘downward pressure’. Where is the evidence for that?

Mr Evans—We are seeing continuing growth in the non-government sector, year on year, in terms of the numbers of children in the non-government sector.

Ms Paul—Particularly in the low-fee end.

Senator CARR—So they are reducing fees in the low-fee end, are they?

Ms Paul—No. For many of the new schools, it would not be a case of reducing, because they are new and many of the new schools are at the low-fee end of the spectrum.

Senator CARR—Are you taking any steps to ensure that all families will be able to afford these fees? What steps are they? That is what you said—‘providing choice in education for all families’ was a top priority of the package.

Dr Harmer—If you have a look at what is happening in many of the states, the fees appear to be attractive enough to have families selecting, if they wish, to send their students to private schools, and it is happening in large numbers. If the number of enrolments in the private schools had declined dramatically or flattened out, perhaps there would be an argument that some of the measures were not having the effect of making the fees affordable. But our evidence is that the fees appear to be affordable, with the numbers increasing.

Senator CARR—And, in the prestigious private schools, the fees have increased quite dramatically. Would you not agree?

Dr Harmer—I have not got those figures in front of me, Senator.

Mr Evans—If I interpret the way you are reading the dotpoint about ‘providing choice in education for all families’, part of providing choice for all families is also providing informed choice. In part, where the minister is coming from in terms of some of the directions for the next quadrennium is to make available more information about what is on offer in particular schools. That gets to what the curriculum offerings are, what the outcomes for students that have attended have been, the destinations of students and whether some schools specialise in providing VET in Schools offerings. In that sense, it provides parents with information whereby they can make a more informed choice about not necessarily a move from a government to a non-government school but a move from one government school to another government school.

Senator CARR—When you talk about this choice for all families, are you taking any steps to ensure that private schools meet the requirements of state and federal antidiscrimination legislation?

Mr Evans—We believe that all schools should meet the requirements of antidiscrimination legislation.

Senator CARR—But they do not, do they? There are exemptions from discrimination legislation, aren’t there?

Mr Evans—Obviously you have got a particular issue you wanted to raise.

Senator CARR—We will come to that, but it just strikes me that this is a highly politicised document. We could go over this again and again, but it seems to me that it does not actually canvass all the issues that you state in the presentation you have.

Dr Harmer—The document is an information document to allow consultations to occur. You mentioned earlier that there are some fairly strong statements at the front about this being something that we will not negotiate on, and that is certainly the case with the amount of money, but we are in fact negotiating and working with the states quite effectively on the implementation of some of these measures. At a meeting of heads of state education departments last Friday in Sydney, we had quite a considerable discussion around some of

these and how we might work with them in the implementation. It was not raised with me then by them—and they have seen a lot of discussion papers—that they had assessed it as a political paper.

Senator CARR—I will come back to that. We are breaking at 6.30 p.m. and it will take me quite some time to develop that argument. There is an outlay of \$6.9 million for literacy tuition vouchers. I understand that there has recently been a change in policy with regard to that budget initiative. Is it the case that this proposal is now open to all states? It was originally restricted. Is that true?

Mr Evans—Your analysis is correct. Originally it was proposed that there would be a pilot study in those states that were already reporting to parents on the outcomes against the literacy benchmarks. The cost of that study was going to be around \$6 million. Following that announcement, there was quite a degree of interest from the other states to also participate in the program. The minister subsequently wrote to all state ministers to extend the offer. So, moving from a pilot program in four states, we are now looking at a national initiative.

Senator CARR—Was the amount for this program increased?

Mr Evans—Yes, it was.

Senator CARR—How much is it now?

Ms Weddell—The additional money comes to just over \$13 million.

Senator CARR—Is this a flat voucher—a set proportion for individuals—or is there to be any weighting applied by income or need?

Ms Weddell—The tutorial credit is for an amount of \$700. It is not income tested.

Senator CARR—It is a \$700 voucher irrespective of private income or educational need? Is that right?

Ms Paul—It is based on an estimate of tutoring time. We looked at how much assistance could be offered. Of course, it is only going to that small percentage of children—I suppose their parents, technically—who fail the reading benchmark at year 3 level.

Mr Evans—In that sense, it is targeted on the basis of educational need. It is for a very closely defined group.

Senator CARR—How will you know where the money is spent?

Ms Paul—We will require the states who are participating to let us know who is eligible and the numbers. We know the numbers already from those states who have been reporting benchmarks to parents.

Senator CARR—So you can identify the schools and the districts. I take it you have a profile on those people who are not able to meet the national benchmarks?

Ms Paul—It is not so much a profile; it is the number of children who have not met the year 3 reading benchmarks.

Senator CARR—Do have any analysis of where these people live, their language backgrounds, whether they are Indigenous or otherwise, or disabled? Do we have any of those sorts of basic demographical statistics?

Ms Paul—Not yet because the addresses and names have been held by the state authorities. This measure is targeting a small proportion, as you can imagine—those children who are failing reading benchmarks at year 3.

Senator CARR—Will this money be paid to the parents directly?

Ms Weddell—It is not money that will be paid directly to parents as such; it will be a tutorial credit that a parent can take along to an approved provider for tutorial assistance for their child.

Senator CARR—Will the Commonwealth be approving these providers?

Ms Weddell—The way we are approaching this is to look for brokers who will in turn be able to identify these tutors. Once those tutors are identified and approved and have met the criteria that we will set out then parents will have a choice as to who they will be.

Senator CARR—What is the nature of the criteria that will be set out?

Ms Weddell—We are working on that at the moment.

Mr Evans—Senator, what do you mean when you say ‘nature of the criteria’?

Senator CARR—Will they be required to be registered teachers?

Ms Weddell—Teaching qualifications will be one criteria, and some screening as well.

Ms Paul—It is mainly screening and qualifications, as you can imagine.

Senator CARR—So you are interested in whether or not they are sex maniacs?

Ms Paul—There will be the usual tests that any teaching employment authority undertakes.

Senator CARR—What about whether or not they can teach? Where does that fit?

Mr Evans—We are interested in that, as you might imagine with a program of this type. We are going to be interested to know the particular position of a child at the beginning of a tutorial, before they start, and in what improvement they have shown by the conclusion the tutorial assistance. That would influence us in decisions that we may take in the future.

Senator CARR—So will these providers be teachers?

Mr Evans—They could very well be teachers.

Senator CARR—But they do not have to be teachers?

Mr Evans—They may not have to be; they may be former teachers.

Senator CARR—Do they have to be registered?

Ms Paul—Just to give you a feel for it, we have had interest expressed on our phone line from many of the tutoring colleges around the country, from teachers and from authorities themselves. Those are the sorts of providers we are interested in, because clearly we want to quality assure them as much as possible.

Mr Evans—There will also be undergraduates who might be going through teacher colleges.

Senator CARR—Will they have police checks?

Ms Paul—Yes.

Senator CARR—So we can guarantee police checks but we cannot necessarily guarantee the nature of their teaching qualifications.

Ms Paul—I do not know what that will look like, but we are going for the most competitive.

Senator CARR—So they are cheap?

Ms Paul—Sorry, let me rephrase that: the most competitive in terms of quality.

Mr Evans—Ms Weddell indicated that we would be looking at a broker arrangement. A decision about who might be a successful broker would take into account issues about the quality of the teaching services that they would be able to offer. They can provide a qualitative measure between one broker and another as to whether they are going to be successful.

Senator CARR—Could schools be brokers?

Ms Paul—Yes. We intend to tender and so could state education authorities, for example.

Mr Evans—You could have a situation in a particular area where a non-government school is the broker in respect of government and non-government students.

Senator CARR—Gee, that would work well. I could just see that down at Moonee Ponds.

Ms Paul—I would be very interested to see who tenders, because we could get applications from Mission Australia and those sorts of organisations as well. I just do not know.

Senator CARR—What about conflict of interest? You could have a school with all these little kiddies not able to meet these tests that puts in a tender to help out.

Ms Weddell—What we would be looking for in terms of the expertise of the broker is that they would also be able to offer a range of services and tutors for students to go to.

Ms Paul—It will be hard to exercise that conflict of interest because a broker will probably cover quite a large region. We are certainly interested in that sort of possibility. The other control on that is the testing before and the testing after.

Senator CARR—So will there be particular teaching styles encouraged? Now that the Commonwealth is getting into this, surely we are going to regulate the sort of teaching going on?

Ms Paul—I do not know that we would enter the literacy debate, though.

Senator CARR—I thought you would. This is about literacy benchmarks. Surely you are in the literacy debate.

Ms Paul—I think that will be in the outcomes, which is why we are so interested in the testing before and after.

Mr Evans—We are interested in all students getting to achieve the benchmarks and we see this as a tightly targeted initiative to that group that is not currently reaching that level of achievement.

CHAIR—Back to Senator Carr’s earlier point on conflict of interest, if teachers in school tendered and they are delivering this service after school in an intensive one-on-one environment, obviously they will get lifted outcomes because it is one on one.

Dr Harmer—The key to this is that the students who are failing will get access to one-on-one attention.

CHAIR—I would not have thought it was a conflict of interest.

Ms Paul—It would probably be encouraged in terms of teachers being able to offer intensive one-on-one assistance.

Mr Evans—Our phone lines have received quite a few inquiries from parents who are very keen to take up an initiative of this type.

Senator CARR—For \$700, why wouldn’t you?

CHAIR—It is a very exciting initiative.

Mr Evans—It has been very well received.

Senator CARR—I take it that there will be child protection procedures within the national protocols for child protection. Do you have that covered?

Ms Paul—We work with our state colleagues with respect to applying the same tests around the country.

Mr Evans—The same sorts of checks and the same sorts of transfer of information.

Senator CARR—Who will police this Commonwealth program?

Ms Paul—We will ultimately, but the brokers will be responsible for the regional application of the screening and so on.

Senator CARR—Is the Commonwealth liable if a child is mistreated under this program?

Ms Paul—I am not sure.

Mr Evans—I am not sure whether the liability would rest with the Commonwealth directly or whether it would rest with the broker. That would be part of the contract we would sign up with the broker.

Senator CARR—Do you want to take it on notice?

Mr Evans—I will take it on notice.

Senator CARR—You rushed into that awfully quickly.

Dr Harmer—There are a number of these issues which we are developing, and we will be developing them in consultation with the states. We had a meeting, which I referred to earlier, with the heads of state education departments last Friday in Sydney. They are naturally very interested in this, and Mr Evans is holding a phone hook-up with them, we hope on Friday, to discuss a range of issues. Clearly we will listen to their advice. We are very concerned to make sure that the people doing the one-on-one teaching have good teaching credentials and are also, in a sense, safe—they do not have criminal records.

Senator CARR—The Commonwealth will be expected to do nothing less than that. This will be a very interesting program to watch unfold. There seem to me to be a lot of issues yet

to be resolved. Let me deal with the issue of administration costs. The original figure that you quoted was \$6.9 million, which was before the extension of the program. How many students was that for? Was it for 8,000 students?

Ms Paul—Yes.

Senator CARR—The cost for 8,000 students at \$700 per head would be about \$5.6 million. Does the maths make sense?

Mr Evans—I know you are familiar with labour market programs here and duration. Some might not stay for the whole \$700 worth.

Senator CARR—So you can save some money, do you think?

Mr Evans—I am not talking about saving. We have not costed on the basis of saving money.

Senator CARR—What I am interested in is the ratio. If you take \$700 per head and 8,000 heads, that is \$5.6 million. That leaves \$1.4 million. That is 25 per cent of the program. Is it right to assume that that 25 per cent is going to administration?

Ms Paul—I think we are working on an overall figure of 20 per cent now, and it is largely for those brokers. As you can imagine, they have a whole lot of tasks which are above and beyond the delivery of the \$700.

Senator CARR—What does your normal administrative charge run at? About five per cent?

Mr Evans—‘Normal’ might be normal in a year where you have a program that is running already, but here we are talking about having to enter a tender arrangement to engage brokers. We might have to write to parents as well to inform them about the program. This would not be what I would term ‘normal administrative costs’ in its first year of operation.

Ms Paul—It is the things like screening and all the stuff we have just been talking about.

CHAIR—And also geographic spread, surely.

Ms Paul—That is right.

CHAIR—They are all over the place. They are not in the classrooms.

Ms Paul—This is a pilot. If it takes off, it is successful and it is repeated, I imagine that proportion would reduce.

Senator CARR—It strikes me that 20 per cent administration costs—I calculated it at 25 per cent—is an extraordinary amount of money to devote to administration.

Ms Paul—It would be if it were for us. We have not really costed in anything for us. That would be really above and beyond if it were. I do not know whether you would call the brokers administration or part of the program delivery.

Mr Evans—If it turns out that we have a very high level of success for this initiative in raising literacy levels for that group then it would be a relatively low unit cost per successful outcome.

Senator CARR—How are you going to measure this success? Will the brokers be required to inform the school, the parents or the teachers? Who will know what progress is being made and how will that be measured?

Ms Weddell—The brokers would be encouraged to provide information to parents right from the beginning, but over the period of the tutoring, and to have good and productive relationships with the children's classroom teachers during the day. There would be those encouragements given. We will be putting an evaluation plan in as part of what we are doing to monitor this pilot.

Senator CARR—You are saying there will be encouragement. It won't be a prescription to inform the parents?

Ms Weddell—These are matters that will make up our guidelines as we develop them.

Senator CARR—That is not determined yet?

Ms Weddell—No. We would like to discuss some of these matters with the states and territories at this Friday's meeting.

Senator CARR—And the teachers? Surely they would be entitled to know what is going on with students they are responsible for?

Ms Weddell—Yes.

Senator CARR—And the school, presumably?

Ms Paul—The nature of this initiative, though, is that the parents are at the centre.

Senator CARR—Yes.

Ms Paul—Absolutely. It is the parent who will be receiving the undertaking about the \$700 and the parent who will be contacting a tutor. That tutor may be a teacher in the school and so on. That is the nature of it. You could guarantee that the parent will be at the centre.

Senator CARR—It might be someone who has been unemployed for a while and wants to get back into school teaching. There could be all sorts of people undertaking this role. They may have no connection whatsoever with the school.

Ms Paul—That is right. It could be a tutoring college, for example.

Senator CARR—What happens if there is a disagreement between the school and the teacher about the child's progress and educational needs?

Ms Paul—The school will continue to test in the same way. The tests that we will be undertaking here are aligned with what is nationally consistent already. At the end of the day, the school will test in the way that the school wants to.

Senator CARR—That is right. Not everyone uses these national tests, do they?

Ms Paul—They will be now, if they are part of this scheme.

Senator CARR—They have all agreed to use national testing?

Ms Paul—It is reporting against the national benchmarks.

Senator CARR—They have all agreed to use the standard testing, have they?

Ms Paul—No. They have all agreed to report.

Senator CARR—That is a difference.

Ms Paul—Yes.

Senator CARR—That is what I am saying. You are relying on a test which people do not use. How are you going to measure progress?

Ms Weddell—Can I clarify that question, please? Which test?

Senator CARR—The national test, the benchmark test.

Ms Weddell—There is at this stage no national test for benchmarking. The tests are the very good state and territory tests. For example, there is the AIM in Victoria, the BST in New South Wales and so on. Those tests are, if you like, gathered together and the benchmark—in this case, the year 3 reading benchmark—is the line drawn across all of those tests. At this stage there is no national test, although it is often referred to as that.

Senator CARR—How is the money going to be acquitted?

Ms Paul—It is going to be done via the brokers. The providers would invoice the broker and the broker would acquit to us.

Senator CARR—Do you intend to use the Job Network for these brokers?

Ms Paul—We are going to put it out to tender, so we do not know who is going to go for the brokerage.

Senator CARR—Will these brokers be paid on results?

Ms Paul—No, the brokers will be paid to administer this scheme, which includes these tests.

Senator CARR—So if they fail, they will still be paid?

Ms Paul—We expect so because the brokers will have undertaken the same job in terms of finding a tutor and doing testing and so on.

Mr Evans—Can we just go back to the original concept and how this initiative arose. We mentioned at the time of the \$6 million announcement that this was to be a pilot program in four states, now it has grown to a national program. A feature of that pilot was to see how successful an initiative of this type could be. Again, we would be seeing how we evaluate the program and how successful it is. It is only reasonable that if someone has done the work for us that we pay them. How we proceed beyond that will be judged on how successful the initiative is.

Senator CARR—How are you going to find people for hard to staff areas, such as where there is a shortage of teachers—for instance, in Indigenous communities and remote parts of the country?

Mr Evans—As you say, Senator, there are teachers in many of these locations already, and they are factors that we will have to take into account when we make decisions about the brokers we select.

Ms Paul—There would be many remote areas that are not served by the metropolitan tutorial college type of organisation, but they may well be served both by teachers wanting to take this up and perhaps by TAFEs and so on.

Senator CARR—Thank you for that. As I understand it, we will have to resume schools at a later point in the program because after the break we are going on to Indigenous programs. We will not be returning to schools tonight.

CHAIR—I thought you were finished with schools.

Senator CARR—No. I am told by Senator Crossin that the Indigenous programs will take the rest of the evening. My intention was not to wait in the hope that she finished early. Mr Chairman, perhaps it would not be unreasonable, in the circumstances, to advise the officers that they will not be required for the rest of the evening after the break.

CHAIR—That is fine.

Senator CARR—What consultations have there been with the states on the schools legislation being introduced, other than the package of measures in the *Learning Together* document? Have there been any other consultations?

Mr Evans—Consistent with probably the last two or three quadrenniums, there has not been an opportunity for states to view an exposure draft until the legislation was introduced into the parliament. We believe we have tried to capture as best we can in the discussion papers the features of the legislation. We also believe that the way in which we have presented information on our web sites about the likely funding of non-government schools, both independent and Catholic, makes it quite clear what the position would be in terms of the arrangements for general recurrent funding for non-government schools for the next four years.

Ms Paul—It is probably worth mentioning as well that most of the issues that are in the consultation paper that we were talking about before have been raised now for about a year in various forums such as MCEETYA in July last year in Perth, where the national consistency issues came up. There have been a number of AESOC meetings of heads of education departments et cetera. That has culminated over the course of about 12 months in this consultation paper and in the announcements around the funding envelopes for the quadrennium.

Dr Harmer—A range of measures in the proposed package have been the subject of discussions in MCEETYA for some time. Some of those issues have been around and around the discussions. Certainly, at my first AESOC meeting shortly after I first came to the portfolio last year there was a paper by New South Wales that talked about arrangements, which we had some discussion on, that went to the funding et cetera. As Ms Paul said, we have been talking with the states and the minister has been talking with his state colleagues for well over a year on many of these issues.

Senator CARR—How was the values education initiative developed?

Ms Mercer—The values education initiative has a history going back now close to a year. It began last year with 50 case studies in 69 schools to look at how values education is taught and at the issues around values education. Those lessons were brought into a report that was

launched late last year by our minister. This year we have taken that to the next level and we had a national forum bringing together parents, principals and people from education authorities to look at the issues that had come out of those case studies and present them. The values for life initiative is the next step. In the budget documents you will see that there are a number of elements to taking forward the values education program.

Senator CARR—What page is that on?

Ms Mercer—Page 46. Would it be helpful if I describe the elements to the program?

Senator CARR—If you could, please.

