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SENATE

LEGAL AND CONSTITUTIONAL LEGISLATION COMMITTEE

ESTIMATES

(Additional Estimates)

FRIDAY, 18 FEBRUARY 2005

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SENATE

LEGAL AND CONSTITUTIONAL LEGISLATION COMMITTEE

Friday, 18 February 2005

Members: Senator Payne (*Chair*), Senator Bolkus (*Deputy Chair*), Senators Greig, Ludwig, Mason and Scullion

Senators in attendance: Senators Carr, Johnston, Ludwig, Mason, Payne and Scullion

Committee met at 9.12 a.m.

**IMMIGRATION AND MULTICULTURAL AND INDIGENOUS AFFAIRS
PORTFOLIO**

Consideration resumed from 15 February 2005

In Attendance

Senator Amanda Vanstone, Minister for Immigration and Multicultural and Indigenous Affairs

Department of Immigration and Multicultural and Indigenous Affairs

Executive

Mr Bill Farmer, Secretary
Mr Wayne Gibbons PSM, Associate Secretary
Mr Ed Killesteyn PSM, Deputy Secretary
Ms Philippa Godwin, Deputy Secretary
Mr Bernie Yates, Deputy Secretary

Internal Products

Financial Services

Ms Louise Gray, Chief Financial Officer, Financial Strategy Division

Parliamentary and Legal Services

Mr Des Storer, First Assistant Secretary, Parliamentary and Legal Division

Information Technology and Office Services

Ms Cheryl Hannah, Chief Information Officer, Business Solutions Group

Human Resource Services, Internal Investigations and Property

Mr John Moorhouse, First Assistant Secretary, Corporate Governance Division

Outcome 1 – Contributing to Australia’s Society and Its Economic Advancement

Through the Lawful and Orderly Entry and Stay of People

Output 1.1 – Non-humanitarian entry and stay

Mr Abul Rizvi PSM, First Assistant Secretary, Migration and Temporary Entry Division
Mr Greg Mills, Acting Assistant Secretary, Migration Branch
Ms Arja Keski-Nummi, Assistant Secretary, Temporary Entry Branch
Mr Bernie Waters, Assistant Secretary, Business Branch
Ms Jacki Hickman, Acting Assistant Secretary, Delivery Innovation Branch
Mr Neil Mullenger, Director, Research and Statistics Section

Output 1.2 – Refugee and humanitarian entry and stay

Mr Peter Hughes PSM, First Assistant Secretary, Refugee, Humanitarian and International Division

Mr Robert Illingworth, Assistant Secretary, Onshore Protection Branch

Ms Rosemary Greaves, Assistant Secretary, International Cooperation Branch

Ms Robyn Bicket, Assistant Secretary, Humanitarian Branch

Output 1.3 – Enforcement of immigration law

Mr Steve Davis, First Assistant Secretary, Unauthorised Arrivals and Detention Division

Mr Jim Williams, Assistant Secretary, Unauthorised Arrivals and Detention Operations Branch

Mr David Doherty, Assistant Secretary, Detention Contract and Infrastructure Branch

Mr Garry Fleming, Assistant Secretary, Detention Policy and Coordination Branch

Mr Vince McMahon PSM, Executive Coordinator, Border Control and Compliance Division

Ms Yole Daniels, Assistant Secretary, Compliance and Analysis Branch

Mr Todd Frew, Assistant Secretary, Entry Policy Branch

Ms Janette Haughton, Assistant Secretary, Identity Fraud and Biometrics Branch

Mr Richard Bontjer, Acting Assistant Secretary, Border Security and Systems Branch

Mr Des Storer, First Assistant Secretary, Parliamentary and Legal Division

Mr John Evers, Assistant Secretary, Legal Services and Litigation Branch

Output 1.4 – Safe Haven

Mr Peter Hughes PSM, First Assistant Secretary, Refugee, Humanitarian and International Division

Ms Robyn Bicket, Assistant Secretary, Humanitarian Branch

Output 1.5 – Offshore asylum seeker management

Mr Vince McMahon PSM, Executive Coordinator, Border Control and Compliance Division

Mr John Okely, Assistant Secretary, Offshore Asylum Seeker Management Branch

Outcome 2 – A Society Which Values Australian Citizenship, Appreciates Cultural Diversity and Enables Migrants to Participate Equitably**Output 2.1 – Settlement services**

Mr Peter Vardos PSM, First Assistant Secretary, Citizenship and Multicultural Affairs Division

Ms Jennifer Bryant, Senior Assistant Secretary, Settlement Branch

Output 2.2 – Translating and interpreting services

Mr John Williams, State Director, Victoria State Office

Mr Chris Greateorex, Director, TIS National

Output 2.3 – Australian citizenship

Mr Peter Vardos PSM, First Assistant Secretary, Citizenship and Multicultural Affairs Division

Ms Mary-Anne Ellis, Assistant Secretary, Citizenship and Language Services Branch

Output 2.4 – Appreciation of cultural diversity

Mr Peter Vardos PSM, First Assistant Secretary, Citizenship and Multicultural Affairs Division

Dr Thu Nguyen-Hoan PSM, Assistant Secretary, Multicultural Affairs Branch

Outcome 3 – Sound and Well-Coordinated Policies, Programs and Decision-Making Processes in Relation to Indigenous Affairs and Reconciliation

Output 3.1 Indigenous Policy

Office of Indigenous Policy Coordination

Mr Peter Vaughan, General Manager, Land and Resources Group

Ms Helen Hambling, General Manager, Policy Evaluation and Budget Coordination Group

Mr Bryan Palmer, Manager, Performance and Evaluation Branch

Ms Kathryn Shugg, Manager, Policy Innovation Branch

Mr Pat Watson, General Manager, Corporate and Business Support Group

Mr Brian McMillan, Manager, Investigations Branch

Ms Ros Kenway, Manager, Legal Branch

Outcome 4 – The economic, social and cultural empowerment of Aboriginal and Torres Strait Islander peoples in order that they may freely exercise their rights equitable with other Australians

Output 4.1 Policy and Advocacy

Output 4.2 Evaluation and Audit

Mr Pat Watson, Acting Chief Executive Officer, Aboriginal and Torres Strait Islander Services

Outcome 5 – Effective delivery of policy advocacy support and program services to Aboriginal and Torres Strait Islander peoples

Output 5.1 Promotion of Cultural Authority

Output 5.2 Advancement of Indigenous Rights and Equity

Output 5.3 Improvement to Social and Physical Wellbeing

Output 5.4 Economic Development

Output 5.5 Capacity Building and Quality Assurance

Mr Pat Watson, Acting Chief Executive Officer, Aboriginal and Torres Strait Islander Services

Mr Mike Fileman, Acting Chief Financial Officer, Aboriginal and Torres Strait Islander Services

Migration Agents Registration Authority

Ms Venie Ann Moser, Executive Officer, Migration Agents Registration Authority

Mr Len Holt, National President and Director, The Migration Institute of Australia Limited

Ms Laurette Chao, Immediate Past President and Director, The Migration Institute of Australia Limited

Mr David Mawson, Chief Executive Officer, The Migration Institute of Australia Limited

Migration Review Tribunal

Mr Steve Karas AO, Principal Member

Mr John Lynch, Registrar

Mr Rhys Jones, Deputy Registrar

Refugee Review Tribunal

Mr Steve Karas AO, Principal Member

Mr John Blount, Deputy Principal Member

Mr John Lynch, Registrar

Mr Rhys Jones, Deputy Registrar
Torres Strait Regional Authority
Mr Wayne See Kee, Acting General Manager

CHAIR—I declare open this public meeting of the Senate Legal and Constitutional Legislation Committee. The committee will today continue its examination of the Immigration and Multicultural and Indigenous Affairs portfolio, commencing with departmental outcome 3, the recently formed Office of Indigenous Policy Coordination, which will be followed by the Migration Agents Registration Authority and the outputs as printed in the program. The committee has authorised the recording and rebroadcasting of its proceedings in accordance with the rules contained in the order of the Senate dated 31 August 1999. The committee has agreed to the date of 8 April 2005 for receipt of answers to questions taken on notice and any additional information. I would remind everyone present with a mobile phone to please turn it off or down while you are in the hearing room.

I welcome Senator Amanda Vanstone, Minister for Immigration and Multicultural and Indigenous Affairs; Mr Bill Farmer, the secretary of the department; and officers from the department and associated agencies. I remind officers that the Senate has resolved that there are no areas in connection with the expenditure of public funds where any person has a discretion to withhold details or explanations from the parliament or its committees unless the parliament has expressly provided otherwise.

I also draw to the attention of witnesses the resolutions agreed to by the Senate on 25 February 1988, ‘Procedures to be observed by Senate committees for the protection of witnesses’, and in particular to resolution 110, which states in part:

Where a witness objects to answering any question put to the witness on any ground, including the ground that the question is not relevant or that the answer may incriminate the witness, the witness shall be invited to state the ground upon which objection to answering the question is taken.

And to resolution 116, which states:

An officer of a department of the Commonwealth or of a State shall not be asked to give opinions on matters of policy, and shall be given reasonable opportunity to refer questions asked of the officer to superior officers or to a Minister.

Evidence given to the committee is protected by parliamentary privilege and I remind you that the giving of false or misleading evidence to the committee may constitute a contempt of the Senate. Minister Vanstone or Mr Farmer, do either of you wish to make an opening statement?

Senator Vanstone—Yes, I do. It is a pleasure to be here. We look forward to giving the committee prompt and articulate and not unnecessarily lengthy answers to questions. We hope that we can do your questions on notice as speedily as we usually do, if not in a speedier fashion.

[9.14 a.m.]

CHAIR—Indeed; thank you very much, Minister. In beginning with output 3.1, Indigenous policy, Mr Farmer has indicated that questions that are to be directed to outcome 5 will involve the same officers, broadly speaking, and that it would be helpful if they could be

asked this morning, and then after we have completed the multicultural part of the agenda we will come back to outcome 4 if necessary.

Senator CARR—I trust that this will not take terribly long. Have the officers provided advice on the future direction of the CDEP?

Mr Gibbons—We have been involved with the Department of Employment and Workplace Relations in their work in the preparation of a discussion paper which I do not think has yet been released.

Senator CARR—Is it the case that the arrangements have already been tested in a number of remote communities?

Mr Gibbons—If that is the case I am not aware of it.

Senator Vanstone—Separate from the remote communities, I do not have any advice on that. The discussion paper is going out to get feedback from a wide range of people: communities of course, state and territory governments and other people involved. It follows from that that the final shape has not been determined.

Senator CARR—In regard to the removal of remote area exemptions, is it the case that there are two communities currently involved in trials on that matter?

Mr Gibbons—There are a number of communities. Ms Gumley might be able to give you some details on that.

Ms Gumley—There are eight communities that are currently involved in the trials for the removal of the remote area exemption. Three of those are funded through fee-for-service arrangements with Employment and Workplace Relations and the remaining communities are receiving funding assistance from OIPC.

Senator CARR—What are the eight?

Ms Gumley—Three on Tiwi Islands—Nguuu, Milikapiti, Pularumpi—one at Gunbalanya, Yirkala at Nhulunbuy, Ali Curung, Canteen Creek and Bidyadanga. There are negotiations under way with communities in two other locations. The total number of communities involved in the trial will be 10.

Senator CARR—Are you able to tell me what the other two communities are?

Ms Gumley—Those negotiations are not finalised as yet.

Senator CARR—How long have these trials been in progress?

Ms Gumley—The trial is for a six-month period and most of them have only just started in operation.

Senator CARR—In the last week or so?

Ms Gumley—Since communities have come back largely from the Christmas break and traditional business, so around February.

Senator CARR—What is the nature of the trials?