Ms Mercer—There will be four major elements to the program. What we discovered out of the case studies was that the schools reported very clearly that values education is very significant in the school fabric but that it was at a very early stage. This was true across sectors. We are looking at a major initiative of having forums across the country in each school. This will be over the course of the next four years. We are looking at clusters of champion schools, and we have used here the example that is under way of boys' education, where we have 'lighthouse' schools, which act as lead schools for a number of other schools. So we will be looking with these champion schools to use them to support other schools. There will be 50 champion schools with a number of other schools, maybe three or four, attached to each one. We are also looking at curriculum and assessment resources—that is, material for teachers to support values education. We also have some money set aside for national partnership projects, which would allow us to look at what may be some national areas of need to assist the other elements of the project.

Mr Evans—There is also a component of a further \$4.9 million for civics and citizenship education. The combination of those initiatives outlined by Dr Mercer and the civics and citizenship brings you to the \$34.7 million.

Ms Mercer—I should also add one other element there. When we talked about forums, there will be forums on value education and to continue the work on drug education. So there are two sets of forums that are mentioned on page 46, but it may not have been absolutely clear that they are different forums.

Senator CARR—So each school gets \$1,600.

Mr Evans—On average.

Senator CARR—That is an average, is it?

Ms Mercer—Can I just make that clear? No, each school will not get that per se. Some of that money will be used for the values forum and some for the drugs forum, so it will actually be split across the two types of forums. Together, it will total \$1,600 on average.

Senator CARR—I see. The PBS, when it says that each school will receive 'an average of \$1,600 to conduct forums on values and drug education', is not very clear at all, is it?

Mr Evans—It is shorthand.

Ms Mercer—It is shorthand for the amount of money available to conduct the two types of forums.

Senator CARR—Will the funding be provided automatically or will schools be provided with an opportunity to submit proposals?

Ms Mercer—They would be provided with the opportunity to submit proposals to us. We would look also at involving educational authorities in this process, and that will probably be the easiest way to ensure that every school is able to access the money.

Senator CARR—You say every school will be able to access the money. Is that right?

Ms Mercer—We plan to conduct a forum in every school across the country over the course of the initiative, which is the four years.

Senator CARR—If a school does not put in a proposal, you will be on the phone to them, will you?

Ms Mercer—That is the value of working with the educational authorities. We will be involving them in the project and seeking their support to ensure that schools do apply. Obviously in some cases it is easier to start, such as potentially schools in metropolitan locations. It can be harder for schools in rural and remote locations to make those arrangements.

Senator CARR—What is the percentage that you have allocated for administration for this program?

Ms Mercer—The \$1,600 would include any necessary administration by the schools or the systems authorities.

Dr Harmer—Senator, are you asking about administration costs for the Department of Education, Science and Training?

Senator CARR—Yes.

Dr Harmer—It will be in something.

Ms Mercer—In the overall funding there is an amount allowed for departmental costs.

Senator CARR—How much is it?

Ms Mercer—It is not split across each of these four elements.

Mr Evans—It is \$1.7 million.

Senator CARR—What is that as a percentage of the cost of the total project?

Ms Mercer—The total money is \$29.7 million.

Mr Evans—It is about five per cent, on my quick maths.

Senator CARR—Dr Mercer, what is the evidence of values that you will be calling upon?

Ms Mercer—Can I clarify that? Your question goes to the evidence of the importance of values education?

Senator CARR—No, of values. This is about values education. I am wondering what evidence you will be requiring to demonstrate the values. Dr Nelson said something about value free education, didn't he, in recent times? How will a school be able to demonstrate that it is encouraging appropriate values?

Ms Mercer—We are in the process of getting comment on a draft framework on the principles underlying values education. There are 10 principles, and we have sent it to every school principal and more widely to the educational community. We plan as part of this initiative that our minister will take that framework to MCEETYA to secure its endorsement. We have had interest in the framework and quite a degree of comment already. Schools would not be operating in a vacuum. They would be operating on the basis of a framework, of guiding principles and of the results of the case studies that I mentioned to you.

Senator CARR—What is the framework of values that you are going to draw upon here?

Ms Mercer—We would be able to provide you with the framework, if that would be helpful. We have it in draft now.

Senator CARR—I would be interested to hear what this framework is. It is a nebulous concept, wouldn't you agree?

Ms Mercer—I think schools found that it extended across school life very broadly. They found that it required them to take a whole-of-school approach. It was critical to their behaviour management policies. They found that they had not actually stepped back and thought about the extent to which it was already embedded in their curriculum. I think they found that values education was an opportunity to stand back and focus on what values their community aspired to and on how those were reflected in the school ethos, the school behaviour management policies and the school curricula. In fact, in these case studies the schools could see that this was a very important part of the school fabric.

Senator CARR—Are there any values that the Commonwealth will not be supporting?

Ms Mercer—A number of values were specified. I think the values there were very clear and no values came out of the case studies that would—in a sense, they were replicated across the case studies.

CHAIR—Ms Mercer, isn't it true that there is a very respectable body of literature on values?

Ms Mercer—On values in education, yes.

CHAIR—It includes what values in a Western democracy are appropriate. We have come a long way from the 1970s, when they used to teach in colleges that you should not teach values but you should teach about values. I think we have got a long way past that.

Senator CARR—Are we going to teach Christian values?

Ms Mercer—There were values that were seen as being universal, such as tolerance and respect. Mr Evans mentioned the civics program, and much of the same material has come through the civics program, such as democratic values.

Senator CARR—What about religious values? Are they going to encourage a particular type of religion?

Ms Mercer—No, they do not feature in the framework.

Senator CARR—So there are Islamic values?

CHAIR—Senator Carr, that is a silly question.

Senator CARR—I just wondered how the Commonwealth was going to determine these values.

Ms Paul—We have worked at it from the bottom up through these case studies of the 69 schools. You will see when you have a look at this values education study, which we will provide, how it coalesced.

Senator CARR—So what is the process? Are they going to concentrate on the accountability mechanisms? Is there going to be an emphasis on processes or outcomes?

Ms Mercer—Schools, as I have said, can see that they are at an early stage, and we see this as taking them to the next stage, that they will stand back and look at their curriculum to see the extent to which they are actually operating and reflecting on the values. They will talk and they will engage their communities so that they are very clear that these values are indeed the values reflected in their different communities, whether that be within a remote area with Indigenous communities or within a metropolitan area with a very multicultural population. To some degree we are not prescribing. There will be issues that each school will need to think about in their community.

Senator CARR—So how will you measure outcomes?

Ms Mercer—We have not set outcomes as such. We have asked schools to take this to the next level, to take the work forward and to demonstrate to us that they have looked through their curriculum, that they have looked through their whole-of-school policies and that they have looked into their behaviour management policies to see whether they reflect these values.

Dr Harmer—We would certainly envisage doing an evaluation on this program, as we do for other programs during the course of the program.

Senator CARR—A program evaluation on values?

Mr Evans—In this area it lends itself to seeing where schools have come a long way, where they have identified and endorsed the program. You can have model schools and school communities that have found that this has made a difference. That is the sort of example we would be trying to promote.

Senator CARR—The funding will not be provided on a uniform basis, will it?

Ms Mercer—The forums are the universal element in the program. The other elements are to support the program, such as curriculum resources and the clusters. There is one universal element and there are other supporting elements.

Senator CARR—So will schools receive funding on a uniform basis?

Ms Mercer—For the forums the schools will be able to receive the same amount of funding.

Dr Harmer—Of the funds, \$16 million will be available on a uniform basis, as Ms Mercer has said, which is the availability of \$1,600 for the values and the drugs forums.

Senator CARR—How will the other \$16 million be allocated? Will that be allocated on a uniform basis?

Ms Mercer—That also includes the civics program. The clusters, as I have already indicated, will be an opportunity for schools to apply. So this will be an application process. We will advertise and we will seek applications from schools, and we will encourage a wide field. The curriculum resources will be made available to all schools, and the national partnerships projects will clearly be projects that we would be looking to take the benefits out beyond that.

Senator CARR—What share of the money do you think Geelong Grammar in Victoria would get?

Ms Mercer—They will be offered a forum and will have the opportunity, if they choose, to apply to be one of the cluster schools.

Senator CARR—You do not see them getting additional moneys because of particular values?

Ms Paul—We think there will be 50 clusters of schools. We do not know who they are going to be. It parallels what we have done under the boys lighthouse program, and there was a recent announcement in that area. Some of the clusters had multiple schools in them. Some of them drew in community organisations and so on.

Senator CARR—You would see Geelong Grammar clustering with Belmont High, would you?

Ms Paul—They could. I do not know. It depends what best practice is.

Senator CARR—And who would the Methodist Ladies College cluster with?

Ms Mercer—Under the boys education schools, we have had clusters across non-government and government schools where either a government or a non-government school has offered a partnership.

Senator CARR—So those with high-SES scores would be encouraged to cluster with low-SES scores, would they?

Ms Mercer—Who chooses to apply is purely up to the schools.

Dr Harmer—We will not be prescriptive.

Senator CARR—Would social equity be the sort of value you would be trying to encourage?

Dr Harmer—We would be quite happy if they did, but we will not be trying—

Senator CARR—Social equity would be a strong value that you would be trying to promote at Geelong Grammar, wouldn't it?

Ms Paul—The values in the values framework go to, as you will see, about eight main areas, including mutual respect and honesty.

Ms Mercer—And tolerance.

Dr Harmer—They will be consistent across all schools once they are established.

Senator CARR—We would be encouraging religious tolerance, would we?

Ms Paul—It is not in the framework in that way. It would be more through something called ‘mutual respect’ perhaps. It does not go to particular religions.

Senator CARR—So a Christian fundamentalist school would be encouraged to mix with a Muslim fundamentalist school, would they?

Ms Paul—We are not going to encourage them in any particular way. As Dr Mercer said, the boys clusters were very interesting by way of who partnered with whom. I do hope we get a diversity.

CHAIR—You have a model for doing that.

Senator CARR—I look forward to it. I can just imagine. Speaking of tolerance, I mentioned before the question of antidiscrimination legislation. Mr Evans, I think you are going to tell me that we have strong support for antidiscrimination legislation in non-government schools. Would I be able to pre-empt you by saying that?

Mr Evans—I think you said you were going to raise a particular case with me later on.

Senator CARR—I was. Have you seen a paper by the Australia Institute that was published recently called ‘Public attitudes to discrimination in private schools’?

Mr Evans—I am not sure that I have seen that particular paper.

Senator CARR—I am surprised. You are usually pretty well informed on this sort of stuff. So you have not heard any comments, for instance, about the attitudes towards homosexuality in non-government schools? The paper went to those issues.

Mr Evans—Who was the author of the paper?

Senator CARR—It is an Australia Institute paper. It does not have the author identified. I have a copy of it here, but do not have the name of the author in front of me. I will have to get that for you, Mr Evans. The paper received considerable publicity at the time; it was not a secret paper. It makes the point:

The different treatment of public and private schools under anti-discrimination laws means that employees, contract workers and students in the public sector have more rights than their counterparts in private schools. Furthermore, by establishing exemptions for some areas of discrimination but not others, legislators have created a *de facto* hierarchy of discrimination, with discrimination on the grounds of sexuality or pregnancy, for instance, more likely to be lawful for private schools than racial discrimination.

Do you agree with that?

Mr Evans—It is making a statement that something might be more likely; I do not think it is necessarily saying that it is actually occurring.

Senator CARR—You do not believe that that is the case?

Mr Evans—As I said, I have not read that particular paper. It seems to be making a legal comparison between how one sector might operate and how another might operate. It is not necessarily saying that there are instances.

Senator CARR—Does the Commonwealth impose any conditions for the use of Commonwealth grants in regard to compliance with antidiscrimination legislation?

Mr Evans—I am not sure that our funding agreements refer specifically to antidiscrimination. I expect that they probably refer to having regard to the laws of the Commonwealth. It is a while since I have looked at that particular agreement.

Dr Harmer—Senator, we will take it on notice. Our funding agreements are likely to be quite specific about complying with Commonwealth law and I suspect that we may need to get Mr Kriz to check that that would cover antidiscrimination law. We will come back to you. Mr Kriz may be able to clarify that.

Mr Kriz—I can provide some advice in relation to this. In relation to the contracts that we enter into, we clearly do not contract in a way that will breach the laws of the Commonwealth or indeed any other jurisdiction of Australia. Indeed, we would not be able to do so. However, in relation to discrimination legislation, to the extent that within the legislation particular individuals or organisations are able to obtain exemptions, that is actually contemplated by the law. So if that is legally possible that would not be contrary to the laws of the land and would be quite consistent with the funding arrangements that we have in place.

Senator CARR—Do you have any advice on the schools that have sought exemptions from the antidiscrimination legislation?

Dr Harmer—I am not aware of any school that has sought an exemption. I would be surprised if we had received any but we will check.

Mr Evans—I am not sure that they would apply to us because I do not believe that we would be the portfolio responsible for that legislation.

Ms Paul—We will see what we can find out.

Senator CARR—In regard to non-profit schools I have a question about Reddam House. This was question No. E71304. Are you familiar with this particular matter?

Mr Evans—I am familiar with it. We discussed it last time.

Senator CARR—We did. Is it not the case that schools that are for profit are not entitled to Commonwealth money?

Mr Evans—That is correct.

Senator CARR—Have you done a check on that school since we raised it last?

Mr Evans—I think you asked the question on 18 February.

Senator CARR—I did. It is to do with the South African court case involving the proprietor of the school—

Mr Evans—That is right.

Senator CARR—who was sued for 5 million rand.

Mr Evans—Have you seen the answer to our question, Senator?

Senator CARR—I have it in front of me. It says:

The Department has no evidence that Advtech is related to the governing body of Reddam House ... Mr Crawford was the founder of the Crawford schools in South Africa but sold them to Advtech in 1997 and moved to Australia. Mr Crawford established Reddam House in 2001 with no connection to schools in South Africa.

Is that right?

Mr Evans—That is correct.

Senator CARR—You have identified that the governing body of Reddam House school is Reddam House Ltd. Would you agree with that?

Mr Evans—Yes.

Senator CARR—Have you looked behind that? Have you established any of the details relating to the company of Reddam House Holdings Pty Ltd?

Mr Evans—I will take that on notice, Senator.

Senator CARR—Can you confirm that there is a relationship between this company and Reddam House Ltd? Is the managing director of the school Mr Graeme Crawford? Is the director of the school Mr George Balios? Is the business manager of the school Mr Ian McLeod? Do all three of these gentlemen make up the entire current directorship of the company Reddam House Holdings Ltd while Mr Ian McLeod is also the company secretary?

Mr Evans—I will answer those questions in the response I give you, Senator.

Senator CARR—The same three people are also directors of Reddam House Ltd, a so-called not-for-profit company. Reddam House Ltd was first established as Reddam House Pty Ltd on 28 June 2000. It changed its name to Reddam House Holdings on 24 October of the same year and the following day a new company, the so-called not-for-profit Reddam House Ltd, was established and registered with ASIC. Do you think that the claim that the school is a not-for-profit school is legitimate?

Mr Evans—I will answer that question in my response to your question on notice.

Dr Harmer—We will follow up the information you just gave us.

Senator CARR—Equally, is it not the case that the proprietor I referred to came from South Africa in 2000 and owned several schools known as Crawford colleges, all of which were profit making concerns? Is it not the case that ASIC records suggest that Mr Crawford sought to replicate the South Australian experience here—

Dr Harmer—You said ‘South Australian’. Did you mean South African?

Senator CARR—after immigrating, that he established companies, given that the Commonwealth requirement is that schools be not for profit? So it is in the context of whether it has been legitimate to pay moneys to these entities. In terms of the investigations that the department has undertaken I am asking whether or not these events have been examined. I would like to know whether or not the claim that it is a not-for-profit outfit is in fact legitimate given these ASIC records, which of course are all available to me, so I presume they are all available to the department through normal public channels. I also ask: is it the case that Reddam House is not a member of the Association of Independent Schools of New South Wales?

Mr Evans—It is not a requirement for schools—

Senator CARR—No, it is not a requirement for Commonwealth funding, but to be a member of the Association of Independent Schools of New South Wales, the school must not

be established for profit. Being a non-profit company is a requirement for membership of the association.

Mr Evans—Yes, but there are a lot of schools which are not members of the association which you would also agree are not-for-profit schools.

Senator CARR—Yes, that is right.

Dr Harmer—We will check up on that.

Senator CARR—It does not in itself prove anything other than that it adds to the impression that there may be a difficulty in the funding arrangements that the department has made.

Mr Evans—We will investigate it.

Senator CARR—In your judgment, are there any other businesses presenting themselves as schools which are not in fact not-for-profit entities? Have you rejected any other applications? Presumably, as soon as you discover that they are for profit, you will not fund them.

Mr Evans—I agree with your interpretation.

Senator CARR—Have you rejected any applications under those guidelines?

Mr Evans—Some of them would be rejected but not necessarily by me. I will take that on notice.

Senator CARR—I have another example here—Sunshine Coast Grammar School. The answer you have given me is E856. This is to do with the review of the status and registration of the Sunshine Coast Grammar School. I asked a series of questions last time concerning its level of debt, the status in regard to not for profit, and I asked whether or not you were persuaded that it is not for profit. You replied:

The department has not received information relating to the financial status of the school and has not sought emergency assistance.

You went on to say that this school was going to get \$3.5 million. Is that a fair interpretation?

Mr Evans—That is correct.

Senator CARR—I take it or assume that it is not a for-profit school.

Mr Evans—Paragraph 3, page 2, says that the Presbyterian and Methodist Schools Association is a body corporate under the Religious Educational and Charitable Institutions Act. Following in-depth inspection of its constitution, it is accepted that PMSA has the power to run the school and is not conducted for profit.

Senator CARR—Who did the in-depth investigation?

Mr Evans—I do not have a name for you.

Senator CARR—But it would have been one of your officers.

Mr Evans—Yes.

Senator CARR—Let us go through some of that. Can I confirm with you that the school sold the assets—that is, businesses, ongoing activities and client base? Has the school been sold?

Mr Evans—Because of the technical nature, I will take this one on notice as well. Could you outline exactly what you want answers to?

Senator CARR—I want to know whether or not the ASIC records demonstrate whether the former and new ownership of the school is after the point of sale of the so-called school and whether the assets of the school were disposed of. Your answer refers to having a new governing body, changing its approved authority and having a new approved authority. Can you confirm that the school was sold to the Methodist and Presbyterian Schools Association by Sunshine Coast Grammar School for a profit company limited by shares?

Mr Evans—I need to investigate it further.

Senator CARR—According to ASIC's records, the company Sunshine Coast Grammar School Pty Ltd has recently changed its name to Sayipassed Queensland Pty Ltd and its major shareholder remains Mr William John Burgess. It would be reasonable to infer that the activity was the running of the school and that it is the same school that is receiving Commonwealth moneys. What I am interested to know is whether or not the Commonwealth guidelines with regard to conditions for the payments of Commonwealth moneys for not for profit mean anything when you have examples such as this. You will check this and presumably tell me whether or not DEST has adequate capacity to scrutinise the operations of the schools to ensure that the structures surrounding so-called not-for-profit entities are in fact running services not for profit. I have mentioned two tonight—the overlap of staff and personnel and the company structures. Do you think you should examine whether or not there are overlapping directorships or personnel with companies that would have a reasonable expectation of owning the property or the school in question?

Mr Evans—I will take that on notice.

Dr Harmer—As we take that on notice and go through the particular cases you have just mentioned, we will answer your question about whether we think we are adequately prepared. I am sure Mr Evans will carefully answer your question about whether we are adequately prepared. If something comes out of our analysis that demonstrates we did not pick up some things we ought to have, then Mr Evans and I would clearly look at the mechanisms we have to do that checking.

Mr Evans—The principle of not-for-profit remains a very central tenet of our administration.

Senator CARR—I have raised the issue of Taylor's in Melbourne, which clearly does run a very large for-profit operation—that is, running international students operated by the Study Group International—but it also receives Commonwealth money. You will tell me that this is, some how or another, some discrete entity I take it. Is that the case?

Mr Evans—I think that is the case, but I will check that.

Senator CARR—I am interested to know how you quarantine the two operations. Are there any plans to review the fit and proper persons requirements with regard to recurrent funding for private schools?

Mr Evans—Can you be a bit more forthcoming?

Senator CARR—In the ESOS Act we had a long discussion, which I am sure your officers would have discussed with you at some point, of concerns that were raised through this committee about crooks and various other people running schools and getting Commonwealth assistance by way of registration and CRICOS support effectively. We had to introduce an amendment in the Senate—in fact I think I moved it—to see that there was a fit and proper persons arrangement put into the act. Is there any proposal to have a fit and proper persons test within the schools legislation?

Mr Evans—I do not believe I have it as a feature of the current drafting instructions.

Senator CARR—Would it surprise you that the Commonwealth was funding a school in which there were senior people found guilty of sexual offences?

Mr Evans—It would be a concern.

Senator CARR—Can you advise the committee as to whether or not the Sunshine Coast Grammar School, the one I have just mentioned, was run until recently by Mr William John Burgess, who was struck off the Queensland teacher registration list last year?

Mr Evans—I believe I saw the report that he was struck off.

Senator CARR—Are you able to confirm that he is the same person who was running a school in receipt of Commonwealth recurrent funding?

Mr Evans—As I recall the case, once evidence became apparent of his misdemeanours then swift action was taken—as you would expect and hope would occur.

Senator CARR—So the school removed him?

Mr Evans—I think the school and the Queensland department moved very quickly.

Senator CARR—But they removed him from the registry. Did the state department also take steps to have this person removed from the private school as well?

Mr Evans—I will take that on notice, because I know that my memory is little bit—

Senator CARR—These things can be awkward.

Mr Evans—Correct.

Senator CARR—My point is: is it not appropriate for there to be a fit and proper persons test within the Commonwealth legislation for schools in receipt of recurrent funding?

Mr Evans—In taking that question on notice, I will answer you on that particular aspect.

Senator CARR—It is a separate issue.

Mr Evans—Yes, I understand that.

Proceedings suspended from 6.25 p.m. to 7.35 p.m.

CHAIR—The committee is now considering issues relevant to Indigenous and transition groups.

Senator CROSSIN—I want to take the committee's indulgence to acknowledge the death of the Chairman of Batchelor Institute, Mr Djerrkura, last week. I have a statement from Batchelor Institute that pays tribute to Mr Djerrkura and specifically talks about his leadership of the college. As a way of honouring his work, I thought I might provide that to *Hansard* to be incorporated to ensure that his work and his memories in respect of Batchelor Institute are on the record for posterity.

CHAIR—Is it the wish of the committee that the document be incorporated in *Hansard*? There being no objection, it is so ordered.

The document read as follows—

**BACHELOR INSTITUTE OF INDIGENOUS TERTIARY EDUCATION
MEDIA RELEASE**

Thursday 27 May 2004

The Batchelor Institute community was shocked and saddened to learn of the passing of the Chairman of its Council, Mr Djerrkura, OAM.

A great Indigenous community and educational leader, much loved, appreciated and honoured for his work, he became Chairman of the Council of the former Batchelor College in July 1996.

He led the College Council through its move to the independent Batchelor Institute for Indigenous Tertiary Education in 1999 and was prominent in the Institute's current developments towards an Indigenous university.

Batchelor Institute Director, Veronica Arbon, paid tribute to Mr Djerrkura, describing his impact on the Institute.

“A leader with great wisdom has been lost to us. The Chairman walked the local, national and world stage with grace and goodwill and during my time as Director guided with clear direction and vision. We will carry his dreams into the future.

“On behalf of the Council, staff and students of Batchelor Institute, I offer our deepest sympathy to all his family and community. He was a great Australian and he will be sadly missed.”

Senator CROSSIN—Going to the announcement about the IESIP funding, can you provide me with a breakdown of the total amount, which I am assuming is the \$513.5 million—is that correct?

Mr Greer—The \$513 million was the SRA element of IESIP. Under IESIP generally there was \$641.6 million: \$513.5 million of that was for the per capita supplementary recurrent assistance and another \$128 million was for strategic projects. In respect of the \$513 million, I will do my best. In aggregate, the \$331.3 million would be going to government settings—schools, preschools and VET settings; \$182.2 million over the quadrennium would be directed toward estimated enrolments in non-government settings—again in schools, preschools and the independent VET areas. I am happy to provide a table of this for you out of session, if you like.

Senator CROSSIN—So \$331 million to government and \$182 million to non-government over that time.

Mr Greer—That is correct.

Senator CROSSIN—What is the breakdown over the years?

Mr Greer—In 2005, government would be \$78.345 million and non-government, \$42.125 million; in 2006, \$81.388 million, government and \$44.527, non-government; in 2007, \$84.336 million, government and \$46.681 million, non-government; in 2008, \$87.27 million, government and \$48.864 million, non-government; and, over the quadrennium, \$331.339 million for government and \$182.197 million for non-government, giving you that total of \$513.5 million.

Senator CROSSIN—That \$513 million is the money that is allocated on a per capita basis. Is that correct?

Mr Greer—That is correct.

Senator CROSSIN—Do you have a breakdown of those figures for each date for each year?

Mr Greer—Yes, but not in a simplistic table. We could turn them into a table for you. I have it the figures on a range of papers here. I could start from the Northern Territory and work down.

Senator CROSSIN—So the range of papers are not able to be tabled then?

Mr Greer—It would probably be easier if I put them into a table for you over the next day and get it back to you.

Dr Harmer—We may be able to do that quite quickly and get it back for you.

Mr Greer—Rather than have eight or nine pages we might be able to put these figures on the one spreadsheet for you.

Senator CROSSIN—Okay. I want to stay with the SRA component for the time being. The funding runs out in December this year. Is that correct?

Mr Greer—The funding is appropriated under the act to the end of 2004, but there is an 18-month provision in relation to IESIP, so the funding can be spent. The funds that were appropriated in 2001-04 can be spent up until June 2005, but there is no new money available under the act for 2005.

Senator CROSSIN—Do you actually monitor whether any state or territory governments do not spend any funds that are allocated each year? Could I ask you, for example, whether there were any state or territories that did not expend all of their funds in 2003?

Mr Hoffman—Each of the providers that we fund under Indigenous education agreements are required to lodge a financial acquittal by 31 March the following year. To date we have financial acquittals for almost all of the major providers—that is, the government providers and the Catholic system—from each of the states and territories. There has to be a certification accompanying the acquittal relating to the expenditure of the funds. In almost all instances the certification indicates that the funding has been spent or committed by the provider in the particular year of funding.

Senator CROSSIN—Is there any state or territory that has not spent all of its funds from last year?

Mr Hoffman—I am not aware of any that have not spent funds from last year.

Senator CROSSIN—So you are saying that at this stage all of the states and territories have advised you that they have spent their 2003 allocation. Is that right?

Mr Hoffman—According to all of the financial acquittals that we have. I could not say for sure that we have them all.

Mr Greer—We could certainly give you an update on that. I think we have previously answered a question on notice on that.

Senator CROSSIN—I think you have taken a question on notice about who has reported and who has not.

Mr Greer—Yes.

Senator CROSSIN—So the reporting also comes with the acquittal of the finances. Is that correct?

Mr Greer—Yes. We can give you a further update on the nature that we have reported to you in the past on that.

Senator CROSSIN—I want to know whether Queensland in particular has funds underspent.

Mr Greer—Is that for 2003?

Senator CROSSIN—Or for 2002. I assume by now you would know that.

Mr Greer—An issue around the expenditure or otherwise of funds in Queensland was raised by a concerned citizen, I think.

Senator CROSSIN—They are all concerned citizens, I think, Mr Greer.

Mr Greer—Yes. I was just looking at what we have here. My understanding in relation to 2002 for Queensland is that the SRA of \$15.985 million was fully expended. You are interested in SRA at this stage. Is that correct, Senator Crossin? I would need to confirm that, but certainly my briefing suggests that in respect of an issue or an assertion that was raised earlier in the year we had had some inquiries made. My understanding is that the 2002 IESIP expenditure in Queensland for SRA was fully expended.

Senator CROSSIN—What about 2003?

Mr Greer—I do not have that. The IESIP funds provided for 2003 were due for acquittal by 31 March 2004. As Mr Hoffman has indicated, I do not think that we have that detail here, but we can certainly check on that for you and get back to you.

Senator CROSSIN—Could you take that on notice?

Mr Greer—Certainly.

Senator CROSSIN—There is an allegation that Queensland underspent their IESIP funds by \$512,000.

Mr Hoffman—Which year was that?

Mr Greer—I think it was 2002.

Senator CROSSIN—It was 2003. You would surely know if a state had not spent half a million dollars, wouldn't you?

Mr Hoffman—We would know that once we got the financial acquittal. As of today we do not have the financial acquittal for Education Queensland.

Senator CROSSIN—There you go.

Mr Hoffman—They have to be compliant by the time we make the next payment, and the next payment is due to be made in June or July. So Education Queensland would have to be compliant—in other words, they would have to have provided their financial acquittal to us—in order for that second payment to be made. We paid one payment in January or February this year. In order for us to make the second payment they will have to be financially compliant by then. We will be able to tell once we get the acquittal whether they have underspent.

Senator CROSSIN—So even though they are due on 31 March they have actually got until the date of the next payment to acquit their reports and finances to you. Is that right?

Mr Hoffman—That is not necessarily the rule. The rule is that they should have it in by 31 March. The next payment cannot be made unless they provide their financial acquittal by the date of the next payment. The next payment is due fairly soon, so we will have to have that acquittal in order to make the payment. If we do not get the acquittal, we do not make the payment.

Dr Harmer—It would be a serious matter. We do not know yet whether in the next month or so Queensland will admit to this or give some reason for not having spent \$500,000 or so, which would be serious enough. Do you have any information you can pass to us—

Senator CROSSIN—I just want you to confirm or otherwise whether that is correct.

Dr Harmer—We will be able to do that when we have the acquittal. I guess that is the answer.

Mr Greer—That is in relation to 2003. As I say, an allegation was made earlier this year, but I think that was in the context of 2002 or at that stage all we could look at was 2002. Having looked at the nature of those allegations with respect to 2002, my advice is that the SRA for Queensland IESIP expenditure was fully expended.

Senator CROSSIN—Are there any other states whose statements are outstanding?

Mr Hoffman—For 2003?

Senator CROSSIN—Yes.

Mr Hoffman—Yes, there are a number of states which still have not acquitted their financial statements.

Senator CROSSIN—Now is your big chance to tell me who they are.

Mr Greer—We are happy to.

Mr Hoffman—There is Education Queensland, as we have already indicated; the Western Australian Department of Education and Training; the New South Wales Department of

Education and Training; the Victorian Department of Education and Training; the Victorian Office of Training and Tertiary Education; and the ACT Department of Education and Training.

Dr Harmer—So South Australia and Tasmania—

Mr Greer—And the Northern Territory.

Dr Harmer—and the Northern Territory are compliant.

Senator CROSSIN—It is not a very good track record on the part of the states, is it?

Mr Greer—It could be improved. That is one of the reasons why a strengthened reporting and accountability regime forms part of the arrangements for the next quadrennium.

Senator CROSSIN—What happens if funds are not spent? If they meet the reporting requirements, but in the reporting they say, 'We've not expended \$500,000 of our money', is that allowed to rollover for a certain period of time?

Mr Hoffman—A number of actions could be taken. The usual practice is that a provider will indicate that they have not spent all of their funds, will specify the amount underspent or uncommitted, and will seek our approval to use those funds for another purpose. It will depend on what they wish to use those funds for. If it is a project that is assessed as having merit and that would be of benefit to Indigenous people in that particular state or territory, the department may be inclined to agree or it may be inclined to say no. The money is just taken off the amount allocated for the current year.

Senator CROSSIN—So a whole range of things could happen with an underspend of funds?

Mr Hoffman—They are the two most common things: either they put up a proposal to spend it on a meritorious initiative and the department agrees or the department does not agree and reduces it from the current year's allocation.

Mr Greer—There have been examples of that. One that comes to mind—or comes to paper—was in the Northern Territory in 2001, where it underspent its allocation by \$1.4 million. Of that amount, \$822,000 was approved for carry forward into 2002 because it was already committed for expenditure under the NIELNS program. The remaining \$613,000 was agreed, as Mr Hoffman said, to direct to particular projects. One was \$233,000 to the Northern Territory Christian Schools Association family group home maintenance, \$330,000 to Centralian College for mobile area learning units and a further contribution to Ngaanyatjarra College to improve their boarding facilities. That is the ilk of projects that are funded through this process.

Senator CROSSIN—In the SRA calculations, what is the amount of money you have used to calculate the funding per student in the remote and the non-remote classifications?

Mr Hoffman—Do you mean the current year or are you talking about in the next quadrennium?

Senator CROSSIN—In the next quadrennium.

Mr Greer—I thought I might have had a table of them here for you.

Senator CROSSIN—I am trying to find the current amount.

Mr Greer—The remote rates that will apply at this stage for 2005-08 will vary as to whether they are government or non-government and will vary, of course, by education sector. In the preschool sector, the government rate is \$671.71, and the non-government rate is \$2,239.02.

Senator CROSSIN—Can you give me that amount again?

Mr Greer—These are contained in a discussion paper that we have circulated widely in relation to this. I can provide you with a copy of that, which has got these in a table, if it is any help.

Senator CROSSIN—Which discussion paper are you talking about?

Mr Greer—We circulated a discussion paper that outlines and details the Australian government's Indigenous specific funding for the 2005-08 quadrennium. It is the table paper that we have been using in our discussions with jurisdictions, both government and non-government, and with other providers and interested stakeholders since the announcement. I am happy to provide that to you. It has the tables of those rates that we are talking about.

Senator CROSSIN—Are you able to table that?

Mr Greer—Yes, certainly.

Senator CROSSIN—So it is those amounts you have used to calculate the amount of children per capita. Is that per capita still based on a school's enrolment date or the 2001 census?

Mr Greer—No, they would be the rates that would apply to the relevant census in a particular year. Your entitlement in 2005 would be at those rates, subject to the enrolments at the census date.

Senator CROSSIN—Is your census date 31 March or is it August?

Mr Hoffman—It is in August.

Mr Greer—It is the August census date.

Senator CROSSIN—In August 2004 calculation is made. Is the IESIP funding adjusted up or down accordingly for each state and territory?

Mr Hoffman—Yes, that is correct. During the quadrennium, say 2001-04, the practice is we make a payment in January and the second payment in June-July. Once we get the census enrolments after August, we then make an adjusting payment for the first payment for the following year. So in January 2004 we adjust for the 2003 enrolments. We then look at making a third payment in 2004, which would be the adjusting payment for 2004 so that we end the quadrennium with a clean sheet.

Senator CROSSIN—Have you changed the definition of 'remoteness' for the next quadrennium?

Mr Greer—No, the next quadrennium will have the same definition for 'remoteness' as the current quadrennium. What will change going into the next quadrennium is that we are applying that definition across the 2001 ABS census as distinct from the 1996 census because

there have been demographic changes. The impact will probably be that around 300-plus providers going into 2005 will no longer be regarded under the existing definition as remote because their distance from a centre of 50,000 people will have changed because of demographics through the census. What the government has done in respect of those providers is to make sure that they enjoy, for the quadrennium and beyond, the funding guarantee. Those providers who are no longer remote will continue to attract, in the next quadrennium, the remote rates that they enjoyed in 2004—but that rate will not be indexed, it will be a flat rate. In a sense they will move into 2005 and virtually maintain that 100 per cent benefit, which would be eroded over some time by the application of the indexation factor.

Senator CROSSIN—Just take me through that again because, the way I read it, I thought you had actually changed the definition of ‘remoteness’.

Mr Greer—No. It is the same definition of ‘remoteness’. All we are changing is that we are applying it to the 2001 census—

Senator CROSSIN—Rather than the 1996 census.

Mr Greer—Exactly.

Senator CROSSIN—What is the difference? Is the difference in the size of the city that you have to be away from?

Mr Greer—Yes. That is correct.

Senator CROSSIN—So what is the difference?

Mr Hoffman—Senator, there are a number of towns, particularly along the east coast of Queensland and New South Wales which, in the period between 1996 and 2001, have reached that population figure of 50,000. The public schools within 300 kilometres of that town or city would therefore cease to be remote under the definition. There is also, because of some spread of the major urban centres—like Brisbane, Sydney, Perth and Adelaide—an impact on the boundary of the remote area. This map here, which I am quite prepared to table, actually shows the difference in the remote boundaries—

Senator CROSSIN—I think I have seen that. I have got that. So you have to be 300 kilometres or more from a centre of 50,000 to be included in ‘remote’.

Mr Hoffman—Yes.

Senator CROSSIN—Is your change in the definition of ‘remoteness’ like another TRA funding arrangement?

Mr Greer—It is a funding guarantee.

Senator CROSSIN—Is it like transition project assistance in another format for the next four years?

Mr Greer—Kind of. It is not a funding maintenance arrangement; it is a funding guarantee arrangement. That is, those schools will enjoy the benefit that they attract this year, but it will not be indexed. It will retain that benefit for enrolments at the particular provider until—

Senator CROSSIN—So you are saying that affects around 300—schools?

Mr Greer—It is around 300—they could be schools or VET providers.

Senator CROSSIN—I was going to ask for a list of them, but that would be pages, probably. Let us say, if they are schools, they will get the remote rate times the number of pupils. It will be the same in 2005 as it is in 2008. Is that correct?

Mr Greer—That is correct.

Mr Hoffman—That is right. As it was in 2004. It is the same rate but, if they have different numbers of students, they get a different amount.

Senator CROSSIN—So, technically, if they have 100 students in 2008 and they have had 100 students in 2004, they are getting less in 2008 because the value of the dollar will be less at that time.

Mr Greer—That is one way to look at it, Senator. Another way to look at it is that they are getting up to 100 per cent more than they would otherwise have got if they were funded at a non-remote rate.

Senator CROSSIN—That is a very cute way of looking at it! If you could provide us with the 300 and perhaps the amount of money they are due to get, that would be fairly useful.

Mr Greer—I wanted to make a point of clarification. You mentioned that the remote definition was changed. The remote definition has not changed; all that has changed is the application—

Senator CROSSIN—I have got that.

Mr Greer—of the 2001 census to the 1996 census.