Ms Gumley—The trials in those areas will be testing the removal of remote area exemption and looking at the sorts of services that providers in those areas could put in place.

For the services funded through OIPC they will use a community broker to develop appropriate activities for local people to be involved in. Those activities have been agreed or are in the process of being agreed with Centrelink.

Senator CARR—What is the nature of the activities that have been agreed?

Ms Gumley—The sorts of activities that will be in place are around the construction of arts and crafts centres; the development of parenting and children's programs in, for instance, Bidyadanga and Canteen Creek; participation in a mentoring program; the development of some youth leadership and cultural activities; getting involved in after-school programs—activities that are of community benefit and have some capacity for skill development for the individuals involved.

Senator CARR—What is the size of these communities?

Ms Gumley—They are of varying sizes. Ali Curung is around 700 people, and about 145 of them are on income support. Yirrkala is a community of 800, but not all of them would be on income support.

Senator CARR—How many roughly? Do you have any indication of that? Would you have a list for me of the communities, their size and the number of people on income support? Would it be possible to get that? It would save you having to read them out this way.

Ms Gumley—Yes, I could get you that list.

Senator CARR—Would it be available today? Is it easily retrieved from your notes?

Ms Gumley—I could get somebody to pull that together for you today.

Senator CARR—Thank you very much. On average, is that the sort of ratio: about a quarter of the people in these communities are on income support?

Ms Gumley—It would vary from community to community, because some of them have a higher proportion of young children, let us say, and people at school.

Senator CARR—Is there any expectation that there will be an increase in the number of people who will apply for benefits as a result of these trials?

Ms Gumley—That has not been an expectation, but it may well be that, as a result of Centrelink officers attending, they find people who are eligible for benefits but not on them. But the intent is really around testing the activities in place.

Senator CARR—There will be no compulsion in these trials?

Ms Gumley—It is about removing the remote area exemption in those areas, so it is about activity testing for income support recipients only, and for only those income support recipients who have an activity test requirement, such as those who are on Newstart allowance or Youth Allowance.

Senator CARR—How can you do this without legislative change?

Ms Gumley—It does not require legislative change because the remote area exemption is an arrangement that is put in place and it is an administrative issue.

Senator CARR—You have got legal advice on that, have you?

Ms Gumley—Yes, it is Centrelink policy, because in those remote areas Centrelink did not have the officers to provide the same sort of activity testing as they would in an urban location.

Senator CARR—So is it the case across the rest of the country that activity testing is not a condition of the legislation but an administrative matter?

Mr Gibbons—My understanding is that eligibility for the income support benefits is conditional on being prepared to actively participate in the search for work or other recognised activities. In a number of remote locations, Centrelink has granted an administrative exemption for a couple of factors: (1) the absence of real paid employment in these remote communities, and (2) the absence of resources to follow up regularly with individuals in those communities.

Senator CARR—You have done no work on the question of the likely increase in the take-up rate for benefits in these communities?

Ms Gumley—Sorry, could you repeat the question?

Senator CARR—It has been put to me that, in a number of communities, the number of people on benefits is in fact considerably lower than the number entitled to be on benefits, because of the CDEP and other projects that are running. In your trials, have you undertaken any assessments of the likelihood of people increasing the take-up rate for benefits?

Ms Gumley—That is a matter for Centrelink. They are very closely involved with us on the ground in those locations, so that will be a matter they will take up.

Mr Gibbons—But we are not concerned if, in the context of the trials, we discover people who have an entitlement to a benefit but are not on it and they apply for it.

Senator CARR—So it is not about saving money.

Mr Gibbons—No, it is not about saving money. It is about engaging people in activities that benefit the whole community. Some of the initiative for this has come from individual communities, particularly the elders in the communities, who have been concerned at the lack of engagement by young people in particular in the life of the community. They have urged for something like this and they have drawn attention to the fact that, for example, in the early days of CDEP there was a policy of one in all in. They have been keen to see some reintroduction of arrangements along those lines.

Senator CARR—How were communities selected?

Ms Gumley—Communities were in negotiation with ATSIS under the community participation agreements, and all of the communities that were selected to be in the trial were keen to be involved in a trial of a compulsory participation arrangement in their communities.

Senator Vanstone—My recollections from my days in Family and Community Services, when Centrelink was entirely within that portfolio, are that that was the clear direction that the government would be looking to head in, because of requests from communities. In fact, I think one of my earlier visits to a community in this capacity happened, without our knowledge, to coincide with a visit to discuss just that by people who were either from Centrelink or were associated with Centrelink. It was at that point that I was told, just in a

passing conversation over morning tea, that they were there because there had been requests for this. That is something you could follow up with someone like Pat Turner from Centrelink.

Senator CARR—How would you describe the impact in terms of CDEP as a result of these trials?

Ms Gumley—These trials are around participants on Newstart allowance and Youth Allowance.

Senator CARR—It has no impact whatsoever on CDEP participants, does it?

Ms Gumley—No, not CDEP participants.

Senator CARR—It will have no knock-on effects for CDEP?

Ms Gumley—No. We have made sure that, at a local level, the activities that the community might be undertaking through the trial and the CDEP are working together so that there is no duplication of effort in the community. But there is no impact on CDEP participants.

Senator CARR—The discussion paper on the future of CDEP, that is to be issued on Monday by the Department of Employment and Workplace Relations—and I appreciate that it is that department—has a cut-off point for comment of 24 March. That is a little over a month away. What consultations were there between the employment department and your officers, Mr Gibbons, in regard to the consultation period?

Mr Gibbons—That goes to a question of advice to government that I cannot comment on here.

Senator CARR—It would be fair to say that there was none, would it? There was no advice to government on this issue.

Mr Gibbons—I cannot comment on the advice that we have given to government.

Senator CARR—I am not asking you to comment on the advice. I am asking you to comment on whether or not there was advice to government on the question of the period of consultation.

Mr Gibbons—But that would be drawing out the nature of the advice. I cannot comment on that.

Senator CARR—So you cannot comment on not providing advice. Is that the case? Is that what you are putting to me?

Senator Vanstone—I think what Mr Gibbons has said is that to comment with respect to your question in fact does give an indication of the nature of the advice and he has therefore declined to comment.

Senator CARR—Mr Gibbons, the Australian Capital Territory is a relatively socially homogeneous community by comparison to others. It is obviously very small in geographical size. The communications are quite good, even though we cannot get a mobile phone signal in Parliament House on occasions. There is a reasonable level of service provision in the Australian Capital Territory. If you talk to my colleagues in Melbourne, they will tell you that it is far too good.

The Australian Capital Territory government has a minimum period of six weeks for consultations, yet the Commonwealth is proposing major changes to CDEP—a consultation period of a month—where communities have a mail delivery plane once a week, where there are very limited telecommunications and where the services provision is considerably less than in a place like the Australian Capital Territory. How is it that such an important change as this could be allowed to go forward and your office not have something to say about the fact that there is one month's consultation across the country?

Mr Gibbons—I cannot comment on the advice we have given the government on this. This is a matter for the Department of Employment and Workplace Relations.

Senator CARR—Would you say this is now the model for consultation on Indigenous affairs regarding major changes that are going to occur?

Senator Vanstone—He has not said that at all. He simply said it is a matter to ask the Department of Employment and Workplace Relations about.

Senator CARR—ICC managers who are employed by your offices appear to have had a significant responsibility in relation to the CDEP reform. How could their influence be so limited with the Public Service and the minister's office that only one month's consultation would be allowed for such a major and dramatic change?

Mr Gibbons—I cannot comment on the discussion paper, because it has not been released. Your question assumed there might be quite radical change. I cannot comment on that or the advice we have given to government.

Senator Vanstone—I can say that you would not want to believe everything you have read in the paper.

Senator CARR—I just saw your quotes and the subsequent press release that said that your quotes were obviously misapplied because the paper was an early draft. I was interested in the fact that your office managed to get a quote on the story, Minister.

Senator Vanstone—You would expect some response when a query is given you. I am happy for you to table whatever remarks you care to in that respect. I am trying to be helpful and indicate to you that you cannot believe everything you read in the paper in relation to a number of matters in the last week and, in particular, in relation to CDEP.

Senator CARR—The *Australian* on 14 February quotes you as saying:

The shape of the reforms was discussed last week at the ministerial taskforce meeting. The discussion paper is now being finalised and will be distributed widely for comment in the next few weeks.

Was that an accurate quote?

Senator Vanstone—Yes.

Senator CARR—Regarding the claim that the newspaper reports were inaccurate, in what ways were the reports inaccurate?

Senator Vanstone—I will take that on notice and give you an answer in writing. In case you are under a misunderstanding, some newspaper reports with respect to what was going to happen in CDEP were inaccurate. The newspaper reports as to what I said were not. Since you

were running the two together, I thought I would clarify that. Does your formal question still stand?

Senator CARR—Yes. I would like to know where the reports were inaccurate in regard to the policy statement. They claim to have a copy of your paper.

Senator Vanstone—With respect to the impression they have created as to what the reports might indicate or had decided would be happening.

Senator CARR—Mr Gibbons, you have said before this committee:

... before AT SIS is abolished the funding offers for next financial year will be made and processed so there is no disruption to services which continue on 1 July.

Has that objective been achieved?

Mr Gibbons—I was referring to funding arrangements for this financial year, which were conducted prior to the new arrangements commencing. To my knowledge, it was achieved on time before the financial year commenced. All of the AT SIS funding arrangements that were intended to continue were determined before the commencement of this financial year.

Senator CARR—Are you aware of any programs or organisations which were required to renegotiate or re-sign agreements with their funding agencies?

Mr Gibbons—I am not aware of any but some may have arisen in the context of an organisation's failure to comply with certain conditions of funding after the funding responsibilities had been transferred to agencies. But my responsibility for the funding ended when AT SIS ended and after we had made the funding offers.

Senator CARR—Did you seek to have memorandums of understanding established with those agencies about the way in which funding allocations would be made?

Mr Gibbons—The changes were an administrative change determined by the government. We followed the time honoured practice of transferring functions on a particular date. Our role in AT SIS before I left was to get the funding round for 2004-05 completed, which is what we did.

Senator CARR—So in terms of your operations now, do you have any memoranda of understanding with regard to the way in which programs are administered?

Mr Gibbons—Individual programs are the responsibility of the agencies that have them. Our interest is in ensuring that there is a common database so that the funding can be tracked and the outcomes can be monitored. We have been working with agencies to achieve that outcome. But individual payment arrangements are the responsibilities of agencies.

Senator CARR—So there are no memoranda of understanding?

Mr Gibbons—I am not sure if at the technical level there are memoranda on data exchange, the sharing of information et cetera. But I do not believe that are memoranda of understanding about how an agency will pay an individual organisation.

Senator CARR—Do you think they are necessary?

Mr Gibbons—Without understanding the full intent of the question I cannot answer that. I would not on the face of it think so—

Senator CARR—You have made no efforts to secure them?

Senator Vanstone—Mr Gibbons has indicated that on the face of it he does not see there would be a need for them but he is not prepared to give that as a conclusive answer without knowing the intent of your question, it follows that he would have made no efforts to secure them. Asking whether he has is coming pretty close to badgering. If you have a point to make, make it by all means.

Senator CARR—I have asked a question. I have not made assertions. I have asked a question. There was no badgering in a question. You are unduly sensitive this morning.

Senator Vanstone—I am sure you are not intending to badger; far be it for anyone to suggest that that would be your style! I am simply making the point—

Senator CARR—If I intended to badger you would know.

Senator Vanstone—Yes. I am simply making the point that Senator Carr has asked a number of questions about memoranda of understanding. Mr Gibbons has answered those questions. It appeared to me that subsequent questions were a replay of the same thing in another way, and that amounts to badgering.