Mr Hoffman—There are a number of providers who may well be closer than 300 kilometres from a major centre which could still be remote. I am thinking of places like Yarrabah, which is quite close to Cairns but would still be considered remote because it is a discrete Indigenous community governed by its own council. That definition has not changed.

Senator Vanstone—Yarrabah is about an hour out of Cairns, isn't it, by car?

Mr Hoffman—Yes. It is certainly less than 300 kilometres from Cairns.

Senator Vanstone—It has a nice new Centrelink.

Senator CROSSIN—Excellent. I hope they are on Commonwealth public servant wages and not on CDEP.

Senator Vanstone—You can address any of those questions to FaCS. FaCS and especially Centrelink have a tremendous program of ensuring that local people get job opportunities. Maybe in the beginning some of them are CDEP, but people get a chance to do a CDEP job that really matters and to move on. That is not to say that they are CDEP jobs. I do not know; you have to address that to Centrelink and FaCS. I just want to make the point of how hard they work to give real job opportunities in local communities.

CHAIR—The department has a document entitled *Indigenous education: achievement through choice and opportunity*, which they wish to table. There being no objection, it is so ordered.

Senator CROSSIN—This discussion paper was distributed to stakeholders following the announcement of the budget. Is that correct?

Mr Greer—Yes, as the basis for a national process of discussion that has since taken place.

Senator CROSSIN—Yes, I know about that. I am looking at the education sector in the back column where the rate for per student for government preschools is around \$671 but it is \$2,239 for the non-government sector. It is the same for the primary schools. If you are an Aboriginal child in a government junior secondary college, IESIP give you \$895; but, if you happen to be in a non-government school, you get \$3,358. Are these the rates for remoteness?

Mr Greer—Those rates there are the remote rates. If you look on the previous page, you will find the rates for non-remote areas.

Senator CROSSIN—For metropolitan areas.

Mr Greer—Yes.

Senator CROSSIN—Again, there is a significant difference. The amount allocated on a child per capita basis in a government school is \$335 compared to \$1,119 in a non-government school. What is the difference between a government school and a non-government school? Why is not the same amount allocated across the sector?

Mr Greer—The current differences between IESIP per capita rates for the government and the non-government sectors relate in part to the government's position in supporting parents' choice in the provision of education services. The non-government sector is more dependent on financial input from parents, and many Indigenous families have low capacity to contribute in that way. That point was noted by the Commonwealth Grants Commission in its inquiry into Indigenous funding. In its report in 2000, it stated:

We accept, however, that some additional supplementary assistance to non-government schools could be necessary because that sector is more dependent on financial input from parents, and that Indigenous families often have a low capacity to contribute.

The public policy rationale for the continuance of that differential was made clear by the government in its 2002 response to the Commonwealth Grants Commission inquiry into Indigenous funding.

In that context, the government's rationale was that it was important to note the different funding roles the Australian government has adopted over the past 30 years with the government and non-government school sectors. Traditionally the states and territories have provided substantially more funding in the government sector and with less difference the Australian government has provided high levels of funding for students in the non-government sector. Just as the Australian government has a larger role in mainstream non-government funding, it also has a larger role in Indigenous specific supplementary funding. As I say, that was the public policy rationale for the continuance of that differential in response to the Commonwealth Grants Commission report in 2000.

Senator CROSSIN—With respect to remote rates and preschools, there are no non-government preschools in the Northern Territory. Parents of Aboriginal children have no option but to send their child to a government preschool. You are suggesting to me that this policy encourages Indigenous parents to access the non-government sector, but how does the policy apply where there is no choice of school? Let us take Borroloola as an example. There is no private school there for parents to access. The policy does not assist in delivering better

Indigenous outcomes for parents of children who have no choice in their communities. I do not agree with it, but I can see where the policy applies, say, in the metropolitan areas. However, I would have thought of all places remote communities would be paid a flat rate for an Indigenous child in a school, no matter what, because there is such a limited number of non-government schools in remote areas.

Mr Greer—I take the point you are making. All I am doing is articulating the government policy position.

Senator CROSSIN—I will not debate that with you, because I understand your role in the estimates process. Can you tell me how many students per state and territory are using your latest census date? It was August last year, wasn't it?

Mr Greer—Yes.

Senator CROSSIN—How many students per state and territory, using the August date last year, is this based on? Do you have a table of that? In the Northern Territory can you tell me it is X number of preschoolers, X number of primary school kids and X number of secondary school kids?

Dr Harmer—We probably do have it here. It will just take a minute to find it.

Mr Greer—At the macro level, at a headline level on a national basis, for 2004 our estimates are that 132,459 students will be IESIP eligible.

Senator CROSSIN—Is that for preschool?

Mr Greer—No, that is for schools. For preschools, it is 7,758, and for the vocational education and training sector, it is 23,178. That is a total of 163,396. That is the assumption underpinning the SRA estimate for 2004.

Senator CROSSIN—So 7,758 Indigenous students actually attended preschool in August 2003?

Mr Greer—An estimated 7,758 preschoolers will attract an IESIP entitlement. There may be more. These are the estimates of IESIP.

Mr Hoffman—It is full-time equivalents, so there could be more students but it is based on contact hours of 10 hours per week.

Senator CROSSIN—Yes, and it is the same for schools. How many Aboriginal students of preschool age are not attending any preschool or accessing any preschool?

Mr Greer—I am not sure whether we have that readily available. It may well be within the most recent national report to parliament on Indigenous education and training. Mr Hoffman is having a look at that now.

Senator CROSSIN—I did not have a chance to look at it today. How many Aboriginal students would be eligible to go to school but are not attending school? I am after the 2001 census data compared to the actual enrolment figures.

Mr Greer—Perhaps we could take that one on notice. I am not sure whether we can readily identify that from the data we have here.

Senator CROSSIN—Would you think it was a fair assumption to make that there are probably more Indigenous kids out there who are not attending school or preschool than the IESIP money is calculated against?

Mr Greer—There are probably more Indigenous students attending providers than there are—

Senator CROSSIN—More? There would be fewer Indigenous students attending a provider than students in the general population, wouldn't there? Would that be a fair assumption to make? Would it be fair to say that, of all the Indigenous students in this country eligible to go to school, there would be far more than 132,000?

Mr Hoffman—Eligible for school?

Senator CROSSIN—Yes.

Mr Hoffman—You are talking about in that age group?

Senator CROSSIN—Yes.

Mr Hoffman—I think that it would be a fair assumption to make that there would be more. Whether you could say it would be far more I do not know that that would be correct. Certainly the number for preschools—according to the report on Indigenous schools and preschools across Australia—was 8,731 in 2002. In that age group there would be far more preschool age children—Indigenous children.

Senator CROSSIN—Was any thought given to being a bit creative with the IESIP funding in the current four years and providing moneys to try and attract more children to school—rather than basing it on a per capita allocation of an enrolment figure, basing it on an allocation per census figure? Technically, under this formula, if you do not go to school and are not there when the census is taken you miss out on the dollars, don't you?

Mr Greer—Yes. The approach underpinning the principles for the next quadrennium look at how we may better prepare young Indigenous children for formal schooling as one of the several elements of priority—that preschool focus. In relation to attendance, similarly, an absolute condition of funding for either Indigenous or non-Indigenous school children going into the next quadrennium will be providers reporting against an attendance benchmark measure. So the issue of increased or improved attendance and measures to achieve that underpin a good part of the policy intent going into the next quadrennium.

Senator CROSSIN—But under the IESIP funding there is no specific allocation to providers that is calculated on children who are not in the system yet. Is that correct?

Mr Greer—That is correct. Similarly, in the schools context it is for participants and participants are measured in a particular way.

Mr Hoffman—If providers are paid for students who are not attending there is not that encouragement for schools to ensure that they get the children to school. It is in the interests of the provider to ensure that as many of the students in their community who are eligible are actually at school.

Senator CROSSIN—Would it not be the case though that if they were given that money anyway they might be able to put on additional staff or provide for some additional programs that attract children to school? It is the chicken and the egg sort of argument again, isn't it?

Dr Harmer—It is a moot point, the impact it would have. I think Mr Hoffman is stating the policy intent behind our current practice.

Senator CROSSIN—It is more of a carrot really.

Mr Greer—Under the NIELNS strategy and so forth a number of projects have and will continue to be targeted at measures that have worked and have been demonstrated to work in lifting attendance. Essentially, we want to pay for people in education, not for people out of education.

Mr Hoffman—Under the new parent-school partnership initiatives in the whole of school strategy, which is proposed for the new quadrennium, one of the priorities is to look at attendance.

Senator CROSSIN—I will come to that. I want to concentrate on the base calculation for the IESIP funding for the moment.

Dr Jarvie—My understanding is the basis on which this is calculated and the data on which it is based is exactly the same as for the GRE component of schools funding and it is consistent with that approach.

Senator CROSSIN—I understand that, but it has always been supplementary and it is supposed to be over and above and additional to—

Dr Jarvie—It is, but it is on the same enumerating basis.

Senator CROSSIN—What percentage of the \$351 million increase is actually attributed against Abstudy?

Mr Greer—I am not sure I have got that.

Senator CROSSIN—You have \$513 million for the SRA and \$128 million for the ongoing and new strategic programs. Where is the money for Abstudy hiding in there?

Mr Greer—I missed the question. The paper that we have circulated indicated that something like \$905 million was the base that was built on for Abstudy over the quadrennium.

Senator CROSSIN—Where would I find that?

Mr Greer—That is on page 3 of the discussion paper we sent you.

Senator CROSSIN—The minister was claiming a \$351 million increase. Of that \$905 million, what is the increase in Abstudy?

Mr Greer—I am not sure I have that here. I would like to take that on notice.

Senator CROSSIN—Out of the amounts on page 3, you cannot tell me what the 2001-04 amount is.

Mr Greer—For?

Senator CROSSIN—For each of those areas—for example, IESIP, Abstudy.

Mr Greer—Not readily, I do not think. We can certainly take that on notice and get back to you.

Dr Harmer—We will provide it for you.

Senator CROSSIN—I am a bit puzzled about that. So you cannot tell me that of the 2001-04 IESIP bucket of money it was X amount.

Mr Greer—I might have a document here.

Senator CROSSIN—I might even have it myself.

Dr Harmer—Mr Greer has a very large folder. He may have the figures here. If we cannot give them to you now, it is possible we can give them to you during these hearings.

Mr Greer—I will get that to you.

Mr Hoffman—We do have the amount for 2005-08 compared to the amount for 2001-04 for IESIP, which we can provide.

Senator CROSSIN—What is the 2001-04 amount?

Mr Greer—For IESIP, it was \$427.2 million.

Senator CROSSIN—What was the IEDA amount for those years?

Mr Greer—Total funding for IEDA for 2005-08 will be \$280.9 million, which is an increase of \$20.7 million over the funding for 2001-04. So it was \$260.2, by the look of it.

Senator CROSSIN—I turn to your IESIP funding for 2001-04. The \$427 million—

Mr Greer—That is for SRA. That is the per capita—

Senator CROSSIN—Yes, that is what I thought. So the \$427 million or thereabouts for those four years has now gone to \$513 million for the following four years under SRA. Is that correct?

Mr Hoffman—Yes. That is an increase of \$86.3 million.

Senator CROSSIN—A \$6.3 million increase over four years. Is that right?

Mr Hoffman—It is \$86.3 million.

Senator CROSSIN—That is what I am after. Do you also have the comparison with Abstudy and the ISF funding?

Mr Greer—I would need to confirm this, but for Abstudy the \$905 million seems to be an increase of \$29.6 million over funding for the 2001-04 period.

Senator CROSSIN—What about the ISF funding?

Mr Greer—We cannot readily locate that. We may be able to do that in the course of the night.

Senator CROSSIN—What is the rate of indexation for IESIP funding?

Mr Greer—IESIP is indexed by an indexation mechanism or index called WCI 1, which is in the order of two per cent. It may be a bit more or a bit less.

Senator CROSSIN—The recurrent funding you provide to schools is indexed at around 7.8 for primary schools and around 7.4 for secondary schools. Is that correct?

Mr Greer—It is an index of AGSRC in the order of those. I thought I heard Mr Evans earlier today talk about 6.4 or some such on average over the quadrennium. Of course that indexation and those funds for mainstream schooling also go to Indigenous children.

Senator CROSSIN—If IESIP funding is being applied in the same way as schools funding, why is it not indexed at the same rate?

Mr Greer—The decision to change this was a decision in the 1995-96 budget by the then government. That government agreed to a new indexation arrangement across the whole of government following a review that had been undertaken earlier. I understand that the government commissioned a review in the 1994 budget in light of the emergence of enterprise bargaining and so forth, the impact of which had resulted in the existing wage indices being increasingly unsuitable for indexation purposes. At that stage in general it was agreed that all programs across the whole of government with substantial wage cost components would be standardised to cocktail indices known as the wage cost indices—the WCI.

Through that mechanism those indices consist of different combinations of wage and non-wage indexation components. The wage component is based on a safety net adjustment, which is determined by the Australian Industrial Relations Commission. At the time, the government took a decision not to apply that new WCI to schools, as a result of the review that was commissioned in the 1994 budget context and decisions that were taken in the 1995-96 budget context. That is the background to why we have a differential.

Senator CROSSIN—A lot of the IESIP funding is not paid in wages, is it? What is the reason for not varying the way in which IESIP funding is indexed now? Dr Jarvie told me before that it is calculated on the same basis and is applied in the same manner that schools funding is. Why is the indexation not greater?

Mr Greer—In its decision back in the 1995-96 budget, the government of the day specifically excluded school funding from the new indexation arrangement and continued with the AGSRC index.

Dr Harmer—Up until that point they were both indexed by the AGSRC. The government of the day chose to maintain the AGSRC for schools.

Senator CROSSIN—You are telling me this current government has chosen to continue that?

Dr Harmer—It is just a continuation of the arrangements set in 1995.

Senator CROSSIN—There has been no consideration of changing the IESIP funding back to be indexed on an AGSRC basis; is that correct?

Mr Greer—That is correct. That is not to say there has not been consideration of changing AGSRC back to other indices, which the government has decided not to.

Dr Harmer—Which Minister Nelson was able to hang on to.

Senator CROSSIN—Surely an indexation of an AGSRC rate for IESIP would deliver more funds than a two per cent indexation?

Dr Harmer—Yes. As Mr Greer said, the AGSRC estimated increase is around 6.4 per cent.

Senator CROSSIN—There is nothing stopping any government at this point in time from reversing that decision and having IESIP funding indexed on an AGSRC basis; is that correct?

Mr Greer—That would be a decision of government.

Dr Harmer—It would be the same for all of the indexations across the board.

Senator CROSSIN—I want to take you to the \$128 million for the ongoing and new strategic projects. That is mainly for the strategic initiatives; is that correct?

Mr Greer—Yes, that is for ongoing and new strategic initiatives.

Senator CROSSIN—The ongoing ones are?

Mr Greer—They include NIELNS; projects such as the Dare to Lead initiative that is engaging school principals as champions of Indigenous education in their school communities; the What Works professional development package, which is making great headway into providing PD for teachers of Indigenous students across the country; a continuation of the English as a Second Language Indigenous Language Speaking Students program; and support for Croc festivals in a whole-of-government context. They provide continuing provision for Indigenous education consultative bodies and, indeed, for the Indigenous support units, including the three early childhood support units. They continue the TPA adjustment assistance as well. Those are the types of initiatives that are there and, of course, there is the new flagship approach on scaffolding.

Senator CROSSIN—I remember asking a question about scaffolding about two years ago, and your department got back to me but did not quite know what I meant. It is interesting to see that it has now been picked up and embraced. I have seen it in remote schools and it is quite successful.

Mr Greer—Absolutely.

Senator CROSSIN—Of the \$128 million, is \$74.5 million for old projects?

Mr Greer—Around \$70 million, in the order of \$74 million or \$77 million—

Senator CROSSIN—The minister's press release says it is \$74.5 million.

Mr Greer—are continuing projects. It is a continuation of the ESL program. It is a continuation of funding over the quadrennium of the TPA, which is about \$32 million.

Senator CROSSIN—Have you got a breakdown of those programs and the amount next to them?

Mr Greer—I have not got it here, but I can certainly get it to you, with dollar amounts.

Senator CROSSIN—Where is the \$128 million going then?

Mr Greer—It is the residual, and out of that residual \$14 million will be going to get behind scaffolding as a new flagship approach for the new quadrennium. Considerable sums, yet to be negotiated with providers, will continue the Dare to Lead effort, which is looking to engage another 5,000 principals as champions of Indigenous education. With the What Works strategy we hope to put through another 11,000 to 12,000 teachers of Indigenous children through this very effective PD exercise. They are the ilk of the projects.

Senator CROSSIN—Where do I find what was the old IEDA funding, which is now called what? Is it called the whole of school strategy?

Mr Greer—Do you mean where do you find it in your budget papers?

Senator CROSSIN—Is it part of the IESIP funding?

Mr Greer—No, there will be a separate allocation. If you turn to page 3 of the discussion paper we just tabled, you will note that IEDA has \$280.9 million for the quadrennium.

Senator CROSSIN—The program is still being called IEDA, is that correct?

Mr Greer—Yes, and there will be two elements to that. There will be an Indigenous tutorial assistance scheme—or ITAS—which is going to provide a more strategic focus on how we use and target tutorial assistance, and then there will be about \$102 million out of the quadrennium for a whole of school intervention strategy.

Senator CROSSIN—Continuing with the IESIP funding: the transition project assistance scheme that compensated providers for the change to the per capita system finishes at the end of this year. Is that correct?

Mr Greer—As Mr Hoffman said, only for systems. Coming into the current quadrennium, the government put all systemic providers on notice that TPA for systems, government and non-government, would phase out over the quadrennium. But it retained the TPA provision for independent providers—the IADs et cetera.

Senator CROSSIN—Who is covered by those? Are non-government schools covered?

Mr Greer—They are predominantly independent.

Senator CROSSIN—Is non-government the same as independent, or different?

Mr Hoffman—They are predominantly independently controlled preschools, schools and VET providers.

Senator CROSSIN—Non-government and independent are one and the same; they are interchangeable, are they?

Mr Greer—Yes.

Senator CROSSIN—The TPA ceases basically for government schools.

Mr Greer—It ceases for systemic providers—both government and non-government.

Senator CROSSIN—The Catholic system, for example, would not get it.

Mr Greer—Absolutely.

Senator CROSSIN—IAD still does?

Mr Greer—Yes.

Senator CROSSIN—Are you able to give me a list of those who would still be eligible for TPA?

Mr Greer—Certainly. I am not sure I have it here, but we can certainly get that for you.

Senator CROSSIN—I have to ask the question: I suppose every state and territory is still paying 10 per cent on-costs?

Mr Greer—No state or territory can retain any more than 10 per cent.

Senator CROSSIN—That is still the case?

Mr Greer—That will still be the case.

Senator CROSSIN—That will still be the case in the next four years?

Mr Greer—That will still be the case in the next quadrennium.

Senator CROSSIN—I needed to get that on the record for some people. I want to move to IEDA now. I have not brought the IEDA review with me; I have left it in my office.

Mr Greer—We have some copies here, Senator, if you want one. There is a hard copy here.

Senator CROSSIN—Thank you. There is a figure in there I need to ask you about. Can you, firstly, tell me exactly how and where these consultations were held? I am not talking about post budget; I am talking about the consultations that formed this final report. What consultations were held before the changes were decided on?

Mr Greer—The review itself took place in early 2002 and throughout 2003 and, consistent with the DEST's open for business framework, we collected information and consulted quite broadly. Written submissions from state and territory education providers—also from independent providers—were canvassed in response to three discussion papers. We looked at the state based trials that had introduced a more flexible approach to the delivery of IEDA—for instance, we looked at ICT.

Senator CROSSIN—Instead of going through that list—because I want to know specific details about this—which state and territory education provider gave you a written submission?

Mr Greer—I am not sure that I have the list with me. There were three discussion papers circulated. There were 62 written responses to the discussion paper. The majority of those—and, as we can, we will track down the specifics of those—were from school education providers.

Senator CROSSIN—As we do in Senate committee inquiries, do you have a list of where those 62 came from?

Mr Greer—I hope we have. Whether we have it here or whether we will have to trawl the files for that is another point. The discussion paper was circulated to solicit comments from a random selection of some 400 ASSPA committees.

Senator CROSSIN—There are more than 400 ASSPA committees around the country.

Mr Greer—My understanding is that we randomly sought comments from 400 of those from Indigenous—

Senator CROSSIN—So the discussions papers did not go out to all ASSPA committees?

Mr Hoffman—Discussion paper No. 3 did not go to all ASSPA committees; it went to a sample of 400 of the 3,800 approximately.

Senator CROSSIN—How were those 400 chosen?

Mr Greer—Randomly I understand.

Senator CROSSIN—Like every 10th one, by state or territory, or by electorate?

Mr Greer—I would need to check what the methodology was.

Dr Harmer—I assume there would have been some stratification of the random sample, but presumably it would be a representative sample so we can make conclusions from the sample responses.

Mr Hoffman—They were selected on the basis of a random sample across all states and territories, different sizes, whether they were remote, urban or provincial.

Senator CROSSIN—Why didn't all discussion papers go to all ASSPA committees? Why didn't the third discussion paper go to all ASSPA committees?

Mr Hoffman—I think the idea was to try to get a sample of responses from ASSPA committees representing all of the ASSPA committees. It was felt that, if you selected 400, sent them to them and sought their responses, their responses would be fairly representative of all of them.

Dr Harmer—I assume—and Mr Hoffman will correct me if I have got this wrong—the 400 were selected because they would represent a statistically significant sample. It would have been done, I am assuming, so that the cost of the study could be kept manageable rather than having to wade through over 3,000 submissions, which would take a great deal of time. A frequently used technique, as you would know, is to undertake a statistically significant sample so that you can make conclusions from that sample.

Senator CROSSIN—How many of the 400 responded?

Mr Hoffman—Ten.

Senator CROSSIN—Ten out of 400 responded?

Mr Hoffman—That is right.

Senator CROSSIN—No wonder I am getting the feedback that I am getting.

Mr Greer—There were other mechanisms. As we said, the consultations or the discussions also involved the Indigenous education consultative bodies, the Indigenous support units, ATASIC, the Office of Aboriginal and Torres Strait Islander Affairs, DEST staff, state and territory departments, and ATAS bulk funded contributors. In addition to that there were a number of case studies—

Senator CROSSIN—I am sorry, Mr Greer, I really want to work through these dot points in detail. Can you tell me where the 10 were?

Mr Hoffman—Sorry, we do not have that but that would be included in the list of 62 submissions which we will provide.

Senator CROSSIN—I see. I thought the 62 submissions were just from education providers or independent education providers, but the 62 submissions are from all sorts of people.

Mr Hoffman—From any of those groups—ASSPA committees, education providers, IECBs, ISUs—

Senator CROSSIN—So you are going to provide me with a list of who made the 62 written submissions, of which 10 are ASSPA?

Mr Hoffman—Yes.

Senator CROSSIN—How did consultation with Indigenous education workers occur?

Mr Greer—They were certainly involved in the case studies, which were in-depth conversations with funding recipients.

Senator CROSSIN—Did your state managers meet IEWs in capital cities or regional towns? How did those discussions occur?

Mr Hoffman—There were a combination of focus group meetings people were invited to. Staff from our national office met with representatives, including ASSPA committee representatives and representatives of providers, and also had one-on-one meetings with individuals and organisations.

Senator CROSSIN—What about specifically with IEWs? How did that consultation occur? Did you talk to any Indigenous education workers?

Mr Hoffman—Indigenous education workers were consulted when our people met with schools. At particular schools where there are IEWs, they were included in the discussions.

Senator CROSSIN—How many schools were consulted? When you say ‘consulted’, what do you mean? Do you mean that they were sent the documents and were not part of the 62 who wrote responses, or did someone physically go and meet with them?

Mr Hoffman—It was a combination of those. In some cases our staff met with schools, and in other cases we got feedback through submissions.

Senator CROSSIN—How many schools did you meet with?

Mr Hoffman—Could we take that on notice?

Senator CROSSIN—Take that on notice. How many state based trials were there?

Mr Greer—I think some of the state based trials that are mentioned—and I will stand to be corrected—probably included the pilots that we had been doing in relation to in-class tuition. They took place in the Northern Territory, as you know, in Queensland and I think in South Australia.

Senator CROSSIN—On page 2, you say:

- State-based trials that introduced a more flexible approach to delivery of IEDA ...

They are the trials of the in-class tuition. Is that correct?

Mr Greer—I think they would be included in those.

Mr Hoffman—Yes, that is right.

Senator CROSSIN—What else is included in it?

Mr Greer—I would need to check the specifics of what the state based trials were and of how many there were. We will give you the full metrics on those.

Senator CROSSIN—And where they were?

Mr Greer—Yes.

Senator CROSSIN—You do not have that information with you?

Mr Greer—Not here at the table.

Senator CROSSIN—I am getting a bit frustrated, I have to say.

Mr Williams—I wanted to share this. One of the specific trials was a school-community partnership trial that we were and still are undertaking in the Cape York as part of the pilot. I notice that you refer to the delivery of IEDA, and that trial itself was looking at school-community partnerships and interagency collaboration. There was not only ATAS in, say, the Northern Territory, New South Wales and WA; there was also a school-community partnership trial.

Senator CROSSIN—Do the state based trials include the COAG trials? No.

Mr Hoffman—No, not for the purpose of the review.

Senator CROSSIN—It is much broader than that. Is that right?

Mr Hoffman—There was a trial in the Torres Strait as well as the one in Cape York that Mr Williams referred to. There are also those trials of in-class tuition in New South Wales, Queensland and the Northern Territory in particular.

Senator CROSSIN—You cannot tell me how many there were? You do not have the number with you?

Mr Greer—No. We will take that on notice and give you a full and comprehensive response.

Senator CROSSIN—Over what period of time were these consultations held, if that is what we are calling them?

Mr Hoffman—My understanding, from recollection, is that the review commenced in about August 2002 and that the report was completed in about March 2004. The consultations would have taken place between August 2002 and December 2003.

Senator CROSSIN—You do not have a list of who was consulted on a state-by-state basis? You are going to get that to me, are you?

Mr Greer—We probably do have the list. We just do not have it here.

Senator CROSSIN—I see. You are going to take that on notice?

Mr Greer—Yes.

Senator CROSSIN—The changes were announced in the budget. I am aware that information sessions were conducted by DEST officers. Did that occur around the country?

Mr Greer—That has taken place around the country.

Senator CROSSIN—And this power point is the basis for that presentation; is that correct?

Mr Greer—I am not sure what that power point is.

Senator CROSSIN—It is a power point that has your logo all over it, that I picked up at an information session. I just wanted to confirm that that is what was used.

Mr Greer—The discussions were manifold. We have certainly undertaken discussions from the centre on a bilateral basis with each jurisdiction, both government and non-government. In addition to that, our state managers have undertaken discussions on a state basis with a range of key stakeholders. The document you have there may have come from one of our state managers discussions or the like.

Dr Harmer—Would you like us to confirm that that is in fact the case?

Senator CROSSIN—I attended one out at Palmerston.

Dr Harmer—And that was the document?

Senator CROSSIN—That is the document that was given out. I wanted to confirm whether this was used nationally.

Mr Greer—That is what I am not sure of.

Mr Hoffman—Is this Indigenous education and training 2005-08 document?

Senator CROSSIN—Yes.

Mr Hoffman—That would have been a power point presentation which was produced nationally to assist our staff in explaining the changes for the new quadrennium.

Dr Harmer—Can we have a look at that document? I suspect we can confirm very quickly whether it was a national or a state—

Senator CROSSIN—I wanted to know whether it was used in the territory or used nationally. Who was invited and who attended the information sessions?

Mr Greer—At the sessions that have been conducted at a national level, from here out, we had two teams. We covered off the schools grants changes, together with the Indigenous package. We involved each state or territory government. They variously brought different representation to the table. Likewise, in the non-government sector, depending on the major systems where you went, the number who participated varied. In addition, at the national level we have called a national meeting of IECBs. For those jurisdictions where the IECB is not operating at the moment—the Northern Territory and I think South Australia—they had officials attend those meetings as observers. The meetings covered a range of other matters, including a full and detailed explanation of the government's policy position.

Senator CROSSIN—It seems that your post budget sessions have been a bit more consultative and well-attended than your consultations during the review. More interest has been stirred up, I suppose.

Mr Greer—I am not sure that is fair comment.

Senator CROSSIN—Have the specific program guidelines now been developed?

Mr Greer—The program guidelines are being developed. We have five working groups drawn from network staff or desk staff nationally working on different elements of those.

Senator CROSSIN—Only desk staff are on those working groups?

Mr Greer—It is only desk staff on those working groups, but those working groups have been further informed by bringing together a very large slice of our Indigenous education network, so that the largest slice could feed into the more detailed work. Those processes have been informed by an iterative feedback of issues that have come up.

Senator CROSSIN—So what are the five working groups dealing with?

Mr Hoffman—One is dealing with the accountability framework for the new quadrennium. It is looking at performance measures, financial accountability and performance accountability arrangements. There is a working group looking at in-class tuition for years 4, 6 and 8, and it is developing the program guidelines for that. There is a working group looking at tuition for years 10, 11 and 12, and it is also developing the program guidelines for that. There is a working group looking at the ATAS bulk funding arrangements. That is with universities mainly, and it is developing the new guidelines for that. There is a working group which is developing the program guidelines for the whole of school intervention strategy, which includes parent-school partnerships and the homework centres.

Senator CROSSIN—When are you anticipating that the specific program guidelines in these areas will be finalised?

Mr Hoffman—We anticipate that draft guidelines will be available by the end of June and we will provide drafts to stakeholders with whom we have been consulting, including Indigenous education consultative bodies.

Senator CROSSIN—Can this committee get a copy of those drafts?

Mr Greer—I assume they will be public documents, if they are exposure drafts. If the committee sought them, it would be difficult not to provide them.

Senator CROSSIN—I am sure one of us will seek them.

Proceedings suspended from 9.01 p.m. to 9.11 p.m.

Dr Harmer—We have had a look at the document that Senator Crossin provided and we checked it against the document we prepared for a national consultation. It is very similar, but there are a few minor differences that we suspect our state manager in the Northern Territory has made to cater for his intended audience.

Senator CROSSIN—I do not intend to dob him in. He was very cooperative.

Dr Harmer—I am sure he was. We will provide you, if you wish, with a copy of the national consultation document so you can have that as well.

Senator CROSSIN—That would be great. What attempts have been made to communicate the changes in particular to isolated communities where English is a second language or even a third language?

Mr Greer—At this stage our state managers have been consulting within their jurisdictions. How deep and broad that consultation is we would need to confirm with you. We had pretty much a half-day consultation on this particular issue as part of a full-day consultation with the Indigenous education consultative committees from each state and territory. Our understanding was that they also would be diffusing that through their networks. As recently as last week we met with the Indigenous committee of the Australian education

unit and had a couple of hours of very full and constructive discussions, and they have invited some more discussions this week. My expectation is they will be pushing that out through their network. The discussion paper itself is on our web site, and that has been broadly disseminated.

Senator CROSSIN—This is the one you tabled earlier, is that correct?

Mr Greer—Yes. The minister certainly wrote to each of the 3,800-odd ASSPA chairs outlining changes.

Senator CROSSIN—Do you have a copy of that letter you can table?

Mr Greer—Yes, I can do that. He similarly wrote to the 6,000-plus principals of schools who have IESIP eligible students.

Senator CROSSIN—Can you table a copy of that letter as well?

Mr Greer—I am not sure I have the principals' letter here. I think I have a copy of the letter to ASSPA committees.

Dr Harmer—We will give you both.

Mr Hoffman—In consultation at the state level and with stakeholders, last week we had a three-day change management workshop with all of our district managers, state managers and other managers in the state offices and the national office. Part of that process was developing action plans, consultation plans within each state and territory for consultation with stakeholders over the next little while and leading up to the changes in 2005. There is a very serious effort being put into ensuring that all stakeholders are consulted to the extent that we can, given our resources. I know in the Northern Territory that the state manager there intends calling meetings of all of the ASSPA committees, as key stakeholders in the process.

Senator CROSSIN—How much money per student were ASSPA committees provided with?

Mr Hoffman—I am pretty sure it was \$110 per student in cities and \$220 in remote areas.

Senator CROSSIN—What was the ASSPA allocation, say, for this year?

Mr Hoffman—The total dollars?

Senator CROSSIN—Yes.

Mr Hoffman—For 2004 or 2003-04?

Senator CROSSIN—Is it allocated based on a financial year, not a calendar year?

Mr Hoffman—At the moment it is. One of the changes that we are proposing in the next quadrennium is to move it under the targeted assistance act so that we would have the same—

Senator CROSSIN—The last financial year's allocation for ASSPA was how much?

Mr Hoffman—It was in the order of about \$19 million, but I would have to confirm the exact figure.

Senator CROSSIN—How much is being allocated against the parent-school partnership initiative?

Mr Greer—I think it is \$62.5 million over the quadrennium. I think that is the figure in the discussion paper.

Senator CROSSIN—On a yearly basis, though, what is that?

Mr Hoffman—A little bit over \$15 million a year.

Senator CROSSIN—So that is a reduction. If you are replacing ASSPA committees with the parent-school partnership, they will perform a different role and a different function—we will get to that in a minute. But, technically, there is not \$19 million there for the parent-school partnership; it has gone down to \$15 million. Is that correct?

Mr Hoffman—If you look at IEDA as a whole, the funding with the indexation has been maintained across the new quadrennium. However, in order to fund the new tuition strategies—the targeted strategies—targeting students in years four, six and eight, who do not meet the benchmarks in years three, five and seven, and also the—

Senator CROSSIN—But that is under the ITAS initiative, isn't it?

Mr Hoffman—But in order to fund that, there had to be an increase of about \$50 million across the quadrennium to the ATAS over and above what is provided to the ATAS this quadrennium.

Senator CROSSIN—So you have taken some of that money out of what were ASSPA's funds?

Mr Hoffman—In effect, there has been a shift—

Dr Harmer—A reallocation of it.

Mr Hoffman—A reallocation of funds, around \$50 million, from the discontinuation of VEGAS and, from the change of funding for ASSPAs, \$50 million of that has gone into the targeted tuition.

Senator CROSSIN—I see.

Mr Greer—That was done quite consciously, as part of the government's approach to this quadrennium, which is to redirect resources to programs that have demonstrably improved outcomes.

Senator CROSSIN—Rather than leave that same amount for parents to access and increase the amount that went to the ITAS?

Mr Greer—Yes, as Mr Hoffman has indicated these significant changes have been done—

Senator CROSSIN—So you have just reallocated funding within the three strands of IEDA and ASSPA. Is that correct?

Mr Greer—We are more strategically applying those funds.

Senator CROSSIN—Parent-school partnerships will be set up. My understanding is that school councils will have either an Aboriginal parent subcommittee or Aboriginal parents on their council or they might not have either of those. But if schools want to access funds, they now have to apply for them through a grants scheme. Is that correct?

Mr Greer—That will be the case. It is not so much schools; rather, it is if Indigenous parent committees wish to access funds, they must do that in consultation with their school.

Senator CROSSIN—What guarantee have schools got of getting funding?

Mr Greer—This will be a submission based process.

Senator CROSSIN—So there is no guarantee that schools will get funding?

Mr Greer—There is no guarantee that every school will get funding.

Senator CROSSIN—Under the current ASSPA system every school gets funding. Is that correct?

Mr Greer—Under the formula funded approach—

Senator CROSSIN—Every school that had an Indigenous child—

Mr Greer—No, every school that had an eligible ASSPA committee attracted some funding.

Senator CROSSIN—There is no guarantee that the 3,900 schools that have ASSPA committees will get funding under this system. Is that correct?

Dr Harmer—Not all.

Mr Hoffman—It would be highly unlikely that anywhere near that many would be funded. Even though there are 3,800 ASSPA committees being funded, a significant number of those, some 1,000 or more, actually receive less than \$1,000 per annum. That does not really go a long way in terms of looking at strategic interventions—for instance, strategies to address attendance or something like that.

Senator CROSSIN—My understanding is that ASSPA committees were set up under the AEP as one of the first of the 21 goals, which was to encourage Indigenous parents to take a greater role in the school. Is that correct?

Mr Hoffman—That is correct.

Senator CROSSIN—Are we now saying that that is not a focus?

Mr Hoffman—The review has found that it is no longer the most effective mechanism for achieving that goal.

Senator CROSSIN—This is the review where 10 of those 3,900 responded. Is that right?

Dr Harmer—The fact that only 10 of 400 responded was an indication of the interest level, given that they had an opportunity to respond and only 10 did. That is a very low response rate. It is an indication of perhaps a low level of interest. The review findings reflect that in some sense these committees were not judged to be very effective.

Senator CROSSIN—You said that you sampled only 400 out of 3,900.

Dr Harmer—It would have been a statistically significant sample. Given that, we would expect that, had we sampled the lot, we would have got 10 times 400 over 3,000 submissions. So we would not have got very many.

Senator CROSSIN—What happens in a situation where the Indigenous parents committee does not have a relationship with the school principal or where there is no positive relationship?

Mr Greer—We hope that this will forge those parent-school partnerships.

Senator CROSSIN—How is that going to occur?

Dr Harmer—It would be in the interests of the parents, the principal and the school to win resources for the school and the parents with their application. So, in a sense, there is now an incentive for them to do exactly that, which I think was the original intention, and many of them were not doing that.

Mr Hoffman—We would be working with the Northern Territory Department of Employment, Education and Training on systems to introduce this program so that they would be aware of what rules their schools would be able to apply and things like that. Hopefully, there would be an incentive down through the system as well as at the local level for schools to participate.

Senator CROSSIN—The rules, which will be draft guidelines, are due out in a month's time. Is that right?

Mr Hoffman—This month, yes.

Senator CROSSIN—Or are there rules in place already?

Mr Hoffman—No, there are no rules in place yet.

Mr Williams—Can I just say one thing?

Senator CROSSIN—Yes. You can say lots of things, Mr Williams.

Mr Williams—I am trying to get my colleagues down the end there to notice that I am here. The critical issue is that DEST has taken a very sincere investment in its Indigenous education network. As part of my role, I have rolled out training across the nation—across our 180 staff out there who deal specifically in working with schools and their communities. There has been a much sharpened focus in the spirit of COAG of how we work more collaboratively with community. In terms of the issues that you are talking about, we are currently conducting work quite systematically in upskilling our network staff to deal with schools.