Senator CARR—I want to ask you about the *Yamaji News*. It is an Indigenous newspaper in Western Australia. I am told that it was the only Indigenous newspaper in Western Australia, and it announced its closure on Wednesday. Are you aware of that?

Mr Gibbons—I am not aware of that.

Senator CARR—In the last edition, it claimed that its closure was due to a loss of funding. It stated:

Government changes from ATSIC to the new ICC ... proved fatal to the continuation of the *Yamaji News*, which now no longer fits funding guidelines.

Is that claim correct?

Mr Gibbons—I do not know the answer to that. I am assuming that they received funding at the beginning of the financial year. But I would have to check that. From 1 July 2004 the responsibility for the program was with the Department of Communications, Information Technology and the Arts. We would have to check with them. That would be a question you would have to put to that agency.

Senator CARR—Mr Watson is most anxious to offer some advice here. What can you do to help me on this matter?

Mr Watson—Not ‘most anxious’, but I do have some knowledge of the matter. The matter in question is the adherence to program guidelines. There has been some concern for a while about the organisation abiding by the guidelines. Their funding was extended for six months for the first part of this year. They were on notice for some time that the funding was unlikely to be extended long term. There were discussions between the organisation and the ICC about putting together a business plan which we could assess. They failed to do that and subsequently decided to not proceed with the matter.

Senator CARR—What was the nature of the breaches of the guidelines?

Mr Watson—I did not suggest there were breaches; I said there were concerns. I do not have that information with me.

Senator CARR—What was their financial position? Were there any difficulties with their expenditure of the grants?

Mr Watson—I would have to come back if you want more detailed information. That is about the sum knowledge I have. I did see a reference to it that came across my desk. That is my recollection of the information. I was advised very recently that they had decided to close and that they would not be pursuing their application or submitting a business plan. But there were very detailed discussions at the local level between the ICC manager and the organisation.

Senator CARR—*Yamaji News* state here:

We feel that we have been severely let down by the Federal Government, there was a lot of talk about support but not enough action.

Do you think that claim was fair?

Mr Watson—I think it is a two-way street. If you are administering moneys on behalf of the Commonwealth, there are certain guidelines—which organisation are asked to adhere to—which are put in place to protect public moneys. There are certain application processes that need to be adhered to as well. If the organisation is not prepared to go down that line and meet the criteria, I think Commonwealth officials are not beholden to continue to approve funding.

Senator CARR—It is a bit hard to know what the breaches are of course until you are able to tell me.

Mr Watson—Correct, but those discussions, I am advised, occurred at the local level and were quite detailed.

Senator CARR—Given the closure of the newspaper, how does the government intend to alert Indigenous people in Western Australia to the policy development and consultations processes that were going to be undertaken with regard to the CDEP?

Mr Watson—That is not a question I can answer.

Senator CARR—You have indicated in the past that you have been looking at means by which you could provide support, over and above the regular staff, in assisting Indigenous employees within the Public Service. What action have you taken on that front?

Mr Yates—Can you give us a little bit more context for that question?

Senator CARR—Mr Gibbons indicated on 27 May in 2004 at the Senate estimates hearing of the legal and constitutional committee—it is on page 59 of the *Hansard*—in response to questions concerning discussions with the Public Service Commissioner, that he had raised matters about special measures that might be taken to assist the transition of staff to mainstream agencies. What I am asking now is: what special measures have been undertaken?

Mr Yates—At the time of the transition, special resources were provided to the Australian Public Service Commission to enhance its efforts to implement an Indigenous employment strategy across the APS, with a view to particularly targeting those individuals who were moving out of the ATSI arrangements into a variety of other organisations as they followed

their functions. As I understand it, the Public Service Commission has taken a number of steps in the interests of following through with those people?

Senator CARR—What steps did your agency undertake?

Mr Yates—We put in place that capacity with the Public Service Commission and talked with them about how to best ensure a smooth transition. By and large, as far as we are aware, that has occurred. We met with other agencies in terms of strategies that they might take to best integrate the staff that they were taking up with those functions in order to ensure a smooth transition. The actual steps themselves were necessarily in the hands of the other agencies.

Senator CARR—I have already asked in other hearings about the retention of staff, so you can appreciate that I am pursuing this in a number of quarters. What I would like to know from you, if you can tell me, is: how many Indigenous staff are you aware of who are currently on extended leave in your organisation, to begin with?

Mr Watson—I do not have that information with me, but we could take it on notice.

Senator CARR—Are you aware of the numbers on extended leave in any other agencies?

Mr Watson—No, that is a matter for the individual agencies.

Senator CARR—Have you received any evaluations from any other agencies who have participated in the plans that you have helped establish? Have you followed through the transfer of the staff?

Mr Yates—As I understand it, the Public Service Commission is taking a particular role in overseeing that transition and the people who left ATSI, and they may address that issue in their state of the service reports.

Senator CARR—So you have no knowledge of what has happened?

Mr Yates—I think we indicated in another place that our understanding was that the separation rate of people who had left ATSI was actually lower than that which was applying more generally in the service, which suggests, firstly, that the integration worked reasonably successfully and, secondly, that the factors that typically influence people to remain or to leave the service were not onerous or particularly significant in regard to that particular group of people.

Senator CARR—Do you have any knowledge of the workings of the Indigenous Officers Network?

Mr Yates—Yes. I understand that that is something that is sponsored by the Australian Public Service Commission.

Senator CARR—Have you met with them?

Mr Yates—Yes. Officers of ATSI and OIPC have met with that group.

Senator CARR—Can you tell me how many times?

Mr Yates—On at least two occasions that I am aware of, but I will take that on notice.

Senator CARR—When was the last time you met with them?

Mr Yates—I cannot recall.

Senator CARR—Is there a network operating within OIPC?

Mr Watson—There is no official network operating within OIPC at this time.

Senator CARR—This is the officially sponsored body. Are we talking about one and the same group that was established through the Public Service Commission?

Mr Yates—The Public Service Commission gives some support to it, but it is essentially a voluntary grouping of Indigenous people in the service. It does not have chapters within each individual agency.

Senator CARR—So as far as you are aware, there is no network group operating within OIPC.

Senator Vanstone—That was not the answer that was given. I refer you to the *Hansard* for the answer you were given when you asked that question.

Senator CARR—I will ask it again. Mr Watson, are you aware of an Indigenous officers network operating within OIPC?

Mr Watson—I am sure that within OIPC there are staff who are members of or attend those meetings, but it is the same for OIPC as for any other agency in that there is not a formal charter or subcommittee operating within the agencies.

Senator CARR—There was an opportunity before to meet with the network. Is there an opportunity to meet with the network within OIPC?

Mr Watson—There is no difference. Whether it is ATSIC, ATSI, OIPC or whether the staff are with us or with mainstream agencies, they have the same opportunity to attend that forum.

Senator CARR—But have you met with them?

Mr Watson—I have not met with them because it is basically a Public Service Commission forum which staff members from various agencies attend and meet with the Public Service Commissioner.

Senator CARR—Obviously I am having trouble following your line of argument. If Mr Yates met with the organisation before, in the previous—

Mr Yates—There was someone from the agency who met with the group to explain the changes. I said I would take on notice when that occurred and report that to you.

Senator CARR—Mr Watson is now saying that he has not met with them.

Mr Yates—We do not take the whole organisation to these meetings.

Senator CARR—No. What position do you hold at the moment, Mr Watson?

Mr Watson—I hold the position in OIPC of the group manager of the Corporate and Business Support Group.

Senator CARR—Can I ask you about ATSIC investments and the Aboriginal and Torres Strait Islander Land Fund. Can I ask the officers if they could provide the committee with advice or their view on the Auditor-General's findings about the commissioners' and ATSIC's

financial dealings, in particular section 83 of the Constitution and the Financial Management and Accountability Act.

Mr Watson—Yes, you may ask the questions.

Senator CARR—What is your view of that? How did that happen?

Mr Watson—There were actually two reports. One was an ANAO report into special appropriations and one was into the investment of public moneys. I am not sure which report you are referring to.

Senator CARR—Let us take the latter first: the investment of public moneys.

Mr Watson—I will ask one of my colleagues to come up to the table. There were a number of findings in the report. Are there specific findings that you had in mind?

Senator CARR—I am interested in the advice supplied by you in relation to the correct formula for indexing amounts withdrawn from the fund on an annual basis.

Mr Watson—That relates to special appropriations. As in any appropriation funded by the government, indexation arrangements apply, which we have been through in previous Senate estimates committee hearings. On this occasion, for a period of some 10 years an incorrect indexation rate was applied to the fund. The amount which was overdrawn over that period of time has been repaid to the government and to the public account.

Senator CARR—Would it be fair to say that it was DoFA that provided you with advice on the indexation?

Mr Watson—I cannot say it was the Department of Finance and Administration, because I think the indexation rates are agreed between Treasury and the department of finance. But it is true to say that the indexation rates were applied to us through the department of finance.

Senator CARR—How many times did they provide you with incorrect information?

Mr Fileman—It was supplied over a nine-year period, once each year.

Senator CARR—Nine times?

Mr Fileman—Yes.

Senator CARR—Can you describe to me the process by which that information was provided?

Mr Watson—Each year, when we are required to update estimates for budget related matters within the finance system, we are provided with a range of indexation rates across the programs, because they vary. Whatever rate was provided to us in relation to the special appropriation we then applied. There is a technical issue here. The blame, if you like, has been sheeted home to ATSIC and ATSI because, under the Constitution, we are responsible for the appropriation and the draw-down of the appropriation. But there were obviously mitigating circumstances.

Senator CARR—Can you confirm to me that the ANAO audited the financial statements for the land fund annually throughout this period?

Mr Watson—They did; that is correct.

Senator CARR—Was that in the period of nine years during which this incorrect information has been operating?

Mr Watson—Again, I think there are mitigating circumstances. It is one of those situations where people act in good faith. It was only discovered when somebody specifically looked at or audited a particular matter. They went back to square one, nine years ago when the arrangements were put in place, and looked at what indexation rate was to be applied. The indexation rate is not a figure; it is a description. When they followed the description and looked at the detail and definition of the description of indexation which should be applied, it was found that an incorrect indexation rate had been put in. That basically had been followed each year.

Senator CARR—But ANAO gave you unqualified audits up until last year—is that true?

Mr Watson—That is true.

Senator CARR—Just refresh my memory: what was the total amount of money involved?

Mr Watson—I think the total amount identified by the ANAO was in the order of \$18 million. Once we had been through it ourselves to confirm the calculations, our calculations actually came out to be \$16.859 million. That has been accepted by both the department of finance and the ANAO as the correct amount, and it has been repaid to consolidated revenue.

Senator CARR—Can you confirm that you have been investing in medium-term notes since 2000-01?

Mr Fileman—There were two funds that were invested in. One was the Aboriginal Benefits Account and the other was the land fund. I think that in the time you are referring to it was the Aboriginal Benefits Account. From memory, 1997-98 was the land fund.

Senator CARR—What was the amount of money invested?

Mr Fileman—There is a variety of investments at question. They are not all of the description of medium-term notes. There were floating rate notes and a variety of items. To put it into some sort of context, of the \$1,000, 417,000 of the land fund—

Senator CARR—Did you say \$1 million?

Mr Fileman—No, \$1.417 billion or thereabouts—that is of the land fund. The ANAO took the view that, of those, \$416 million were noncompliant.

Senator CARR—The Aboriginal benefit fund?

Mr Fileman—They did not specifically look at the individual investments in there but thought that of the order of \$60 million may be noncompliant.

Senator CARR—All in good faith.

Mr Watson—There is an issue about definitions of what constitutes a deposit at bank. Section 13 of the Banking Act defines what a deposit at bank is. The ANAO take a particular view of what a deposit at bank is. The financial institutions that ATSIC was dealing with have a slightly different view. But in any case it comes down to what the ANAO would consider a slightly higher risk investment—not an inappropriate investment but one that technically, they say, breached the act.

Senator CARR—You would agree that you breached the act, though, wouldn't you?

Mr Watson—Certainly, there were certain of the investments in medium-term notes that were not consistent with government policy.

Senator CARR—No, I go further than that: is it your view that you did breach the act? Do you agree with the ANAO's assessment that you breached the act?

Mr Fileman—There is some doubt around that. It revolves around what is the definition of a deposit with a bank. There is no definition of that in either the Banking Act or the FMA Act, so it comes down to an interpretation of whether it is or is not a deposit. Without that clear distinction I do not think we can say that.

Senator CARR—You said before that moneys had been repaid, didn't you?

Mr Fileman—There are two issues. There is the issue of the over-crediting, which revolves around the use of an incorrect indexation factor. That is the one report, which is the management of special appropriations or special accounts—the report from the ANAO. The second one is the investment of public moneys, and that looks at whether the investments which had money in them were authorised under section 39 of the FMA Act.

Senator CARR—Those authorisations have now been approved. That is correct, isn't it?

Mr Fileman—I am sorry, the authorisations?

Senator CARR—The investments of public moneys have now been retrospectively approved. That is correct, isn't it?

Mr Fileman—No, it has not. There has been a lot of work to resolve what is a deposit. We have a view from the ANAO, as I say, that \$415 million was noncompliant. We had a view from our investment banker that that was not correct, that they thought approximately \$200-odd million were compliant. We have had to basically form a view as to what is a deposit with a bank, and we then have sold the ones which we believe are not deposits and retained the ones which are legitimate.

Senator CARR—What is the net adjustment?

Mr Fileman—There was no net loss to the Commonwealth in doing any of this trading. It was a rebalancing of the portfolio into investments which are more acceptable.

Senator CARR—So you do acknowledge, though, that some investments were not acceptable?

Mr Watson—That is true but you might have got five per cent in a cash deposit and you might have got 5.1 per cent in a medium-term note. The medium-term note was deemed to be inappropriate so there was trading out of those notes but as you can see there is no loss to the Commonwealth or to the land fund. It is a technical issue about whether medium-term notes or the like were an appropriate investment under the act.

Senator CARR—And you do not acknowledge any breach of the act?

Mr Fileman—There is uncertainty around that. Our advice is far from clear. The ANAO have certainly formed their view, but our advice is not as conclusive.

Senator CARR—Can you tell me, on a year-by-year basis into the future, how and when the situation will be rectified, both with regard to the divesting of the medium-term notes and with regard to the overpayments to the land fund?

Mr Fileman—If I could deal with them in reverse order, that would be simpler. The repayments from the land fund have been dealt with.

Senator CARR—How much was that?

Mr Fileman—The amounts came from three sources. We had \$10.4 million from the land fund itself—that is a principal. There was \$6.2 million from the Indigenous Land Corporation. There was interest of \$3.9 million and there was a repayment from ATSIC of \$191,000. Those have all been repaid.

Senator CARR—You say there has been no loss to the Commonwealth.

Mr Fileman—Again, there are two issues. With the repayment there has been no loss to the Commonwealth. It is really reinstating the books to how they would have been if the correct indexation factor had been used.

Senator CARR—So it is effectively a book transfer.

Mr Fileman—No, cash was involved, but we took money out of the land fund and the Indigenous Land Corporation and gave it back to the official public account. That squared the books as if the error had never occurred.

Mr Watson—Too much funding was drawn down. That was repaid with the appropriate interest that would have been forgone over that period.

Senator CARR—With regard to the medium-term notes, what is the schedule there?

Mr Fileman—There are still three investments which are believed to be compliant, but we have yet to have the ANAO confirm that they are compliant. That will be looked at during the course of their financial statement audit this year. Of the others, there is enough evidence to suggest that the ANAO view is reasonable, and we have taken the view to trade out of those. That has been done, and as a consequence there was no loss to the Commonwealth in the trade.

Senator CARR—So that is \$200 million.

Mr Fileman—In total. There has been a series of trades. We are left with \$133 million—close enough to \$134 million—of the original \$415 million. The remainder have been sold.

Senator CARR—What are you doing with the \$134 million worth that remain?

Mr Fileman—Both our institutional banker and ATSIS have formed a view that they are legitimate deposits. They are described in the information memorandum and the term sheets as deposit liabilities under section 13A of the Banking Act. We have therefore referred them back to the ANAO's financial statement team for an opinion prior to the year-end so that we can be assured that they will go through an audit unqualified.

Senator CARR—Can you confirm that ATSIC did not subject the contract for financial advice to competitive tender for any year after 1994-95?

Mr Fileman—That is certainly my understanding of the situation.

Mr Watson—To follow on from that, ATSIC was a CAC body, not an FMA agency. The Commonwealth's procurement guidelines, which require going to tender and so forth, did not apply to CAC bodies until, I think, January of this year.

Senator CARR—That was another success for public administration, wasn't it?

Mr Watson—They still had guidelines about achieving value for money.

Senator CARR—They did that as well.

Mr Watson—I am not sure that that is being disputed.

Mr Fileman—There is a requirement under the ATSIC Act for a thing called the consultative forum. The consultative forum's job is to advise on investment strategy for the land fund. During the course of the 10 years that are now in question, it was the role of the consultative forum to achieve a certain target by 30 June 2004. I believe the consultative forum took a view that the best way of doing that was to engage the services of the investment adviser and the institutional bank.

Senator CARR—Who was on this consultative forum?

Mr Fileman—It is defined under the ATSIC Act, and it is two or more directors of the Indigenous Land Corporation.

Senator CARR—Are you able to tell me which two they were?

Mr Fileman—They would have been a different two over the course of the 10 years. I can tell you the two current directors: David Baffsky is one and Shirley McPherson is the other.

Senator CARR—This contract was due to expire at the end of December 2005. Is that right?

Mr Fileman—I believe so. I have no better information than that.

Senator CARR—Can you confirm that the land fund investments were undertaken with the assistance of the Westpac Bank?

Mr Fileman—Westpac are the institutional banker.

Senator CARR—Is it also true that Westpac was responsible for three separate functions, namely the provision of investment advice, the purchase and sale of securities and the provision of cash accounts, and the custodial services for securities?

Mr Fileman—The last two are correct. They did the trade and they held the security. As to the provision of investment advice, that role would have been split between the investment adviser and Westpac. There would have been some advice from Westpac.

Senator CARR—So they had a fair bit of work in those three areas?

Mr Fileman—The number of investments at any one time is not very large. The investments have a large dollar value but at any one point in time there would have been less than 30 investments.

Senator CARR—Were any of these roles put out to tender for the seven years since the arrangement was first entered into?

Mr Fileman—I have no knowledge that they were.

Senator CARR—Were there any competitive quotes against which you could benchmark the costs of the services provided?

Mr Fileman—I have not got information that there was. The issue that was addressed by the consultative forum was not a competitive one but one of value for money. To try and achieve the target—

Senator CARR—You say that it was value for money?

Mr Fileman—Yes.

Mr Watson—The requirement was that over a period a target of a balance in the fund of \$1.3 billion or \$1.4 billion—of that order—was to be achieved. It was the consultative forum which, along with the investment advisers, was tasked with achieving that and they achieved that within the required time frame, which was basically the end of the last financial year.

Senator CARR—That is a separate issue. You clearly indicate that there is an argument about how well they did the job. What I would like to know is: so far as the Commonwealth is concerned, were there any competitive quotes undertaken to benchmark the cost of the services provided? I am talking about the cost of the services, not the quality of the advice.

Mr Fileman—I do not know.

Mr Watson—We are not aware that there was a competitive tender process conducted.

Senator CARR—Can you confirm that there was no contract signed with Westpac for these services?

Mr Watson—No, I cannot confirm that.

Senator CARR—Can you advise me when the contract was signed?

Mr Watson—We would have to take that on notice.

Senator CARR—Can you tell me how much Westpac was paid for these services in the last year.

Mr Watson—We would have to take that on notice. They also were the transactional banker for ATSIC and, as with any transactional bank, over a period of time during the course of the year there are costs associated with that, not just those associated with the investment portfolio.

Senator CARR—So you will take that on notice?

Mr Watson—Sure.

Senator CARR—I take it you have now agreed with ANAO's recommendation about segregating the roles of investment adviser and custodian? Is that true?

Mr Watson—It is fair to say that that is true. I attended a meeting of the consultative forum recently and at that consultative forum I expressed my own view that the role between the two would be better being more distinct than what it had been. I think we have taken that recommendation from the ANAO and are applying it.

Senator CARR—Have you agreed with the recommendation of putting contracts for investment advice out to open tender and signing the formal contracts for that advice and those services?

Mr Watson—There are two issues there. Obviously, it would be prudent to do so.

Senator CARR—And it has not been up until this point?

Mr Watson—It has not been done up until this point. I suppose the complicating factor there is that, with the passage of legislation, the land fund becomes the responsibility of the department of immigration.

Mr Fileman—It comes under the department of immigration, and it also comes away from being under a CAC Act regime to being under an FMA regime. The two regimes have different requirements. As that passage happens, it will be necessary to change some of the governance arrangements around the land fund.

Senator CARR—What is the rationale for Immigration to take over this function?

Mr Fileman—It is to fund the Indigenous Land Corporation in the Department of Immigration and Multicultural and Indigenous Affairs.

Mr Gibbons—The department, through the Office of Indigenous Policy Coordination, has responsibility for some aspects of native title and the ABA.

Senator CARR—So it is your group that is dealing with it; it is not being put off to the visa people?

Mr Gibbons—No. It will be within OIPC.

Senator CARR—Have you also agreed to making comparisons on quotes for each proposed investment?

Mr Fileman—There will need to be some changes as it goes into an FMA regime. The exact details of that are yet to be worked out. That is some time away. But at the moment the land fund is not doing a lot of trading, so it is somewhat academic.

Senator CARR—What steps are you taking to implement these recommendations?

Mr Fileman—It is going to have to be part of the transition to immigration. A governance review will need to be done to fit it into that FMA regime.

Senator CARR—Are you saying it will be done? There will be a governance review?

Mr Fileman—There has to be a governance review because it comes out of CAC and goes into FMA.

Senator CARR—Mr Gibbons, what will be the nature of the changes in procurement procedures when these administrative arrangements are made?

Mr Gibbons—We will comply with the requirements of the FMA Act.

Senator CARR—What process have you already put in place to see that that happens?

Mr Gibbons—I do not have the responsibility. When it occurs, we will take the necessary steps to ensure we comply from the beginning.

Senator CARR—Can you provide me with a list of all contracts let in 2003-04 and in the current year with details of date, the contractor, the processes, whether or not it was an open or limited tender, and the duration of the contract?

Mr Watson—Which organisation are you referring to?

Senator CARR—For ATSIC and for the replacement for ATSIC in the transitional period, AT SIS. Can you do that?

Mr Gibbons—Is this for 2003-04?

Senator CARR—Yes.

Mr Watson—Certainly. Is this for all contracts or all contracts over \$100,000 in accordance with—

Senator CARR—I was looking for all contracts, because I know there are variations. As you know, Mr Watson, we have been through this once or twice before in another life for you, so you know my interest in this matter.

Mr Watson—Certainly.

Senator CARR—On 1 November an article appeared in the *Age* which stated that half of the Indigenous businesses funded by AT SIS loans had defaulted on repayments and that AT SIS had been forced to take action against those to try to get some loan repayments. Is the article correct?

Mr Watson—I do not know specifically the article you are referring to. Certainly there would always be a percentage of failure in the business of providing business loans, and they would need to recover funds associated with the investment that had been provided through that program. As to whether it is 50 per cent or not, I do not know. I would have to take that on notice.