Senator CROSSIN—How will Aboriginal parents who are not accustomed to submission writing get on?

Mr Williams—Again, through our network training.

Senator CROSSIN—Your staff will be there to help them write submissions.

Mr Williams—We are putting them through a very rigorous training process to understand that there will be parent groups out there that do not have access to those opportunities. How can we facilitate that? Ideally, our staff will be facilitators of change in this process.

Senator CROSSIN—Is there an expectation principals or assistance principals will write these submissions?

Mr Williams—We hope we will work in collaboration because that is the intent of the initiative. It is a partnership arrangement.

Senator CROSSIN—What will happen where the school management does not help Indigenous parents with the PSP? What guarantee is there that the new system will be user-friendly to Indigenous groups?

Mr Greer—We will be endeavouring to be as supportive as possible through the processes and guidelines we put in place. As I say, we have tabled the minister's letter to ASSPA committees and I think it is pertinent to look at the introduction to that where the minister indicates that he is writing to inform ASSPA committees about changes to way the government will support ASSPA committees over the next year. There is a sense that we are taking support away from committees; we are not. We are changing the way we are going to continue to support committees. It may be that not all committees will want to shift to a more student learning outcome focus.

Senator CROSSIN—You have already admitted to me that not all of those schools will be eligible for funds anyway.

Mr Greer—No, I did not say that.

Senator CROSSIN—Not eligible but may not access.

Mr Greer—They will all be eligible; they may not all—

Dr Harmer—It will be on a competitive basis.

Senator CROSSIN—What about those parent groups who perhaps are overtaken by non-Indigenous parents? How is DEST going to handle that situation?

Mr Greer—This is about Indigenous parent committees.

Senator CROSSIN—So you will be forcing every school to set up an Indigenous parents committee.

Mr Greer—We are forcing no-one to do anything.

Senator CROSSIN—In order to get the funds they will have to do that—is that correct?

Dr Harmer—If they want to access the resources they will have to have an Indigenous parents committee and that Indigenous parents committee will need to work with the school and have a plan for interacting with the school around some objectives in relation to kids' educational outcomes.

Mr Hoffman—It would have to be something which is incorporated in the school plan, not something to the side of the school. One of the things that was found in the review was commonly ASSPA committees were treated as a separate thing from the school, and they got together, had meetings and made decisions about how they would spend their dollars and in many cases they were small amounts.

Senator CROSSIN—That is an aspect of ASSPA some of them liked.

Mr Hoffman—But it was not necessarily contributing to any learning outcomes for their children.

Dr Harmer—The difficulty is that it may not be the most effective way of ensuring that taxpayers' money is impacting positively on outcomes for kids. It may be a good thing for parents to do but it should not necessarily be funded from an education program.

Senator CROSSIN—So would you say an ASSPA committee that was running a breakfast program does not contribute positively to the kids' outcomes?

Dr Harmer—That may be well be. If, for example, that same committee which is effective now in linking with the school wants to continue that and can demonstrate to us or put a case that that leads to educational outcomes, they would have a good chance of getting funding.

Senator CROSSIN—I will come back to that in a minute. Does the new system require some sort of lengthy forward planning on behalf of these committees and the schools? If they are applying for grants, what are we talking about—year long grants, months at a time?

Mr Hoffman—The grants could be anything from an annual grant for just a one-off thing to a four-year grant for a four-year rolling program, if IEDA is brought under the targeted assistance act.

Senator CROSSIN—How will those committees get access to money for situations that are perhaps unforeseen or are an unusual circumstance. I will give an example: Footscray football team comes to the Northern Territory in February and with a week's notice they decide to go out to a number of communities. How would an ASSPA committee access funds to tap into that, for example, if is it not something they have had any prior warning about? Under the current system, they would have those funds available in the school to them. Under this system, how do they cope with any unforeseen circumstances?

Mr Williams—The current focus of the reconceptualisation of IEDA is on learning outcomes, and there is a very sharpened focus on using the funds to accelerate literacy and numeracy outcomes and parental engagement with the school community. That is the principle. So the focus has been sharpened very much on the learning outcomes agenda.

Senator CROSSIN—Phys ed is part of the learning outcomes, though—it does not answer my question about how these committees might access funds fairly quickly for any unforeseen situation.

Dr Harmer—I could paint a scenario where it is possible that an effective ASSPA committee working with a school with some clear objectives—one of which may be to increase the physical activity—claiming funds that would both do some ongoing activity as well as perhaps some reserve funds that would allow them to participate in events such as that. I could imagine that a well-constructed ASSPA committee working with the school with clearly defined educational outcomes, including physical education outcomes, would be able to get funds for such an activity in a bid.

Senator CROSSIN—You are saying that the new committees might have to anticipate unforeseen circumstances and allow for that in their funding submissions.

Dr Harmer—Indeed. If, for example, a major component—or at least a component—of their activity was in physical education, and they believe that exposure to visiting sporting teams or something periodically was a likely positive, then that would be something they

would include in the submission. It is quite likely, as assessors, we might find that an attractive proposition.

Senator CROSSIN—I will get to assessors in a minute. What appeals or grievance procedures will apply if submissions for funding are unsuccessful?

Mr Hoffman—We are still in the process of preparing the guidelines, and I do not know that we have yet addressed the issue of appeals or grievances. We are certainly looking at a system which will be open and transparent and where the decision maker is at arm's length from the project.

Senator CROSSIN—So if it is open and transparent, if a committee has its grant application rejected, the reasons for that will become public.

Mr Greer—Yes.

Mr Hoffman—They should be informed of the reasons for the rejection.

Dr Harmer—They would be informed. We would close the loop. I do not think there are any appeal provisions at the moment.

Mr Hoffman—No, but it is just an entitlement.

Senator CROSSIN—Let me go back to the breakfast and the lunch programs. There has been some suggestion that programs such as that will not be eligible for funding under these guidelines. Do you have a comment about that?

Mr Greer—The guidelines have not been developed yet. This is not the only source of funds that are available. As we said earlier, NIELNS funding will continue, albeit that there will not be—

Senator CROSSIN—I understand that, but there is demonstrated evidence, particularly in the Northern Territory, that where either a breakfast or a lunch program is running, principals in particular can demonstrate that attendance has nearly doubled. I have one community in the Northern Territory that can show me that, since the school, through the ASSPA committee, has run a lunch program, no child has turned up to the local clinic with any signs of being anaemic. Would those sorts of programs be eligible for funding?

Mr Greer—If the objective here is to increase attendance so you can also contribute to improved student learning outcomes and a strategy to that effect is to have a nutrition program, it seems to me that would be something—

Dr Harmer—I would think it would qualify, particularly if the principal of the school—who, under the new guidelines, would need to be involved—is confirming that this is a very positive thing for education outcomes. Increasing attendance would obviously be absolutely important element for education. I cannot imagine that anyone would be saying at the moment, given that the guidelines have not been developed, that something like that would not apply. I could certainly paint a scenario where I would think the parents and the school working together to improve attendance with a program should be funded.

Mr Hoffman—Nothing that we have put out nationally rules in or out any of those sorts of interventions. Attendance is one of the priorities which the government has set for this program. If that was a strategy aimed at enhancing attendance and the school was able to

confirm that in fact that was what it was doing, you would think it would be eligible for funding.

Mr Greer—To reinforce what Mr Hoffman is saying, we have completed the review of the evaluation of the NIELNS. The executive summary of that was saying, ‘If you stood back and looked at some of the key factors of success, you would see that one among several is that children’s health and nutrition needs are being addressed.

Senator CROSSIN—When did you complete the review of that program?

Mr Greer—That evaluation was completed earlier this year. The evaluation is on the web site.

Mr Hoffman—It was posted on the web site at the time of the announcement. In relation to, say, nutrition programs, in the spirit of partnership we would also be looking at other partners who might be able to contribute to that, such as the health department. There are obvious health benefits, as you have already indicated. We would also be looking to the committees and the schools which are preparing submissions to also look at other sources of funding, but not necessarily only those other sources—looking at sharing the funding.

Senator CROSSIN—But your federal department of health has not set aside particular funds for this though, has it?

Mr Hoffman—I am not saying the federal department of health, but it could be other health initiatives sponsored through state departments.

Senator CROSSIN—What will happen to any or all of the equipment or other resources that have been purchased by ASSPA committees in the past?

Mr Hoffman—We are considering a number of options and preparing instructions for our staff and for committees. They could dispose of the assets and use the funds this year or return the funds to the department. Alternatively, they could gift the assets to another body or they could keep them and continue to use them.

Senator CROSSIN—If an ASSPA committee no longer operates, what will happen to those assets?

Mr Hoffman—We would expect that they would dispose of the assets and return the funds to the department or they would gift them to the local school community.

Senator CROSSIN—Gift them?

Mr Hoffman—As in donate them.

Senator CROSSIN—I see. Who will have the delegation for funding approval? Will that be your state managers or people at a much lower level?

Mr Hoffman—That is a question we are grappling with because, with a process where our field staff are actively assisting committees and schools to develop submissions, we need to ensure that they are somewhat removed from the approval process.

Senator CROSSIN—Yes. That is why I asked the question.

Mr Hoffman—We are looking at allocating an amount of money on a district basis, but having the approval process at the state level, and maybe a recommendation process at the district level. So it could be the local IECB—

Senator CROSSIN—The approval process will not be in Canberra?

Mr Hoffman—We are certainly not envisaging that it would be in Canberra.

Senator CROSSIN—Are you still working that out?

Mr Hoffman—It is still being developed but there is certainly no suggestion that approvals would be brought back to Canberra.

Mr Greer—As Mr Hoffman has indicated, it is getting that balance between proactively working with and supporting committees on the one hand and then making sure, for probity reasons, that there is sufficient arm's length between that engagement and objective decision making.

Senator CROSSIN—Is there any funding available out of the IEDA moneys that will target non-attendance or non-attendees, out of the two initiatives?

Mr Greer—We would be looking for Indigenous parent committees to partner with schools to look at developing, among other things, attendance strategies, hopefully to encourage and retain more people attending school.

Senator CROSSIN—But of the other four areas on this page, there is targeted assistance at years 3, 5 and 7; at years 10, 11 and 12; and at tertiary students' homework centres. So there is really only the money for the committees that may or may not be used to target non-attendees out of this initiative. Is that correct?

Mr Hoffman—There are other strategies targeting those other things, but it is intended that the priority areas for the parent-school partnership money will be strategies to improve attendance, to improve literacy and numeracy, for year 12 or equivalent completion and for transitions at critical points.

Senator CROSSIN—Is there any other money allocated out of the Indigenous education budgetary measures that target non-attendance at school?

Mr Greer—Yes.

Senator CROSSIN—What will those measures be?

Mr Greer—As I mentioned earlier, government has decided that a condition of mainstream schools funding for all recipients, Indigenous and non-Indigenous, will be attendance benchmarks or measurements.

Senator CROSSIN—So are you saying it is now a whole systems responsibility?

Mr Greer—Yes, this is getting the mainstream to work for all students around attendance. There is an opportunity to draw on jurisdictions' own sources of mainstream and Indigenous specific funding for that. There are also opportunities to draw on Commonwealth general recurrent grants funding, and on the half a billion dollars that we talked about earlier under per capita grants, before you get to the specific element that we are talking about here.

Senator CROSSIN—But there is no specific initiative targeted at increasing attendance. It is now expected that mainstream systems will pick that up?

Mr Greer—Systems will have a heightened obligation to target attendance through funding conditions envisaged by the Commonwealth. Governments generally, through COAG, have identified attendance as one of the key measures through the indicators of Indigenous disadvantage. So there is an expectation that the mainstream has to work more; we should not just be relying on Indigenous specific funding to address those systemic issues.

Senator CROSSIN—The new ITAS guidelines will result in early primary school students being ineligible for in-school tuition. Is that correct?

Mr Greer—The new ITAS guidelines will be more strategically targeted to intervene for those Indigenous children who are not meeting the year 3, the year 5 and the year 7 literacy and numeracy benchmarks.

Senator CROSSIN—So early childhood students are ineligible. Is that correct?

Mr Greer—They are not eligible for that specific intensive tutorial assistance. That recognises that in some sense what that targeted assistance is doing is accommodating, to coin a phrase, some mainstream failure and we want to make the mainstream work better. We can make the mainstream work better by drawing on jurisdictions' own source funding, by drawing on the Commonwealth's general recurrent funding and by drawing on the other mainstream supplementary funding from the Commonwealth for literacy and numeracy. There is \$2 billion there that should be going to the most disadvantaged.

Senator CROSSIN—Do students have to fail year 3 to be eligible for the in-school tuition in year 4?

Mr Hoffman—That is right. To be eligible for tuition in year 4 a student will have failed in year 3.

Senator CROSSIN—I understand in the Northern Territory last year there were 365 year 3 students who failed to achieve the reading benchmark. Would they be eligible for in-school tuition in year 4, or do they have to wait?

Mr Greer—No, certainly.

Senator CROSSIN—You have got years 3, 5 and 7 or is it years 3 to 7?

Mr Greer—It is years 3, 5 and 7.

Mr Hoffman—They are the three testing years.

Mr Greer—This is picking up people who have fallen through the mainstream net and it is providing a strategically targeted assistance in the intervening year.

Mr Hoffman—It is very accurately targeting those who we would expect to benefit most from individual tuition. The ones that we target are those that are not meeting the national benchmarks in years 3, 5 and 7.

Senator CROSSIN—Was this decision based on any research? Are you assuming that every child who undergoes a year 3 test is seven or eight years old?

Mr Hoffman—You would assume that they are around that age group.

Dr Harmer—Most of them would be around that age, but they would not all be.

Senator CROSSIN—That is right, there would be some Indigenous students who are not ready for a year 3 test until they are 12.

Dr Harmer—But if a 12-year-old failed the year 3 literacy and numeracy test, then they would be a prime target for some special assistance—and they would get it.

Senator CROSSIN—But wouldn't you argue it is about five years too late for that assistance?

Mr Greer—Exactly, you could argue that the mainstream has an obligation to have that addressed earlier. This is one way of trying to do that.

Senator CROSSIN—Why is the in-school tuition not targeted at a child's age level rather than a year level?

Mr Hoffman—Because that is when the tests are done, when they are in year 3, year 5 and year 7.

Dr Harmer—And we know at those points whether they are succeeding or not.

Senator CROSSIN—Yes, but there are some Indigenous students—I have taught them myself—who are 11 and 12 years old and you cannot put them in year 3 because of their age but you would not give them a year 3 test because their literacy standards are not up to that level. How does this new system cater for those students?

Dr Harmer—The point Mr Greer is making is that our special assistance is a tiny bit of the assistance available to state and systemic schools from both Commonwealth and state governments. If there is a significant problem within the school system with older kids not meeting some of those benchmarks, they cannot look at one small part of the program to solve all the educational problems. There is a lot of state and Commonwealth government money going into schools both state and private. What we have chosen to do, looking at evaluating the effectiveness of our tutorial program, is to make sure we target that limited amount of funding very accurately to those who are failing at years 3, 5 and 7 literacy and numeracy.

Senator CROSSIN—I understand what you are espousing to me as the aim of your program. But what I am trying to ascertain from you is whether or not you believe it is well targeted given that it is a year 3 testing benchmark a child has to not succeed at rather than—it is not coupled with an age level. Is there a reason for that? If a child fails year 3 and is eight years old or older, surely by the time they are 12, if they are not at a year 3 level, some sort of in-school tuition would have to start to kick in.

Dr Harmer—Indeed, and it would be available to the state or systemic school to do that.

Senator CROSSIN—So those Indigenous students—

Dr Harmer—We do not say, in running these programs, that state and systemic schools cannot run their own tutorial programs for Indigenous kids who are not making it. What we say is where the Commonwealth has chosen to put its money is very specifically targeted at kids who fail the years 3, 5 and 7 literacy and numeracy benchmarks.

Senator CROSSIN—That is regardless of what age they are? Even if they are not ready for a year 3 test until they are 15?

Dr Harmer—That is probably how our system would work, yes. And we would expect that if, for example, an Indigenous child at a school is not ready for a year 3 test until they are 15 years old, a teacher or someone would have figured it out well before then and decided that they needed some special assistance. If they had not, then there is a major problem with the school.

Senator CROSSIN—You are assuming that that child has attended school or tried to come to school regularly rather than coming spasmodically.

Dr Harmer—Again, if they have not, it is not targeted tutorial assistance that is the problem; it is the whole attendance problem, it is a problem with follow up et cetera—it is a systemic problem. It is not problem that can be handled by small amounts of specially targeted federal money.

Senator CROSSIN—You are saying this puts the onus back on systems performing. Is that what you would advocate?

Mr Greer—I think it puts the onus on making the mainstream work better for Indigenous kids.

Dr Harmer—It does, deliberately so.

Mr Hoffman—The Commonwealth has also announced a major investment in the Northern Territory with the scaffolding program in partnership with the Northern Territory Department of Employment, Education and Training. It aims to accelerate the literacy and writing skills of the types of students you are talking about.

Mr Williams—I was just going to back on to Mr Hoffman's last answer and say that the DEST staff are working with the Indigenous education network to get them to focus on working with schools, identifying where those critical issues you just raised are. It is a holistic process. Obviously our resources are there to value add, but our DEST staff can help and have those strategic conversations. I am looking at it very holistically.

Senator CROSSIN—Some people would argue that your money is targeted in the wrong areas and should be targeted at kids under the age of seven because, if children cannot read and write by the time they are seven, they will never pass a year 3 test. I am just wondering if there is any research or rationale for why your money is targeted at that age rather when the overwhelming evidence says assistance should be targeted at early childhood years.

Mr Hoffman—The systems can do that.

Mr Greer—The systems can do that, they can draw on—

Senator CROSSIN—You are saying that mainstream systems will do that?

Mr Greer—Yes. All systems signed up to the national goals for schools. They signed up to the national literacy and numeracy targets in a mainstream context for all children. So that is an obligation on all of us to get the mainstream working for these most disadvantaged children. We do that by mobilising jurisdictions own source funding, by drawing on the very generous general recurrent grant funding that we contribute to both government and non-government, and by drawing on the mainstream targeted funding—I think there is something like \$2 billion over the next quadrennium specifically for literacy and numeracy initiatives.

They are mainstream avenues for both government and non-government systems before you then start to access the relatively modest Indigenous specific funding in this area.

Senator CROSSIN—How many Indigenous students would not have met the year 3 benchmark last year?

Mr Hoffman—There is one other intervention that we have not mentioned, and that is the ESL for Indigenous language speaking students for their first year. Indigenous language speaking students in their first year of school are entitled to a payment through the IESIP of the order of \$3,200 per student I think.

Senator CROSSIN—And that goes to the system?

Mr Hoffman—That goes to the system, to the provider, yes.

Senator CROSSIN—Who takes 10 per cent off it.

Mr Hoffman—They take 10 per cent.