Senator CARR—What action has been taken to recover loan repayments?

Mr Watson—Action is taken in all instances where there is a default on loan repayments. Obviously, the capacity to recover varies upon the particular situation. Where there are circumstances of inappropriate practice, we would pursue those matters through the courts.

Senator CARR—How many actions do you have planned?

Mr Watson—I do not have that information with me.

Senator CARR—Could you tell me how many recipients you have acted against and how many have been able to make repayments?

Mr Watson—I need to take that on notice.

Senator CARR—Mr Gibbons, are you aware that the ATSIC commissioners met yesterday and are meeting in Melbourne this morning?

Mr Gibbons—I am aware that they had a meeting yesterday.

Senator CARR—Are you aware that they are meeting this morning?

Mr Gibbons—I understand it was their intention, subject to a quorum, yes.

Senator CARR—Do you know what the agenda for the meeting is?

Mr Gibbons—No.

Mr Watson—As the acting CEO of ATSIS, it was our responsibility to assist in putting together the agenda and the papers for that meeting. The majority of the agenda is associated with papers relating to the disposal of various properties.

Senator CARR—Which properties?

Mr Watson—These are properties generally that are in ATSIC's ownership but under the custody of, say, a community and the community wants to perhaps dispose of one property and buy another. They are matters which are required to go to the board, and we dutifully put those matters to the board.

Senator CARR—In the department's view, what is the status of the meeting?

Mr Watson—The status of the meeting is one of the board of commissioners meeting. Under the act, they are required to meet four times per year.

Senator CARR—So it is an official meeting?

Mr Watson—Yes, subject to a quorum.

Senator CARR—Was a quorum present?

Mr Watson—I understand that yesterday, through both actual attendance and a number of commissioners being there by phone and videoconference, they had a quorum.

Senator CARR—Mr Watson, did you issue advice that private plated Commonwealth cars that are issued to commissioners could not be used to attend this meeting?

Mr Watson—I did, and then I subsequently rescinded that order.

Senator CARR—Why did you issue the order?

Mr Watson—I was advised that one commissioner was proposing to drive from Western Australia to Victoria to attend the meeting. I was not of the view that that was an efficient use of public resources or compatible with occupational health and safety when there were more efficient means of attending the meeting by videoconference or telephone, and we had the videoconferencing facilities available for commissioners to do that. When I subsequently went back and had a look at the act in more detail I noted that the act said that the board of commissioners may elect to hold the meeting through phone or videoconferencing facilities, so I rescinded the order because they had not made that decision.

Senator CARR—So how have people attended? What means of transport have people used to attend the meeting?

Mr Watson—Some were within a reasonable distance. I am not sure who actually attended but obviously the chairman, who lives in Framlingham in Melbourne, attended. One of the commissioners was resident in Melbourne. I think the commissioners from, perhaps, New South Wales and South Australia may also have attended by vehicle. The rest attended either by phone or video conference.

Senator CARR—So is it your intention to implement the decisions of the board?

Mr Watson—While the board continue to exist and they make valid decisions in relation to ATSIC it would be our intention to implement the decisions unless there were other mitigating circumstances which might change our views.

Senator CARR—So you will implement the ones that suit you?

Mr Watson—Not the ones that suit us, and it is difficult to speculate about what decisions might be made. We have not had any occasion that I am aware of until now not to implement decisions of the board.

Senator Vanstone—That was just an example. The question was: would you implement the decisions of the board? The answer was: if they are properly made decisions and there are no other mitigating circumstances, yes, we would. The response was a pejorative assertion: so you would implement the ones that suited you? It is not an appropriate question to put to a public official. The proper answer was given. The proper question, if one wanted to inquire, is: what does that mean? If there were some that would be implemented and others, because of mitigating circumstances, not implemented, the proper question would have been: can you envisage what the mitigating circumstances might be?

Senator CARR—Since you have been so kind as to offer me advice on the question, what mitigating circumstances would one envisage might arise?

Senator Vanstone—The officer has already answered that; he said that he cannot imagine at this point what they might be. One example that comes to mind is a decision being made to spend a large amount of money when they did not have a budget to do it.

Senator CARR—Are there any other circumstances, Mr Watson, that you envisage might arise?

Mr Farmer—I think we are doing the what ifs. We could think of things that are ultra vires and things that are illegal. If you are looking at the range of circumstances—

Senator CARR—I am just interested to know. I was just taking up the advice of the minister. She proposed that I ask such a question. It is not very often that I accept her advice. On this occasion I have and now I am being told that there are all these other problems.

Mr Farmer—I did not say ‘problems’, Senator. You were talking about what ifs and that is exactly what I said: towards one end of the range of possibilities. That is what ifs—not problems but what ifs.

Senator Vanstone—Just for the record, Madam Chair, I was not advising or suggesting that Senator Carr ask that question—albeit that I am quite glad that he did. I was making the point to you that there has been a previous occasion this morning when I thought that Senator Carr was badgering. Given your advice, I thought that was the second occasion on which that happened. This has happened in previous estimates when some senators, I am sure with the best of intentions, seek to rephrase the answer and put it back, hoping—or perhaps not hoping—to inadvertently put an officer in a position where their answer might be rephrased in words that suit the questioner rather than the words that suit the person giving the answer. I am simply asking that, if an official gives an answer, the answer be taken as that and not rephrased—in other words, no verballing. If senators want to ask further questions, that is fine.

CHAIR—I understand your point, Minister, and I have been listening to the responses. I thought Mr Watson had dealt more than adequately with the questioning, in both its first and second incarnations, and we would be keen for Senator Carr to continue with different questions.

Senator CARR—I have just noticed that the minister gets increasingly crabby after we have spent a few days together on these committees. That is the normal pattern. I am not in the slightest bit concerned. It is what I have come to expect from this minister and it tends to occur, Madam Chair, about this time in the proceedings and it slows down the committee's work considerably.

CHAIR—I am not expressing any concern at all, Senator Carr. Please continue.

Senator CARR—Mr Watson, what authority do the board have for the divesting of assets?

Mr Watson—Under the act, the board can take a decision to divest assets.

Senator CARR—Is the purpose of the meeting just to prepare the papers?

Mr Watson—No. I will correct the record. I said that on the agenda were mostly matters in relation to the disposal of assets. I said that they were ATSIC's assets. In fact, they are properties which have been grant-funded by ATSIC, but which require the approval of the board for the organisation—for which the grant funding was provided—to purchase the assets to dispose of the assets.

Senator CARR—There is nothing in those papers you have prepared which would cause you concern about the divestment of those assets?

Mr Watson—I have no concerns with any of the recommendations associated with the particular papers that we at ATSIS have put to the board.

Senator CARR—Thank you. That concludes my questions. The rest I will place on notice.

CHAIR—When you say that that concludes your questions, do you mean questions on output 3.1, in outcomes 4 and 5?

Senator CARR—Yes.

CHAIR—That concludes questions in the Indigenous affairs part of the portfolio. The officers pertaining to that area are no longer required. Thank you, Senator Carr, and I thank the officers for their assistance this morning. Sorry, Minister, but before the officers leave, the secretariat has just advised me that Senator Johnston has some questions.

Senator Vanstone—We will take them on notice, unless he is here.

CHAIR—I understand he is not very far away, but could you just ask the officers to give me one moment to check on that. I was not previously aware of it, which makes it difficult.

Senator Vanstone—Yes.

CHAIR—The committee will take a brief suspension to enable that matter to be sorted out and, if we do need to change officers, to give us time to do that. I will come back to your officers with advice.

Proceedings suspended from 10.33 a.m. to 10.36 a.m.

CHAIR—My apologies, ladies and gentlemen. We will reconvene. Senator Johnston has joined the committee and has some questions in this area.

Senator JOHNSTON—I want to talk about a little matter of Presspower, which was a receivership for about \$2.7 million in 1999, within a month of the then ATSIC putting up the money for an organisation called Bungaculla Ruby, purchasing a half-share in that printing business. Do we have anybody who knows anything about that?

Mr Watson—I have some knowledge on that matter.

Senator JOHNSTON—What is the status of it today?

Mr Watson—There is a receiver-manager in place in Presspower.

Senator JOHNSTON—That is Mr Coates?

Mr Watson—I understand that to be the case.

Senator JOHNSTON—He is not here?

Mr Watson—No, he is not a government official.

Senator JOHNSTON—He works for Deloitte's?

Mr Watson—He may well do. I am not sure about that.

Senator JOHNSTON—My understanding is that he is the receiver of that ATSIC asset and that he has been the receiver for the last four years. I want to know how much it is costing us.

Mr Watson—I understand he works for Deloitte's. He has been in place for a number of years. That is correct. I do not have the figure with me of precisely how much that receiver-managership has actually cost.

Senator JOHNSTON—How come it is still going after four years? Why would we be doing that?

Mr Watson—I think that there have been a number of ongoing matters in relation to the wind-up of the company. There have been a number of investigations which have involved the law enforcement authorities to see whether there were matters which needed to be brought forward before the courts—

Senator JOHNSTON—They finished after three months, I am told. I am instructed that three months after the receivership the Federal Police resolved not to pursue anybody involved for any fraud or any other activity. So what other investigations are going on?

Mr McMillan—I understand that at one time there was a suggestion that there had been offences committed under state law in connection with the arrangements to which you referred initially—the funding of the enterprise. I will be frank to say that I do not know what has happened in relation to those but, as I am sure you would understand, the situation in those circumstances is that somebody has to make a complaint to the relevant investigating authorities, and if it is a state matter it would be the state police. I am not aware of whether such a complaint has been made. But in response to the question that you had concerning the length of time of the receivership, it may be that it is necessary for the company to continue in existence in order to make a complaint, for example. That may be a reason. Similarly, in the

event that there are to be any proceedings taken civilly, it is necessary for the company to continue in existence in order that it may take the proceedings if it is the entity which would gain the advantage or benefit from those proceedings. Again, I will be frank to state that I have not looked at this matter for quite some time. I am endeavouring to assist by indicating the kinds of reasons why a receivership might continue for a long period. Otherwise, if there were no funds, or little funds, one would expect that the entity would be liquidated, wound up.

Senator JOHNSTON—Don't you think it would be reasonable that after four years there would be a complaint or there would not be a complaint? If there is no complaint, which I think is the situation, we would wind it up.

Mr Watson—The receiver-manager advises us that is he is still working on a potential brief of evidence.

Senator JOHNSTON—That is very frightening, terrorising, information. He is a professional from Deloitte Touche Tohmatsu. You are probably paying him \$1 million a year to prepare a brief. Do you understand that? He is the receiver, he is the complainant—he is on a very nice wicket.

Mr Watson—I understand your point. I doubt that we are paying \$1 million a year, but—

Senator JOHNSTON—There is the whole of the management of the receivership. His fees are probably \$200,000, he has got legal fees, he is paying out an enormous amount of money to give advice, and after four years we are none the wiser about any actions.

CHAIR—It might be best to not engage in conjecture on that point, but if you want to seek answers to those specific questions on notice from the officers it might be best to proceed in that way.

Senator JOHNSTON—Are you aware that the receiver provided ATSIC with professional advice as to the due diligence of the purchase in the first place? If you follow what I have just said there, a very interesting set of circumstances presents itself.

Mr Watson—I am not aware of that.

Senator JOHNSTON—As I understand it, the current receiver provided advice to ATSIC on the advisability, the viability, of the purchase in the first place. He is now the receiver. If that is the case, it is likely that there is a conflict of interest in the hands of this receiver. If we, as the Australian government, have committed millions of dollars to this receivership—because we burnt \$2.7 million initially and it is probably up to about \$5 million now, on my understanding—we have probably got a right against his indemnity insurer if that conflict is alive and real, as I understand it to be. Could you assure me that into the future, because we will be back here in May, I suspect, we will have a full report as to what is going on with this?