Mr Greer—They can take up to—hopefully, most would have some—

Senator CROSSIN—We have had a battle in getting them down to 10 per cent, so it would be nice—

Mr Greer—We have got it down from 33 per cent over the years. Earlier you asked: are we doing anything in those early years? Yes, we are. If you look at our IESIP provisions, as we said, we do provide IESIP-SRA capacity for each of the eligible Indigenous preschools. It is something like \$6.4 million and they expect it to be \$7.4 million next year. In addition to that, we fund three Indigenous support units, which coordinate activity across jurisdictions. In addition to that, nearly \$13 million of our NIELNS funding over this quadrennium was specifically targeted at early childhood. Underpinning the government's approach for the next quadrennium the key foci are early childhood, attendance, literacy, numeracy and the important transition years.

Senator CROSSIN—How many Indigenous students did not make the year 3 benchmark last year? Do you know that number?

Mr Hoffman—I can give you the figure for years 3 and 5 in literacy and numeracy—that is, reading, writing and numeracy.

Senator CROSSIN—Did you say year 5?

Mr Hoffman—For years 3 and 5 for 2001 there were about 11,800 students overall across the country.

Senator CROSSIN—For years 3 and 5?

Mr Hoffman—That is for years 3 and 5 in 2001, but I think we have more.

Mr Greer—If you look at page 6 of the discussion paper that we tabled, you will get an oversight of what we think the eligible cohorts will be.

Senator CROSSIN—To come up with your figure, you have multiplied that by 2½ hours?

Mr Greer—Yes. These are the assumed numbers—

Senator CROSSIN—You are saying they are only eligible for 2½ hours a week of in-school tuition. Is that correct?

Mr Greer—That is correct.

Senator CROSSIN—What is an hour worth?

Mr Hoffman—In dollars?

Senator CROSSIN—Yes.

Mr Hoffman—It is \$30 per hour for 32 weeks per year for 2½ hours per week. The 2½ hours is based on the trials that we have done on in-class tuition and the amount of additional tuition a child of that age can absorb in a week.

Mr Greer—To flesh that out: roughly in a remote area the entitlement is about \$2,400 per student and in a non-remote area it is about \$2,100 per student.

Senator CROSSIN—You have taken that figure of \$11,800.

Mr Greer—I think it is \$10,500 in the Northern Territory.

Mr Hoffman—It is \$10,500.

Senator CROSSIN—You have multiplied it by \$75, which is for 2½ hours a week, times 32 weeks. Is that how you have come up with your \$105.5 million?

Mr Greer—The \$105 million will accommodate those numbers, yes.

Senator CROSSIN—Can you explain to me why there are more hours of ITAS at high school than at primary school?

Mr Hoffman—The experience from in-class tuition with primary students indicated that 2½ hours per week was about optimal.

Senator CROSSIN—Half an hour a day?

Mr Hoffman—In most of our trials, students were getting less than two hours per week and any more than 2½ hours was distracting rather than assisting them. That was the view that was being put to us by our state and district office people, who were getting that view from providers. Because the strategy is aimed at increasing the likelihood of successful completion of year 12, students in years 10, 11 and 12 would need something in the order of about an hour per subject per week. Because they are more mature and at a higher level, they would be able to do that.

Senator CROSSIN—Can you explain to me how this will work? Would the ITAS funding go directly to schools so they can employ tutors or would it go to the system for tutors to be employed?

Mr Hoffman—The in-class tuition would go to the systems, to the provider.

Senator CROSSIN—What guarantees have you got, then, that the systems will use the money in the way that you have designed it to be used?

Mr Hoffman—We would expect them to tell us the number of students. They would have to tell us that in order for us to work out how much to provide them. We would also require them to give us the data on those students' achievements in the previous year, say 2004 for

2005, and then report to us at the end of 2005 on the progress that cohort of students has made.

Senator CROSSIN—Why was a decision made not to give it to the schools directly? Why have you decided to go through the systems?

Mr Hoffman—Unless it is an independent school all of our Indigenous education agreements are with providers, such as with the Northern Territory—

Senator CROSSIN—Or Queensland?

Mr Hoffman—are with the Northern Territory Department of Employment, Education and Training because they run the schools. If they wanted us to, we could probably pay it to the schools. But, generally, the corporate identity at the state level is the department of education.

Senator CROSSIN—Whereas, at the moment, the IEDA funding actually goes directly from your state office to the schools, doesn't it?

Mr Hoffman—No, not always. Under the in-class tuition trials which we have been running, there is a combination. We engage the tutors to do tuition during school hours. In a lot of the Northern Territory schools, we pay the tutors directly.

Senator CROSSIN—Yes, that is what I am saying. Is that the case in other states as well or not?

Mr Hoffman—No. In other states, we have an agreement with the provider, the New South Wales Department of Education, and it is based around a list of schools. We have an agreement with them. We specify the schools and the number of students and all of that sort of stuff, and there is a tripartite committee which oversees the arrangement. They do that in the Northern Territory, too, but not in all schools.

Mr Greer—Also pertinent to your point, you will note on page 7 that we are envisaging strengthening the accountability arrangements specifically related to IEDA and, as I said, strengthening the accountability arrangement is another key plank of making sure that the Indigenous specific funding does, in fact, get to where it is required.

Senator CROSSIN—With the parent-school partnerships, are you allocating funding on a state by state basis?

Mr Hoffman—We would allocate it to our state offices on a state and territory basis.

Senator CROSSIN—Have you predetermined that so far?

Mr Hoffman—It has not been calculated yet, no.

Senator CROSSIN—You are intending to do that, though?

Mr Greer—The only predetermination of that is that 50 per cent of the funding will, in fact, be directed to remote areas.

Mr Hoffman—That is right, to remote schools.

Senator CROSSIN—So of the \$62.5 million—

Mr Hoffman—At least half.

Senator CROSSIN—at least \$31 million of that will go to remote areas?

Mr Greer—That is correct, yes. But we have not then taken it down to work out what the nominal overlaps—

Senator CROSSIN—So you have not decided that, say, Queensland will get \$10 million or the Northern Territory will get \$58 million of the \$61 million?

Mr Greer—Not yet.

Senator CROSSIN—Why have you not allocated it like that? That would be good. Is there an intention to do that, though—say, in a couple of months time states and territories will know what allocation they have received out of the PBS?

Mr Greer—Our state and territory managers will know what their nominal envelope of funding is that accommodates the, at least, 50 per cent weighting and so forth in remote areas.

Senator CROSSIN—That \$61 million is over the next four years?

Mr Hoffman—Yes, over the next four years.

Senator CROSSIN—What is the figure that we had earlier—about \$15 million per year?

Mr Hoffman—Around \$15 million per annum.

Senator CROSSIN—Let's say, out of that, Victoria gets \$4 million per annum. What happens if they submit an application for grant funding that exceeds that money? Is someone going to have to draw a line in the sand and say, 'That's it, that's the grants for this year. The rest of you miss out?'

Mr Hoffman—That is right. That is why there is a competitive process. We will make publicly available before the process commences the selection criteria and the process of selections so that it is open and transparent and people can see what the criteria are. That criteria will then have to be applied, because we anticipate that there will be far more submissions than there will be money available.

Dr Harmer—We are hoping that we will drive much higher quality in their submissions and much better links between the committees and the schools.

Senator CROSSIN—So you are not anticipating that there will be any funds remaining unspent on a year to year basis?

Mr Hoffman—Not at all.

Dr Harmer—We are not anticipating that, but we do not know yet, without any experience in this process, what the level of interest and the level of applications will be. We will be able to answer better when we have been through a round, I guess.

Senator CROSSIN—I am assuming that you are not expecting any underspend on funding when it comes to ITAS tutors?

Dr Harmer—No.

Mr Hoffman—If the scheme works very well in the first year and students in year 3 this year who fail get extensive tuition next year when they are in year 4 and therefore all meet the benchmark in year 5, we would hope that over the quadrennium the demand on the program actually reduces. Also, with the other interventions such as scaffolding in the Northern Territory, we would hope—

Senator CROSSIN—You and I will be long gone before that is achieved, I think.

Mr Hoffman—that we can direct more money to maybe years 10, 11 and 12.

Dr Harmer—Mr Hoffman is an optimist.

Mr Hoffman—I am certainly an optimist.

Senator CROSSIN—In the funds you were going to provide for tutors, you were providing them through the providers. Is there an expectation that tutors would be paid a rate of \$30 an hour or do you provide \$30 an hour to the provider? What is the hourly rate?

Mr Hoffman—The rate the provider pays would be the rate that the tutors would get. We have worked out that it is an average of \$30 across the country. In some states it is a little bit more; in some states it is a little bit less.

Senator CROSSIN—But if providers take their 10 per cent on-costs that already takes it down to \$27.

Mr Hoffman—We would hope that providers do not take the whole 10 per cent and that they put as much of this funding as possible into the delivery of the program.

Senator CROSSIN—Remember you said that. If I am, hopefully, not in a position next year to ask you estimates, I will ask you how many providers have taken the on-costs off. We will see what the answer will be. Will there be explicit expectations that the providers do not take on-costs money off?

Mr Hoffman—In our discussions to date, providers have indicated that they would expect that they would be able to use up to 10 per cent of the program for their administrative costs.

Dr Harmer—They will have a little bit of a case because we are imposing some additional accountability and data requirements on them. They will have an argument about their admin costs going up because we are requiring them to provide us, as Mr Greer said earlier, with better information so we can measure it.

Senator CROSSIN—But they already take that out of the IESIP money. They do not need to double-dip, do they?

Dr Harmer—They are not allowed to double-dip, but this is a changed arrangement for this program.

Mr Greer—One would hope, if one was optimistic, that jurisdictions—

Dr Harmer—They will not.

Mr Greer—particularly systems, may not avail themselves of that.

Senator CROSSIN—The Northern Territory is getting an additional \$8 million over four years for the scaffolding program—is that right?

Mr Greer—That is correct.

Senator CROSSIN—Is that for specific schools?

Mr Greer—We will be entering into a joint arrangement with the Northern Territory whereby, over the quadrennium, a jointly funded contribution of about \$8 million from us or matched or thereabouts from the Northern Territory from own sources will see scaffolding

embedded in 100 schools as the mode of operation across the Territory. That will also involve the retraining of some 700 teachers into pedagogy, and we hope to impact on 10,000 children—9,000 of those in remote areas.

Senator CROSSIN—Over a four-year period.

Mr Greer—Yes. We hope to be able to show, by working collaboratively with the Territory using the Territory as a lighthouse jurisdiction, how scaffolding can make a difference. Again, that may be aspirational and optimistic but, if we look at the results of the pilots and that happens, the knock-on effect of that could be very rewarding.

Senator CROSSIN—Have you been able to find out where the 10 ASSPA committees were that responded to the third consultation paper?

Mr Greer—No. We have not got that. It is back in the department, unfortunately. We will need to get it.

Senator CROSSIN—The first and second consultation papers were sent everywhere and the third one was only sent to 400 ASSPA committees; is that right?

Mr Greer—The third one was sent more broadly, but it was also sent to 400 ASSPA committees. I am not sure what the distribution of the others was, but we can certainly check on that for you, rather than speculate.

Mr Hoffman—The first and second ones were internal discussion papers and surveys. It was from the results of those that the third discussion paper, which was more substantive, was built. That was then sent out to the public.

Senator CROSSIN—Can I just go back to the scaffolding. Are any non-government schools going to benefit from that scaffolding money in the Territory?

Mr Greer—The government has earmarked \$14 million for scaffolding over the quadrennium—\$8 million of that will be targeted into the Northern Territory. We will continue to support the range of other pilots that we still have, particularly the Aboriginal Independent Community schools in Western Australia—the AIC schools. I think there are 13 of those currently involved in that. There are other independent schools—for example, Shalom—and maybe in South Australia. They will continue. There is some provision there, albeit modest, to work with other jurisdictions or schools who may wish to come on board.

Senator CROSSIN—Will the remaining ASSPA funding for 2004 be distributed in the normal way? These new changes do not kick in until 1 January; is that right?

Mr Hoffman—That is correct.

Senator CROSSIN—If the school council or the principal does not agree to a submission that is put together by the parent-school body, what happens? Will they be calling on your officers to go in and assist?

Mr Williams—One would only hope that it was a broad collaborative process, and that the school council sees worth in the submission that the parent group may put together. Ideally, if it attends to those priority areas that we articulated, such as attendance, literacy and numeracy, one would question why the school council would see any concern with it. But our DEST staff would be on hand to help facilitate that.

Senator CROSSIN—I wanted to ask a question about the CAT and POEM programs. Is that with you people?

Mr Greer—Yes.

Senator CROSSIN—All right. The \$700 voucher to get extra tuition is probably a schools initiative. Is that correct?

Dr Harmer—Yes.

Senator CROSSIN—Did the Indigenous branch have any sort of input into that policy change or policy proposal?

Mr Greer—We were consulted by the schools group as that initiative came together. My understanding—you may wish to confirm this with the schools group—is that Indigenous students would also be eligible.

Senator CROSSIN—I am sure. According to your figures, there would be 10,500 eligible.

Mr Greer—We need to avoid the reality or perception of double dip. So to the extent that there was perhaps an individual Indigenous student in year 3 who failed year 3 who was receiving out of school individual tuition—

Senator CROSSIN—ITAS?

Mr Greer—No, out of school individual tuition.

Senator CROSSIN—At Borroloola, you reckon?

Mr Greer—That would be like an apple and an apple.

Senator CROSSIN—They would get \$700 for that?

Mr Greer—No. That would be a like entitlement—that is, a student who has failed year 3, attracting individual out-of-school tuition, would be very similar to the beneficiaries of the credit. However, for students who are attracting in-class tuition or students who are attracting out-of-school tuition in groups, they would retain an entitlement to the tuition credit.

Senator CROSSIN—I do not think I am following you. Are you telling me that an Indigenous student who would be funded under ITAS for in-school tuition if they failed a year 3 benchmark test would not be able to get the \$700 voucher?

Mr Hoffman—The tuition credit scheme is for 2004. The new changes in ITAS are in 2005, so the tuition credit scheme relates to what is happening this year. This year we provide some out-of-school tuition for students.

Senator CROSSIN—The tuition credit scheme is the \$700 voucher; is that right?

Mr Hoffman—That is right.

Senator CROSSIN—It is only for this financial year.

Mr Hoffman—It is a pilot for 2004, for terms 3 and 4.

Dr Harmer—We had about 45 minutes with Senator Carr this afternoon on the \$700 voucher.

Senator CROSSIN—I know. I am just trying to ascertain whether this year there are any Indigenous students, particularly in remote communities—there will be some Indigenous students attracting IEDA funds this year: ATAS as it currently stands—who will stand to get the \$700 voucher.

Dr Harmer—I would like to check that with the schools people to be sure.

Senator CROSSIN—I should ask them when they come back?

Dr Harmer—They will be back tomorrow afternoon. That is a question for them.

Senator CROSSIN—I will keep those questions for them. Can you answer questions about the Jabiru Area School Indigenous heritage project? Or is that also a schools funding issue?

Mr Greer—Yes.

Senator CROSSIN—You might remember that it was \$300 from what was DETYA at the time, \$300 from Environment—

Mr Hoffman—It was \$100,000 per year for three years.

Senator CROSSIN—Yes, \$300,000. I understand that money runs out on 30 June.

Mr Greer—That is correct.

Senator CROSSIN—The project was reviewed. I have a copy of the review in my hand. I am wondering whether there is money in this budget to fund that heritage project.

Mr Greer—The position is that—as we have always said—the department was not the lead agent in this. We were a funding source contributing to the lead agent. The lead agent in this case was the Department of the Environment and Heritage. The contract was between the Department of the Environment and Heritage and the Northern Territory education department. We approached both of those agencies to see where things might be going in future. The Northern Territory department has indicated that any future funding of this project would need to be considered against the full range of educational needs across the Northern Territory and become evaluated outcomes of the project and, as such, the Northern Territory would be unable to comment on future financial arrangements for the project at this time. That was the position.

Senator CROSSIN—I am assuming there is no money in the Northern Territory budget this year for it.

Mr Greer—That is my take-out of that. In respect of the lead agency on this, the Department of the Environment and Heritage, I understand there has been an exchange of correspondence between respective ministers which said, in a sense, that while it was appropriate for my department, the Department of the Environment and Heritage, to provide seed funding for the preliminary phase of the project, they believe that continuing administration of the school lies within the core business of the Northern Territory government. The Commonwealth minister strongly encouraged his colleague to take responsibility for this program and to continue its important work.

Senator CROSSIN—My understanding was that DETYA and the environment put money together. I understand that DETYA put in \$100,000 a year as well—\$300,000 over three years. Basically \$600,000 came from the Commonwealth.

Mr Greer—That is right.

Senator CROSSIN—So there is no money in this PBS from DEST for this project?

Mr Greer—That is correct.

Senator CROSSIN—And there is no money from Environment and Heritage either?

Mr Greer—That is the thrust of the advice.

Senator CROSSIN—So this project will stop on 30 June?

Mr Greer—Environment and Heritage have indicated that now that the seed funding has been exhausted, if this project were to continue it ought to be picked up and mainstreamed by the Northern Territory government. I am not sure—I did not see in the analysis we did recently of the Northern Territory budget that there was specific capacity in that budget, but there may well have been.

Senator CROSSIN—No doubt your department has a copy of this review, or did environment get the review?

Mr Hoffman—We do not have the review yet.

Mr Greer—I might be wrong, but my understanding is that the final stage of the report or the detailed evaluation was not due until later in the year.

Senator CROSSIN—You might be right. This is called a progress report.

Mr Greer—Yes. I think it is due in September this year.

Senator CROSSIN—Has anyone from DEST gone out to Jabiru and had a look at this project?

Mr Hoffman—I am sure officers from our department in the Northern Territory have been there and looked at it, yes.

Senator CROSSIN—It is enormously successful. The Indigenous students at that school have gone from 35 per cent of the population to something like 80 per cent of the population. Where does this school now turn for funds if everyone has walked away from it? Is there no bucket of funding from DEST for which they can apply? I suppose the new parents school committee could apply next year.

Mr Greer—To the extent that it is a school and is recognised, DEST is funding it through general recurrent funding and through per capita SRA.

Senator CROSSIN—I understand that. You gave it \$300,000 over and above what you normally provide to get the project off the ground. It is hugely successful but everyone is walking away from it now. Where does a school like this go to get that little bit of extra assistance over and above what is provided, to maintain what is happening?

Dr Harmer—What Mr Greer said earlier is that the view of the lead agency in the Commonwealth, which is the Department of the Environment and Heritage, about whether the Northern Territory—

Senator CROSSIN—Is that the Northern Territory government should now pick it up, is that right?

Dr Harmer—That is right.

Mr Greer—It is core business.

Mr Hoffman—We have evaluated the stage 3 report, which may be the report you have, which shows very good attendance rates.

Senator CROSSIN—It does, yes. Is there no provision at all in the DEST budget this year to assist with these sorts of pilots that are proving extremely successful?

Mr Greer—This has been an extremely successful three-year pilot. The message from the lead agency is that it is now time to—

Senator CROSSIN—Now we are going to handball it to the states to continue.

Mr Harmer—I do not know—I am not sure whether Mr Greer and Mr Hoffman do—what the nature of the arrangement between the environment and heritage department and the Northern Territory government was when this process was begun as a pilot. It may be that the arrangement was that if it was successful it would be continued. That may be the reason.