Mr Watson—We can do that. I can advise you that in March 1999 Deloitte were engaged by ATSIC to ascertain if Presspower was trading profitably, and it was found that it was not. That, to my knowledge, is the first time that Deloitte were brought into it.

Senator JOHNSTON—Correct.

Mr Watson—But that was post the actual provision of the loan. It was not prior to the provision of the loan.

Senator JOHNSTON—That is not my understanding. Initially Deloitte said no; subsequently Deloitte said yes, as I understand it, to the acquisition.

Mr Watson—That is not the information before me.

Senator JOHNSTON—I think we need to check our facts. You can see the concern I have.

Mr Watson—Absolutely.

Senator JOHNSTON—There has been no complaint after four years, no police charges and we are paying out, as I would expect, to an ongoing receivership, to a professional firm and its receiver officer, a lot of money, with no light at the end of the tunnel, as I understand it.

Senator Vanstone—Let me put your mind at rest. We will check the facts of this matter. I am sure if you have got them wrong you would be happy to acknowledge that. But if you have got them right there are some issues obviously to be looked at. You will not have to wait until May, because I am interested in the answers to those questions as well.

Senator JOHNSTON—Thank you.

CHAIR—I thank the officers. That concludes consideration of the Indigenous component of these estimates. After the break, we will move on to the multicultural affairs component of the portfolio.

Proceedings suspended from 10.45 a.m. to 11.05 a.m.

Migration Agents Registration Authority

CHAIR—I welcome the officers from the Migration Agents Registration Authority.

Senator LUDWIG—I was looking for your annual report. Could you tell us where that is? Where is it up to?

Mr Holt—We have met the statutory requirement in terms of providing the report to the department. There have been some technical issues with that as a result. We are looking to implement a strategy to have the report prepared in house, which we believe will give us better efficiencies and an ability to get that report to the department earlier than we have done in previous times.

Senator LUDWIG—You say you have met the statutory requirements. You might need to refresh my mind. How did you meet the statutory requirements?

Mr Holt—I will throw that over to the executive officer, if I may.

Ms Moser—The statutory deadline is defined through the Migration Act. We have to provide an annual report to the minister. The time frame on that, when you go through the Acts Interpretation Act, is that the annual report is required to be presented to the minister within six months of the end of the financial year. Then the minister tables it in parliament.

Senator LUDWIG—Have you provided that to the minister?

Ms Moser—Yes.

Senator LUDWIG—When did you provide that?

Ms Moser—It was just prior to the end of the calendar year, so it would have been around 29 or 30 December, approximately.

Senator LUDWIG—Chair, I will need to wait for the minister, to ask where that is. You said there were some technical difficulties.

Ms Moser—Yes, there were some technical difficulties with it.

Senator LUDWIG—Was that with getting it to the minister by December or was it with it being released from here on in?

Ms Moser—A combination.

Senator LUDWIG—What were they?

Ms Moser—There were some typographical errors in the annual report when it was presented to the minister, and they required correction. There were also some errors or technical difficulties that delayed it being presented, because of the election, as well as to whom the annual report was addressed.

Senator LUDWIG—Do you know when it is likely to be released?

Mr Holt—That is a question for the minister.

Senator LUDWIG—I thought you might have been advised.

Mr Holt—Not at this point.

Senator LUDWIG—Chair, I know the minister is not here. This question would otherwise be directed to the minister. I will ask her shortly. Effectively, I was wondering if, because of that, after the annual report is made available, I can seek to put further questions that may arise from that on notice to MARA through the estimates process.

CHAIR—That will be outside the cut-off date. Certainly the committee would be agreeable in the circumstances, and I am sure the department and MARA would be agreeable.

Senator LUDWIG—I was not seeking to recall MARA in that instance. A check of the web site also indicates that the agent log-in pages are not yet operational or not currently active for migration agents. That was at least yesterday. It appears above the log-in section. Am I missing something, or is it under construction at the moment?

Ms Moser—It is under construction at the moment. The plan is to have it operational by the end of February.

Senator LUDWIG—When was it due to be finalised?

Ms Moser—At the end of February.

Senator LUDWIG—What will it provide?

Ms Moser—Those particular pages will include the ability for an agent who is due for repeat registration to download their repeat registration package—their personalised application form. It will allow them to update their details through a change of details section on that particular page of the web site, including their relationship to the business that they are currently with, personal address details and postal address details—all those sorts of activities—directly by sending an email through that particular page.

Senator LUDWIG—Was there a particular need to provide that? Where did the idea generate?

Ms Moser—The idea is to increase the efficiencies within the secretariat. A lot of time is spent processing changes of details from agents. There are also queries from agents regarding CPD and there is information on the pages about their CPD.

Senator LUDWIG—What security is attached to the site?

Ms Moser—There is a log-in. They have their own password, which they must enter. The other security is—

Mr Mawson—The main security is that the agent gives us in writing their username and password and we upload that. They notify us in writing each time; it is not an interactive process for a change of password.

Senator LUDWIG—What is the cost of the redevelopment of the web site, or the system that you have put in place? I am happy for you to take that on notice if you need to.

Ms Moser—Off the top of my head I do not know the exact number, so I would like to take it on notice.

Senator LUDWIG—With regard to the two discussion papers on possible options for regulating migration agents overseas and the paper on options for prescribing professional indemnity requirements, the first two, as I understand it, were discussion papers publicly released on 26 May, with consultation closing on 9 November. The discussion paper on options for prescribing professional indemnity insurance was released on 10 May 2004. What was the closing date for that?

Mr Mawson—I am afraid I do not know the date that it was closed. That was actually run through the department of immigration. But the institute made its submissions. I believe MARA had some input as well in relation to the PI insurance. But that is certainly being controlled by the department of immigration.

Senator LUDWIG—It was just one of those matters that you put on your web site about which you gave some information but not all the information. I might have missed it. In any event, the main purpose of the question was to ask if the committee can have a copy of your submissions. Could they be made available?

Mr Mawson—We can only give a copy of the submission that we have.

Senator LUDWIG—Yes. I am asking for a copy of the submission you have made.

Mr Mawson—Yes.

Senator LUDWIG—And that is on both issues.

Mr Mawson—Yes.

Senator LUDWIG—Has there been any feedback from the department to MARA for the one that closed on 9 November 2004?

Mr Mawson—Not at this point.

Senator LUDWIG—Have you been consulted by the department as to whether there is any legislative response being developed?

Mr Mawson—There were two submission papers.

Senator LUDWIG—I can deal with them individually but we are talking about both issues, which are the discussion papers for regulating migration agents overseas and the discussion paper on options for prescribing professional indemnity insurance requirements.

Mr Mawson—In relation to the professional indemnity insurance, my understanding is that the feedback we have had is that the government is considering the matter. We were advised that it was coming out and we had identified that within our own documentation to agents in relation to professional indemnity insurance. We have not been advised, as far as I am aware, as to where the department is going. The department is still to give us further advice on that. There has been some discussion, however, in relation to the commercial and the non-commercial agents and the impact of PII on those two groups. But again those matters are within the department, as far as we are aware.

In relation to the overseas regulation of migration agents and the submissions in relation to education agents, the department have indicated that they believe it will be some time before they are able to bring a regulation into being. Since that time they have also announced a new scheme for the eVisa system for education agents. We are dealing with the department in relation to that, as to what impact that would have on registered migration agents, particularly in Australia.

Senator LUDWIG—We will deal with the latter issue first. What issues will touch upon MARA in administering the eVisa through migration agents? What have you identified to date?

Mr Mawson—As far as we are aware, there is no impact on MARA at this point in time in relation to the eVisa system. The department of immigration and DEST have been involved in activities in relation to the eVisa system with agents, particularly in China. They announced a scheme where they have a contract with organisations, and I believe with individuals, and they have issued them with a seven-digit number which commences with the numeral 3. That allows individuals to access the eVisa system, but we have no further information on that, other than what has been in the various publications that we have seen. It has not been a policy issue that we have been involved in.

Senator LUDWIG—I note that according to the DIMIA annual report, the number of newly registered agents grew in the order of 6.2 per cent. It was 11.2 per cent in the previous year. Is there a downward trend, or is something happening in the market that you might be able to explain?

Ms Moser—To clarify, there has been an upward trend over time, that is correct. What we are seeing now is a slightly downward trend—is that what you are asking about?

Senator LUDWIG—The rate of growth has slowed.

Ms Moser—Is there a reason for that?

Senator LUDWIG—Yes. Is there something you have noted in the marketplace or is there something that has occurred?

Ms Moser—There has been a decrease over the last period down to around 3,200 agents. We think that one of the reasons the decrease has happened is the introduction of the

prescribed examination for entry-level applicants, not for repeat-registration applicants. We believe that has been one of the main reasons for the reduction.

Senator LUDWIG—By how much has it reduced as a consequence? Have you had any analysis of that?

Ms Moser—The reduction in initial applicants is down by about 30 per cent over the last eight months, comparatively.

Senator LUDWIG—Is that because of the prescribed examination, in your view?

Ms Moser—Yes.

Senator LUDWIG—What are you doing about that? Will there be enough coming through in the market to deal with those people who require it or is the 30 per cent reduction in the number of applicants worrying to you?

Mr Mawson—We have a number of concerns because of the reduction in the number of agents. The issue is obviously a financial one, because we are funded by the fees earned from registration. However, as the profession is maturing, we are seeing a slowdown in the churn of the profession and we are noticing that the agents coming in are better qualified. We believe that the introduction of the examination has raised the standard of professionalism for people coming into the profession. Have I answered your question? I am sorry, I have lost the track.

Senator LUDWIG—Yes, to the extent that you have explained the positive side. The negative is of course that there is now a reduction of 30 per cent. What are you doing to address that? Or do you say that that is acceptable in terms of the way that the market is going?

Mr Mawson—Our understanding is that market forces will drive a lot of the behaviours. However, we are also aware from our auditing procedures that there are agencies which only have a very small number of clients in any one year. So there would appear to be some elasticity in the marketplace in relation to the provision of services for visa applicants.

Senator LUDWIG—You have nothing on the books to address the downturn at the moment?

Mr Mawson—At this point, we have not taken any steps to go out and seek to get more people to join the profession. What our main focus has been is to raise the professionalism and to ensure that the individuals have a good knowledge of the information they are going to give to their clients. We believe that, given that the size of the profession back in 1998 was somewhere around 2,500 agents and that it then actually shrank down in 2000 or thereabouts to around about 2,100, the adjustments we are seeing are just part of the cyclical nature of a maturing profession.

Senator LUDWIG—Is there any view that perhaps the prescribed examination and the costs associated with it might need a review? In other words, it, rather than other issues, might be acting as an impediment on its own.

Mr Mawson—The fact that there is an examination in place which tests the power and knowledge of a person who is applying for registration is a positive outcome of the exam. We are looking at doing some reviews of the examination process. However, it must also be

remembered that legislation has been introduced to also require a prescribed course and we have been doing quite a lot of work around that. That is another area in which we will again be seeking to ensure that the consumer is better protected by having better educated and better qualified individuals as agents. This also gives us a lot more stability in the profession because people will not just come in and go out again, as they were doing. If we look at the numbers in 1998, we had 800 people leave the profession and 500 people come back into the profession. Those numbers have stabilised quite well. That can be quite good for the profession.

I do not know the exact details but the actual maturity of the agents—their length of time in the profession—is growing. So the average agent life within the profession is around about four to five years. The other interesting thing that is occurring is that we are also seeing an increase in the not-for-profit sector. Where normally we have seen around about eight or nine per cent of all agents working in the not-for-profit sector, we have actually seen about 13 per cent working in that sector in the last eight to 12 months.

Senator LUDWIG—Is MARA the only deliverer of the course?

Mr Mawson—The current situation is that we have a prescribed examination. The examination is controlled totally by MARA. The executive officer may correct me on this but there are eight providers who provide courses which prepare individuals for the examination. In addition, there are quite a number of people who turn up to the examination who have never been near a course provider before. In relation to the prescribed course, the authority has told all the current course providers that we are looking for a prescribed course in the style of something like a graduate certificate. Our intention is that that would be delivered by multiple course providers. It is not intended that it be limited to any one course provider. We believe that market forces need to be operating to give the best end result not only for the people who are going to give the advice but for the consumer.

Senator LUDWIG—Have you been able to do enough work to establish that there is not a bottleneck in this area and that there are sufficient course providers to be able to meet the demand? If there is a bottleneck there that could be contributing to the downturn.

Mr Mawson—As far as we are aware, no, there is no bottleneck there. The number of people who have been sitting for the examinations has increased. I think we have had four examinations so far. The first examination started off with 76 people. In the last examination there were about 175 people. It has grown each time. In terms of preparing people for the examination, certainly there are courses out there and we have had an extra provider come on line—which happens to be the institute—since the commencement of the examination process. There are good outcomes being achieved out there. So there is no problem with people doing the study for the examination. They need to be prepared for the exam and when they walk into the exam they need to know their material.

Senator LUDWIG—What is the failure rate?

Mr Mawson—Unfortunately, the failure rate we are seeing is approximately 66 per cent. About a third of the people actually pass the examination.

Senator LUDWIG—Not a good bell curve, yet.

Mr Mawson—Not a good bell curve, no.

Senator LUDWIG—Is there any work in reviewing that—some exit interviews? Have you identified whether the courses are preparing them sufficiently? The other issue of course is that the examinations do not match the courses or that people are not fully apprised of what they are going to expect in an exam setting. The other view, I will not go to.

Mr Mawson—There are a number of aspects that we have identified in relation to the candidates in the examinations—certainly the issue that you have identified, which is what the course providers are teaching the students. We have some concerns there. We have an outline of that and we continue to grow that outline to help individual course providers. But course providers would like to teach to an exam and we have made it so that the testing is of the individual's knowledge of the Migration Act and the subsequent legislation.

The other aspect that we have picked up in relation to the performance of candidates in the exam is that individuals in the migration advice profession need to have a reasonably good ability to plan and organise. The examination is structured to test that. Quite a few candidates trip on that particular aspect, in that they do not walk into the exam and understand that they have to have their time planned—it is part of the process. We make that very clear to the various providers.

Senator LUDWIG—Do they get access to the MSIs?

Mr Mawson—The way it works is that it is a totally open-book examination. The student can take anything they like into the exam. The course providers usually provide all of the study materials required. Where there is an issue of something not being freely available, such as MSIs, the answer is yes.

Senator LUDWIG—How do they get them?

Mr Mawson—Normally the course providers provide them, but, if there is a question relating to an MSI or to a particular aspect which is not generally available, that information is provided at the examination.

Senator LUDWIG—I see. From July last year there are criminal offences, as I understand it, that have been available. Has anyone been charged under any of those provisions or been referred to the DPP? Some of those might be in the annual report.

Mr Holt—That is probably a question better directed to the department.

Senator LUDWIG—Yes, I thought that, but I thought that you might be able to tell me what statistics you keep—whether there has been any feedback from the department. Do you refer them over once they have been detected?

Mr Mawson—In relation to the various criminal offences that apply under part 3 of the Migration Act, we do on the rare occasion—because we do not see that much activity in that space—refer them on. But they have been very rare, other than unregistered practice. Unregistered practice we refer on, but most of those go straight to the department of immigration anyway.

Senator LUDWIG—Are you able to say how many unregistered practices you refer on?

Mr Mawson—Approximately 44 for the 12 months to 30 June 2004.

Senator LUDWIG—As a consequence of any of those or the criminal prosecutions that may have eventuated—I will put those on notice to the department, I think—have any migration agents been struck out?

Ms Moser—On the basis of criminal offences?

Senator LUDWIG—Yes.

Mr Mawson—None that we have referred to the department.

Senator LUDWIG—Some of this, I suspect, is in your annual report.

Mr Mawson—Yes, it is.

Senator LUDWIG—I might leave those issues.

Mr Holt—I might be able to give you some of those statistics now if you wish to have them.

Senator LUDWIG—It would be helpful, but you could take them on notice.

Mr Holt—We will provide them on notice.

Senator LUDWIG—Can you provide them today?

Mr Mawson—We most probably could. It depends on what you want.

Senator LUDWIG—The usual ones I go through are the trends in how much it has grown by, those that have been deleted, the inspections you have undertaken and the complaints handling processes and those general issues. I do not particularly want to go into them and take up too much of your time. If you have those general statistics, that is fine.

Mr Mawson—We can put a quick summary together for you.

CHAIR—Senator Ludwig, you indicated that you wanted to put a direct question to the minister in relation to annual report matters. I advise the minister that the committee has agreed that, given that the annual report is not available, Senator Ludwig will have an extended period of time, outside the usual estimates time frame, in which to place questions on notice in relation to that when it does become available.

Senator Vanstone—Just for the committee's information—and I am sorry, Senator Ludwig, that I was not here when you asked this question—I signed off on the report yesterday and they will be making arrangements to table it. But that will give you some time to read it and put your questions on notice.

Senator LUDWIG—Thank you.

[11.33 a.m.]

CHAIR—We will move to output 2.1, Settlement services.

Mr Farmer—I will just explain one point. Jennifer Bryant has been promoted to a group manager position in the Office of Indigenous Policy Coordination in the department. By the way, that brings to 62.5 per cent the representation of women at the group manager level and above in OIPC. But she is appearing here today in her immediate past capacity as Senior Assistant Secretary in charge of the Settlement Branch. She made that move only in the last week.

CHAIR—She had to come anyway—we have not dragged her along for no reason. Thank you.

Senator LUDWIG—I was going to ask about some of the consultancy arrangements in this area. The annual report does not list all the consultancy contracts to a value of \$10,000 or more, as I understand it. That makes it a bit hard to ask about consultancy contracts in this area. Is there a reason why they are not in the annual report?

Mr Farmer—Subject to contradiction—I would not rule it out—we put into the annual report material that is consistent with the guidelines. I will check this.

Senator LUDWIG—They do not seem to appear the way I normally see them. Other departments put in the consultancy and the price and you can then sort them out as to which area you might want to ask a question about. As you can appreciate, if it is in a settlement services area then I can identify that area; if it is in another area then it is hard to identify it and work back through to which output it might otherwise fall into. You then find you are caught in the position of asking a question when the officers have well and truly gone.

Sections 63 and 70 of the Public Service Act require the department and executive agencies to present annual reports to their minister for presentation, and the reports should conform to the guidelines. The guidelines for annual reports for executive agencies under the FMA Act at attachment C ‘Consultancy services’ say that in addition to the summary information in the body of the report, section 12.6 of the requirements refers to the number of consultancy services contracted or let during the year and the total expenditure on consultancy services. Departments are required to provide this, for example, in an appendix to the report or on request. Do I have to ask for this information on consultancies through the internet? I have already written a letter asking for all of that. When do I get it?

Mr Farmer—I have two points. *Prima facie*, what you are saying sounds to me to be a matter of improving the helpfulness of what we provide, and that strikes a positive chord with me and we will take that on board for future annual reports. If I understand the point you are making, it would be helpful to have the consultancies broken down under the outputs so that you can identify that. Secondly, in relation to your request, I have not seen that but I will follow that up very quickly.

Senator LUDWIG—So I can request that you provide a list of consultants as per the guidelines?

Mr Farmer—I believe we have already done it as per the guidelines. My understanding is that what you said contained ‘or’.

Senator LUDWIG—Yes. I accept that. I may not agree with it but—

Mr Farmer—It does not preclude our doing more and I am very happy to do that.

Senator LUDWIG—What I seek is a more expansive list of contracts of \$10,000 or more that have been let—unless it is so large that it renders it impracticable. Come back to the committee if you run into problems.

Mr Farmer—We will certainly do our best. I will make the point that with AMEP or more particularly with TIS, the Translating and Interpreting Service, we do have lots of very small contracts. But we will do our best, as we always try to, to provide material that is helpful.

Senator LUDWIG—I am told that you have provided the consultancy details. It is just not in the annual report. The consultancy details include a summary description of the nature and purposes of the consultancy, the contract price of the consultancy, the selection process used—including whether the consultancy was publicly advertised—and the justification for the decision to employee consultancy services. Is it that you chose not to put in? The fundamental issue is that you choose not to put that in the annual report, whereas other departments do. You then make that available, do you, on request?

Mr Farmer—That is right.

Senator LUDWIG—How many requests have you had for that other than mine?

Mr Farmer—That may be the answer. What we are trying to do as a general statement in the annual report is to follow the guidelines but in effect not to overgild the lily. But, frankly, if you would find that helpful I have no problem at all with putting it into the annual report as a matter of course.

Senator LUDWIG—It is helpful when looking at an individual contract, especially once they get up to \$200,000 or \$300,000, to go back to what the key deliverable was in that contract and whether it was met. Then I can use estimates to ask the department what the outcome was and so forth. As you can imagine, it is helpful in that scrutiny process that we all go through. But whether it is sensible to include it in your annual report would depend on the size and nature of it. I am guided by you in that. You only have to meet the act requirements; I understand that. Do you have a list of the organisations which have received a grant or some other subsidy from an available pot of money, if I might call it that, from Settlement Services? Is there a discrete list of all of those? Is that included by name of service provider and the amount of the grant and can it be broken down by federal electorate?

Mr Vardos—The short answer is yes, we can provide the name and amount for every organisation that has received a community grant from the Settlement Services bucket of money, whether it is an MRC or other organisation. We do not collect data by federal electorate. The best we could do is provide it by local government area or postcode, then you could extrapolate from the postcodes what electorate that may be.

Senator LUDWIG—Yes, that would be good. Can you do it by local government including postcode or is it differently searched?

Ms Bryant—I think we can probably assist with one of those two methods and I will seek some advice on which is the more appropriate to give you.

Senator LUDWIG—All right—whichever is easier in the sense of how you structure your printouts and output. Rather than taking a long time to find it, I would prefer whichever is the easier of the two.

Mr Vardos—Do you want that for the current financial year?

Senator LUDWIG—Depending on how you have it available, I was going to go from the last financial year to now. Do you have any cut-off date or discrete date that we can use? We will capture those that have fallen in the last 12 months up to the last financial year, which would be 30 June, but for those from 1 July to now—

Mr Vardos—We will give you the most current data that we have available. It is a question of how far back you want to go.

Senator LUDWIG—Only to the last financial year.

Mr Vardos—And this financial year?

Senator LUDWIG—Yes.

Mr Vardos—There may be a round that is incomplete, in which case the grants have not been allocated. But we will provide you with a list of all of those that have received Settlement Services grants of one sort or another.

Senator LUDWIG—Can you identify those which are in the process or is that more difficult?

Mr Vardos—When we advertise a round, whether it is CSSS or MRC core funding, we invite organisations to bid for the money. We do not know until the closing date just how—

Senator LUDWIG—I do not mean those that have not closed. I meant those that might be still in the pipeline—those which have won the tender and are likely to receive the money but have not received it as yet.

Mr Vardos—If a decision has been made to award an organisation with a grant then they will be included. If the decision has been made they will be on the list.

Senator LUDWIG—But if no decision has been made then I do not want you to second-guess.

Mr Vardos—No, we cannot.

Senator LUDWIG—After the *Report of the review of settlement services for migrants and humanitarian entrants*, what steps have been taken to gather quantitative data regarding the clients of Migrant Resource Centres and Community Settlement Services Schemes?