Senator CROSSIN—I have the original contract in my office, and I do not remember anything at all that talks about what would happen at the end of the three years, other than it would be reviewed basically.

Mr Greer—As I say, at this stage the final report of the evaluation, or the pilot, is not due until September, but the indications, both from the Northern Territory department and the lead agency, suggest that there is something of a stand-up.

Senator CROSSIN—But you have no money in this PBS for 2005?

Mr Greer—There is no specific measure in this PBS for the funding of Jabiru.

Senator CROSSIN—Can I just go back to ITAS tuition. There is no difference in the payment for the in-school tuition rates for remote and non-remote; is that right?

Mr Greer—No. I thought the per capita rate was different. I thought the per capita rate, or the average cost per student, in remote areas was \$2,400 over the 32 weeks and the average cost in non-remote areas was \$2,100, largely due to the fact that—Mr Hoffman will correct me if I am wrong—the entitlement in remote areas is for individual tuition, whereas in the non-remote areas it is a mix of individual and group.

Mr Hoffman—That is correct. The actual rate per hour is the same for remote and non-remote.

Senator CROSSIN—When a child fails to meet the year 3 benchmark, how will that funding then kick in? Once the system provides you with the MAP results, will you then calculate the number of students who have not achieved that result?

Mr Hoffman—They would have to inform us of the number of students who did not meet the MAP test, the benchmark results, and whether they are in remote schools or non-remote schools. We would do the calculation based on 2.5 hours by 32 weeks by so much.

Senator CROSSIN—That funding will be given then to the system for the following year?

Mr Hoffman—That is right.

Senator CROSSIN—So it is not on a week by week basis or a month by month basis? It will not be linked to the child's attendance?

Mr Hoffman—That has not been a consideration at this stage but, as I said, we have not finished developing the guidelines.

Senator CROSSIN—If a child is consistently absent will that affect the amount of ITAS payment that is made? It shouldn't, should it, if it is based on a testing outcome?

Mr Hoffman—The entitlement would be based on the students in 2004 who did not meet the year 3, 5 and 7 MAP tests.

Senator CROSSIN—But if that student did not meet the year 3 test because they were only at school for 20 days that year, which is, say, four weeks, you would not allocate that particular child the 2.5 hours by four weeks rather than 32 weeks?

Mr Greer—No.

Mr Hoffman—No, there is an issue about that—whether a student should attend at least 60 per cent of the time during the testing year to be eligible for tuition in the following year.

Senator CROSSIN—Is that under consideration to be part of the guidelines?

Mr Hoffman—It is an issue that is under consideration. It has not yet been determined.

Senator CROSSIN—When is that likely to be resolved or otherwise determined?

Mr Hoffman—I would expect that that would be something we would include in the draft guidelines in the eligibility component.

Senator CROSSIN—So the money might also be linked to attendance as well, which would not make sense really, because if a kid was not—

Mr Hoffman—You are talking about attendance during the year that the student is being tutored?

Senator CROSSIN—Yes. They may not attend because they are so frustrated with the fact they cannot read. It is another chicken and egg situation, isn't it?

Dr Harmer—I think what Mr Hoffman is saying is that we have not finally determined that as a new program, and we have got to work out the guidelines.

Mr Hoffman—That is right.

Mr Greer—These were a number of issues that have come up through the consultative process on that, which need to be resolved in the course of the month.

Senator CROSSIN—I have only got questions on CAT and POEM, and then I am done.

CHAIR—Would you like to put them on notice?

Senator CROSSIN—I do not think so. There is only half an hour to go.

CHAIR—You must be tempted at 10.30 p.m.?

Senator CROSSIN—No. You will be all right. I do not think I will have any on notice if we can whip through these, which would be a good thing. One of the questions I had tagged to ask you was about the final report of the CAT and POEM projects, but I understand it was put on the web site today. Is that right?

Mr Greer—It was publicly released on the web site today, yes. Just the CAT report; the other reports are still in draft.

Senator CROSSIN—CAT stands for the career and transition pilot project. Is that correct?

Mr Greer—Yes.

Senator CROSSIN—And POEM is the partnerships and outreach education model pilot?

Mr Greer—That is correct.

Senator CROSSIN—In March 2002 you announced 23 CAT projects and 21 POEM pilots around the country. That is right, isn't it?

Mr Greer—Yes, that is correct.

Senator CROSSIN—They were originally for 12 months with an independent evaluation undertaken by Miles Morgan. Is that right?

Mr Greer—That is correct.

Senator CROSSIN—Has funding been extended until the middle of next year?

Mr Greer—No. In the budget context, funding was extended for 2005—until the end of the next calendar year.

Senator CROSSIN—The Jobs Pathway program provides young people with help to transfer from school into training or employment—is that correct?

Mr Greer—The Jobs Pathway program focuses and provides assistance to those students who may be at risk of leaving school early and provides assistance to them.

Senator CROSSIN—I understand Jobs Pathway providers are waiting on the announcement for the funding of the next round of approvals. Is that correct?

Mr Davies—The JP providers' contracts have been extended until the end of 2004. They have been recently advised, following the budget, that funds for JPP are in the out years and that the department is working on a business allocation process for 2005. Once a decision has been made about that process, they will be advised as soon as possible.

Senator CROSSIN—Weren't people expecting to know about their funding around 17 May? Or was that funding for the CAT programs?

Mr Davies—I am not sure what the reference to that is.

Senator CROSSIN—Are there any of these programs that people have put in for—are there funds for the next calendar year?

Mr Greer—There is funding for JPP through the forward estimates, so funding provision for the JPP is through to 2007-08.

Senator CROSSIN—Is there forward funding for the CAT program?

Mr Greer—No, Senator, that CAT and POEM projects were pilot projects. What the government undertook in the budget context was, pending the completion of the CAT and POEM pilots, to provide continuity and certainty in the communities in which those pilots are operating until such time as both evaluations are available. You might find what part CAT and POEM may play in the development of a national transition system.

Senator CROSSIN—Are current CAT and POEM pilots receiving funding at the moment?

Mr Greer—Absolutely.

Senator CROSSIN—Ongoing funding till the end of next year?

Mr Greer—At the moment, they are funded for 2004 and a budget measure provided an additional \$5.2 million to continue them to the end of calendar year 2005.

Senator CROSSIN—This is the review of just the CAT pilots. Is that right?

Mr Greer—That is correct.

Senator CROSSIN—Is this a report that you have had for 10 months?

Mr Greer—No, Senator.

Senator CROSSIN—Have you had a review of POEM for 10 months?

Mr Greer—No, Senator.

Senator CROSSIN—Have you had any review of a program for 10 months?

Mr Davies—The first draft of—

Senator CROSSIN—I actually thought you had had the review of these programs for 10 months or so and only released them publicly today.

Mr Davies—No, that was incorrect. That was stated in parliament the other day; that is incorrect. We have had a draft of the Career in Transition evaluation in September '03, but it was the first draft, and there was a steering committee that provided comments on that. We have had further drafts since then. There were drafts that came in in February this year that were considered by the steering committee. The latest drafts that we have had, on POEM and the other two reports that are still to be completed, we received last week on 28 May and they are being considered at the moment. There are still quality assurance processes going on. We anticipate that, by the end of June, we would be in a position to have final reports to the minister.

Senator CROSSIN—Going to the Jobs Pathways providers, contracts have been rolled over every year. Is that right?

Mr Davies—That is correct.

Senator CROSSIN—Is there an ongoing commitment to these providers? No, you are saying it is only to the end of this year.

Mr Greer—What we are saying is that there is ongoing funding provision in the forward estimates for the full period of the forward estimates that provides funding certainty. The issue is: when should we activate a tender round or a refreshing round—recognising that it was midway through last year that the government took a decision to bring back into the department the functions of the former Enterprise and Careers Education Foundation? It was in the context of that that we needed to bed those systems down to see what the totality of our transitions programs were, and we extended the decision not to immediately go to a tender process.

Senator CROSSIN—What is the forward projected amount in the budget for that?

Mr Greer—This might need to be tweaked a little, but in answer to Senator Carr's question on this issue, the JPP for the quadrennium through to 2006-07 was \$96.7 million. There will be an extra out year on that because this was looking at last year's budget. On average that is \$24.5 million to \$25 million a year.

Senator CROSSIN—Are you looking to place some sort of national transition network or policy around that?

Mr Greer—When the government considered the *Footprints to the future* report, its initial response was to commission both these sets of pilots. It wanted to see how these pilots would work in bringing together a comprehensive response. In relation to the evaluations of those pilots, one is completed. There are three other elements. One report is the evaluation of the POEMS; the second report is what the learnings are—what policy makers can draw from both—from the CATS and POEMS; and the third report is a community partnership resource. As Mr Davies mentioned, we have what I suppose you could call penultimate drafts from the consultants, which arrived at the department on 28 May. We have undertaken to have the steering committee work through those and to get comments back to the consultants in a timely manner, such that we hope we will be able to have finals in the course of this month.

Senator CROSSIN—Currently, contract providers under JPP just get a year by year contract renewal. Is that correct?

Mr Davies—That is correct. Yes.

Senator CROSSIN—Even though there is money in the budget forward estimates for 2007, people are still funded to only December of this year. Is that right?

Mr Davies—That is correct.

Senator CROSSIN—When are they likely to know about any future funding?

Mr Davies—As I said, we are in the process of developing advice for the minister on business allocation options for 2005 and beyond. That advice has not been completed yet. When it is, the minister will have a chance to look at the options and make a decision. We are cognisant that providers will need to know the outcomes of that process by October or November—sufficient time so that they can be aware of the decisions that are made and respond to them and so that there is continuity of service provision for students.

Senator CROSSIN—Is it likely that, in November, there will be a three-year allocation of funding?

Mr Davies—That is something that has yet to be determined.

Senator CROSSIN—It is still to be decided?

Mr Davies—Yes.

Senator CROSSIN—Is part of the evaluation looking at high staff turnover in the JPP?

Mr Greer—The evaluations that we are talking about do not focus on the JPP; they focus on the CATS and POEMS pilots.

Senator CROSSIN—Is the JPP all sort of wound up with this as well, as part of the transition process?

Mr Davies—No. That was an incorrect statement in parliament the other day, too. The reports do not include structural workplace learning or JPP.

Senator CROSSIN—In relation to JPP contracts, when will providers know whether they have funding for next year?

Mr Davies—Once decisions have been made about the allocation process then—

Dr Harmer—Sometime in the second half of this year.

Mr Davies—Yes, the latter part.

Senator CROSSIN—Has any work been done on getting state education departments to provide DEST with advice on initiatives about students earning or learning—that is, either being in education or in work? Has DEST asked state education departments to provide them with initiatives about either keeping students at school or moving them through a transition program?

Mr Davies—I am not quite sure what you mean.

Dr Harmer—Not that I am aware of, but it is possible.

Senator CROSSIN—So you are not gathering information from state governments about what they are doing about either keeping kids at school, in a transition program or—

Mr Davies—We do that as part of the ongoing collaboration between the jurisdictions. MCEETYA has the transition from schools task force, in which we regularly share information on initiatives. Following the *Footprints to the future* report there was an action plan agreed by all ministers. Part of the implementation of the action plan was sharing information about programs and services. It is something we do regularly to make sure we understand the context in which we are developing our policies and programs so we know what theirs are.

Dr Harmer—We have an ongoing mechanism with the states on that.

Senator CROSSIN—The CAT and POEM programs were constituted as pilot programs. What constitutes a pilot program in the eyes of the Commonwealth? These programs have actually been ongoing for nearly three years now.

Dr Harmer—Pilot programs run for variable lengths of time. They usually relate to a program that we set up on a limited scale for the purposes of evaluating methods, assistance, effectiveness et cetera. That is what we have been doing with these programs. We are now

well placed to give the government some information about what may comprise a more comprehensive system.

Senator CROSSIN—So when does a pilot cease to be a pilot?

Dr Harmer—Either when they cease their funding and it is decided that the pilot was not an effective forerunner for something more widespread or when it is effective and it is the forerunner to a comprehensive program.

Senator CROSSIN—So each year under CAT and POEM the pilot funding is just being rolled over on a year by year basis?

Mr Greer—For the last two years that has been the case. I think we commissioned the pilots in 2002.

Mr Davies—Yes, they have only been going from April 2002 to the present. So you have only had two full years of activity.

Senator CROSSIN—What has been the cost so far for each of the pilots?

Mr Davies— I believe the cost in 2002-03 for career and transition pilots was \$2.3 million and for the Partnership Outreach Education Model pilot it was \$1.3 million. For 2003-04 the estimated expenditure is \$2.6 million for CAT and \$2.1 million for POEM.

Mr Greer—And of course the budget measure for 2005 is \$5.2 million.

Senator CROSSIN—In June last year I thought you provided me with a forward estimate that said at the end of 2004 \$3 million had been allocated to the CAT program and \$2.3 to the POEM program. Has that been phased out now?

Mr Greer—Was that a particular question on notice that we might refer to?

Senator CROSSIN—It was question on notice E035-04 from June, but those figures were what you must have given me in February. The question does not give me any figures. I have a little file note from what you must have quoted to me in February as the amounts allocated against CAT and POEM for 2004.

Mr Davies—Can we take that on notice? It depends on whether the milestone payments were made et cetera, so I would need to check back and confirm that for you.

Senator CROSSIN—Okay. Was the final report, the evaluation report, due in February?

Mr Davies—I do not think so. I am not sure whether it was the February or the November question that indicated that the department anticipated receiving them in May. We are almost bang on schedule, I believe.

Senator CROSSIN—So CATs and POEMs would still predominantly be seen to be a pilot.

Mr Greer—Yes.

Senator CROSSIN—You are looking at providing advice to the minister about whether that may change—is that correct?

Mr Greer—That is correct. As we say, the government took the position that pending the receipt and consideration of the evaluations, it was appropriate to provide certainty and

continuity in those communities where these pilots were operating. That is why they have been extended for the next year.

Senator CROSSIN—The *Footprints to the future* report was released by the government in May of 2001. Since then there has been no permanent transition programs based on the key recommendations of that report—is that correct?

Mr Greer—I do not think that is a correct statement. What we have got is a range of transitions initiatives that are in place across the board.

Senator CROSSIN—Permanently in place.

Mr Greer—Yes.

Mr Davies—The government has confirmed support for the Jobs Pathway Program; JPET; Reconnect in the Families and Community Services portfolio; the Structured Workplace Learning program that was under ECEF, which has now been brought back under DEST; the CATs and POEMs; ICYS, the innovative and collaborative youth servicing pilot project, which was the third of three sets of pilot initiated in response to *Footprints*, again in the Family and Community Services portfolio. There has been a raft of those programs which have received ongoing support and are locked into forward estimates and then these separate pilot initiatives to test out what *Footprints* said needed to occur and they are all working their way through now. I have to say that the advice we are getting out of those evaluations is that they have succeeded.

Senator CROSSIN—Has the department received any complaints at all from schools or transition providers about the uncertainty of transition funding in respect of, as I mentioned before, the high turnover of staff and the effect this has on young people in the programs?

Mr Davies—I have to say I am unaware of the issue you mentioned around high turnover of staff. That has not been raised with us.

Senator CROSSIN—You are not aware that some providers in some Tasmanian schools are reluctant to take on the Jobs Pathway workers because of the high turnover?

Mr Davies—No.

Senator CROSSIN—It has not been raised at all with the department.

Mr Davies—No. We recently had a—

Dr Harmer—Not that we are aware.

Mr Greer—I think I have seen the reference. I think there was a media reference—was it a media reference?

Dr Harmer—It was *Hansard* on the MPI debate. Providers have expressed their desire for certainty about the funding situation with us. That is absolutely the case and we understand that and we have responded and said, ‘We realise that and we want to make sure that there is certainty by October-November.’

Senator CROSSIN—Do you have a list of schools that actually use JPP or CATs or POEMs?

Mr Davies—We would—almost 1700, I believe, at the moment. CATs and POEMs? Sorry, I thought you said JPP.

Mr Greer—I think we have provided those to you.

Senator CROSSIN—All I have got is the first progress report of the POEMs and CATs pilot. But of schools that use JPP—that is about 1700, you say.

Mr Davies—JPP, yes.

Senator CROSSIN—Are there schools that have used this program in the past but no longer use it now?

Mr Davies—I would presume so.

Senator CROSSIN—Do you know why they are not using them? Has an analysis been done of why they do not use them?

Mr Davies—I am unaware of that. I could check and find out and provide that to you.

Senator CROSSIN—You are not aware of any schools that have refused to participate because of the problems with high staff turnover.

Mr Davies—No, not that I am aware of.

Senator CROSSIN—I will go to evaluation of the transition programs. Have you done your own evaluation rather than rely on the Miles Morgan evaluation?

Mr Davies—Of CATs and POEMs?

Senator CROSSIN—Yes. JPP is not under evaluation. Is that right?

Mr Davies—That is correct. We have ongoing monitoring of the individual projects and their performance, and we have ongoing monitoring of the JPP and individual providers as well.

Senator CROSSIN—So you do your own evaluation of it, basically? You would call it monitoring?

Mr Davies—Yes, monitoring and assessment of performance.

Senator CROSSIN—These are publicly available?

Mr Davies—No. These are our own internal monitoring and performance assessments.

Senator CROSSIN—There is the progress report on CATs and POEMs that was done by Miles Morgan Australia. You have not done your own assessment of the programs, have you?

Mr Davies—Of CATs and POEMs?

Senator CROSSIN—Yes.

Mr Davies—We have ongoing monitoring and assessment of how they are going. We do that regularly. We visit them. The Miles Morgan ones were action research projects, so there was an interaction between them.

Senator CROSSIN—Do you know how many transition staff have been with either the CATs or POEMs programs or the JPP since they started?

Mr Greer—I do not think we would require providers to report on those details.

Senator CROSSIN—You do not keep those figures? I suppose you would not have them for the average length of stay of those staff?

Mr Greer—No.

Senator CROSSIN—What is the ratio of staff to clients in those programs? Do you know?

Mr Davies—I do not have that information at hand. I am not certain of whether that is collected, but I could take that on notice.

Senator CROSSIN—Could you also let me know whether that ratio has increased or decreased since the commencement of the program?

Mr Greer—Certainly.

Senator CROSSIN—The ACTS evaluation—and, I am sorry, I am not sure what that stands for—shows a ratio of one transition worker to as many as 4,000 students. What would ACTS be?

Mr Greer—I do not know what that is.

Senator CROSSIN—It is not an acronym in education I know—unless it is supposed to be CATs and someone has typed an error. Would it be CATs evaluation? Is the ratio one transition worker to 4,000 students in CATs?

Mr Davies—As far as I am aware, we do not collect data on the number of workers employed by the pilots. The reports we get suggest that 37,000 young people have been supported by the Career and Transition pilots, but that could be by the workers and the teachers. The Career and Transition pilots work with teachers in the schools as well. It is not just the workers funded through the Commonwealth's money that are delivering the service. That is done in conjunction with schools and state services. If you were trying to come up with that ratio, it would not work if you limited it to workers employed under the CAT pilots because they are part of the service delivery.

Senator CROSSIN—I see. We probably should finish there. If any of these questions need to go on notice, we will put them on notice.

CHAIR—That concludes matters relating to issues relevant to the Indigenous and Transitions Group.

Committee adjourned at 10.59 p.m.