Ms Bryant—As you are aware, I think, from previous estimates, the department had a previously existing client statistical information system. We issued a discussion paper last year which proposed some reforms to that process. The feedback we got from the sector was that they would like us to significantly rethink the proposal on the table, which we have agreed to do. We are currently developing a revised statistical system now, given the proximity of the introduction of the combined grants program, which will cover both MRCs and the currently CSSS funded organisations. So it would now be a single reporting system that covers the whole of the grants arrangements. That is in development. We propose to issue a further paper to the sector seeking comment and input, as we did previously, and proceed from there.

Mr Vardos—You would recall, from I think two hearings ago, we indicated that the sector did have some concerns about the data that we were trying to collect.

Senator LUDWIG—Yes.

Mr Vardos—We are still in the process of reaching an agreed final position and system.

Senator LUDWIG—That is where my questions are going. What is available in terms of studies or outcomes to this point in time in relation to that collection of statistical data, and how you would provide it?

Ms Bryant—In the current grant period, given that system no longer works because the software that drove it basically is no longer supported in the department's updated technological environment, we have asked organisations to report manually using the arrangements that our CSSS funded organisations have used for some years. So it is a manual data collection. It does record the client numbers, the nature of the query that people are approaching the organisation with and some detail about ethnic background and that sort of thing, but we have not found the data to be necessarily robust. That was what led us to think of redeveloping the system in the first place. That was in part because, notwithstanding our issuing advice and guidelines, there is not a shared understanding of the definitions. If one client visits the centre several times, is that counted multiple times or once, for example? Different centres, I have to say, have different approaches to those issues. Some have adapted the standard system that we provided some years ago, with slightly different results across the sector. So we do collect that data manually at the moment and it is not terrifically robust, I have to say.

Senator LUDWIG—When will you have a position finalised as to which system you are going to adopt?

Ms Bryant—We would be aiming to introduce it from the commencement of the new combined grants program—that is, from 1 July 2006.

Senator LUDWIG—What will that be called?

Ms Bryant—I am not sure that we have settled on a title as yet.

Mr Vardos—We do not have a name for either the system or the combined grants program yet.

Senator LUDWIG—It is a hard question. So there is no name?

Mr Vardos—There are a number of—

Senator Vanstone—The combined programs!

Senator LUDWIG—I am sure that an acronym will turn up somewhere!

Senator Vanstone—It will come.

Mr Vardos—That is the important thing—to come up with an acronym that someone else is not using!

CHAIR—That is very important, Mr Vardos. You have no idea how eagerly the committee will await that!

Mr Vardos—It is interesting that you should ask that question, because we have had some discussion on that very subject in the last 24 hours.

Senator LUDWIG—I have no doubt! Is the computer system a database or a process that you are going through at the moment which will be developed?

Mr Vardos—There are a number of developments occurring within the department as a whole. What we do in the settlement area has to be consistent with and be able to be supported by—

Senator LUDWIG—That is a novel concept!

Mr Vardos—the bigger system initiatives being undertaken in the department. I do have a couple of projects on the go at the moment to develop these systems and to make them consistent with, supported by, and integrated with the broader departmental data systems.

Senator LUDWIG—Do you have names for those? I do not how to refer to them: we can say, ‘system 1, system 2 and system 3.’

Mr Vardos—‘Client information systems’ is the general shorthand.

Senator LUDWIG—What I was then going to go on to do was ask you individually what the individual system’s outcome was going to be, what the cost of the system was, what the development cost was going to be, when it was likely to be completed by, and whether it went through a tender process. Those are the usual things that I would expect that you should know. But in searching for a name it is going to take us a little bit longer to identify each discrete subset of the whole.

Mr Vardos—If you want to put those questions on notice I would be happy to address them—

Senator LUDWIG—I think I just have.

Mr Vardos—Okay. I will also compare what you are asking now with the information that we provided in response to your questions on notice of last September to see if there is any change.

CHAIR—And then provide any new information that the senator has requested.

Mr Vardos—We will provide updated information and if there is no change then we will say there is no change to the answer provided last September.

Senator LUDWIG—If you have got a name by then that would be helpful too.

Mr Vardos—We might run an internal competition!

Senator LUDWIG—Put a stop to it, Mr Farmer, please! That is the systems development of the various software; what about the other area that you were referring to? There is the software and then what?

Ms Bryant—I can perhaps clarify things a little. With our client’s statistical information we have basically a choice to make of two different sorts of systems. The sort of system that we were proposing in the consultation paper that we previously put out to the sector was a system where the providers gave us a minimal list of data such as client name and date of birth or something like that and from that we could then match that data against the department’s broader visa grant information. That would then give us a whole lot of demographic data about the types of individuals being served, such as their country of origin, the languages spoken, and all sorts of things that are recorded in our broader visa systems. We saw that as enabling us to publish aggregated data such as we currently already publish for the integrated humanitarian settlement strategy. The alternative is to develop a freestanding

system where we ask the providers to give us all of the data items and not try and draw on the broader departmental items to populate the data, if you like. That is basically the choice. We were seeking to reduce the burden on providers—

Senator LUDWIG—I understand they do complain about that.

Ms Bryant—Yes. We were seeking to reduce the burden on providers by utilising the department's systems to a greater degree. But that approach did cause them quite some concern. We are trying to work out how to reconcile those two broad approaches, one of which is much more resource intensive for the providers with the concerns they have expressed. They perceive it to be a privacy issue; I think in previous estimates we have reported that our legal advice is that it isn't that because it is all collected for departmental purposes.

Senator LUDWIG—Yes, it is internal departmental statistical information.

Ms Bryant—That is right. However, we are still trying to reconcile those things. The type of system that we end up with, as with most of our data systems—such as the ones we commented on in the answers to questions on notice from the end of last year—will be developed internally rather than put to tender, so it will be developed in our business support group unit. They will basically be enhancements to our existing systems. They are units built into our existing departmental data collections and possibly in this case built onto what we call the grants management system, which is the system where we record all the data about the CSSS program and the migrant resource centres.

Senator LUDWIG—Remind me—have I obtained that consultative paper?

Ms Bryant—I think you have previously.

Senator LUDWIG—I think I might have read it, but I do not think I have read it recently.

Ms Bryant—We can certainly give you another copy of the paper.

Senator LUDWIG—No. It is not available on your web site; is it?

Ms Bryant—No, I do not think it was one that we put up on the web site. In any case, if we did we have taken it down because it is no longer current.

Senator LUDWIG—That is all right. I will go and wade through the stack.

Mr Vardos—I am sure we have provided you with several stacks before.

Senator LUDWIG—I know that. It is in one corner, thank you. Where are we in terms of putting a framework for the determination of whether members of the MRC can maintain their competence and implement their roles and responsibilities? Have we moved to that point yet?

Mr Vardos—Sorry, I am not sure I understand your question.

Senator LUDWIG—The discussion paper on combining the MRCs and the CSSSs that was circulated late last year—that is right; isn't it?

Ms Bryant—Are you talking about the paper that describes the arrangements for the combined grants program or the paper that describes the client statistical system?

Senator LUDWIG—The former.

Mr Vardos—The combined grants program paper—

Senator LUDWIG—Yes.

Mr Vardos—That is currently in circulation within the department as a draft for comment. We hope to circulate that to the community and other stakeholders within the next few weeks. So that paper has not gone out formally yet. It is still an internal draft document. I received my copy on Tuesday this week.

Senator LUDWIG—So is it the funding paper I have seen then? Is that the statistical collection? When was that circulated?

Ms Bryant—We have issued a number of discussion papers over time. We are about to issue one on the combined grants program—

Senator LUDWIG—Perhaps we could go through them. I have got some recollection. Was there one from late last year? If you go through them, I will tick them off.

Ms Bryant—I do not think we issued any papers late last year. We did issue a paper in early 2004 on the integrated humanitarian settlement strategy. That was a consultation paper leading to development of the statement of requirements for the IHSS tender. Prior to that, we issued discussion papers for the settlement services review itself, but that would have been in 2002.

Senator LUDWIG—In 2002-03. Yes, I read those.

Ms Bryant—I think they are the two that we have issued—I would have to check if my memory is accurate, but I do not recall. The client statistical paper is the third that I am aware we have issued.

Senator LUDWIG—Have I got the client statistical paper? I thought I had asked for that.

Ms Bryant—I think you have, and I think it has been previously provided, but if you are missing any of them we would of course be happy to provide them.

Senator LUDWIG—No, I will go and track it down if I need to. There has been nothing more since then?

Mr Vardos—No.

Senator LUDWIG—So the ones I want are the ones that you have not finalised yet.

Mr Vardos—The next one, which will be a significant one as far as the sector is concerned, is the combined grants program paper.

Senator LUDWIG—Yes, that is what we are all writing about now.

Mr Vardos—That will be issued, as I say, in the next few weeks now that the draft is circulating for comment internally.

Ms Bryant—And that, I imagine, will go up on the department's web site when it is available.

Mr Vardos—It will go up on the web site.

Senator LUDWIG—When it is available, perhaps you could make it available to the committee, but I suspect I will find it on the web before then. And that will then put in place the discussion for the 2006 combined grants program?

Mr Vardos—Yes. The paper will go out, the sector will have time to digest it and we will invite written submissions, but there will also be face-to-face consultations in all jurisdictions, leading to the final make-up of what we are in shorthand calling the combined grants program. That is another program that we have yet to put a new label on.

Senator LUDWIG—That is the combined grants program?

Mr Vardos—Combining MRC core funding and CSSS community grants into one single fund.

Senator LUDWIG—You have got a bit of naming to do.

Mr Vardos—I think that one might be a bit more straightforward.

Senator LUDWIG—I will withdraw my next question because you really will not be able to comment in the sense that it is only an internal document at the moment. The questions I have really revolve around some of the outcomes that might flow from that, so I might wait for that to be available. There will be an opportunity to put those on notice at estimates or through the Senate. Since 2003 how many more MRCs have had funding withdrawn?

Mr Vardos—I can't recall the sequence, but at the moment there are 28 that receive core funding.

Senator LUDWIG—Perhaps you could then detail those that have been withdrawn or have had funding ceased? I would have put this on notice I suspect last time so it is an update of that or, if I did not, then up to the last two years—

Mr Vardos—You would like the number of MRCs that we have ceased core funding of in the last two years?

Senator LUDWIG—Yes, and the reason the funding was withdrawn. Have any new MRCs been established?

Mr Vardos—No. There may be organisations that have been formed that we are not aware of but none that we are providing new funding to.

Senator LUDWIG—Thank you for qualifying that. No, I only want to know about those which you have funded and that you have a financial arrangement with in that sense. There are none?

Ms Bryant—We have not commenced core funding any new organisations. We do of course provide CSSS grants to many new organisations, a number of which may well perform functions that are similar to those performed by the MRCs.

Senator LUDWIG—That was what I was going to ask next: can you do that also for the CSSS grants—how many you have done in the last financial year and up to now, what is their main purpose and which organisation?

Mr Vardos—That information will be picked up in your earlier question when we list all of the organisations and how much money we are giving them.

Senator LUDWIG—I was just wondering whether the nomenclature will include that it is a CSSS?

Mr Vardos—We will make a distinction between those that are formally calling themselves MRCs or whatever other community name—

Ms Bryant—There is currently—to the extent that you want the information quickly—a list of all the grants that we make on the department's web site. So I think the current grants are already listed on our web site.

Senator LUDWIG—I have a comment more than anything else. I can never tell, because it depends whether people update their web site. You might be diligent and update it every day or every time the figures change. I cannot say that confidently for other departments so I have to ask the question.

Ms Bryant—That is understood. It is certainly updated as the grants are made.

Senator LUDWIG—I have to ask the question to ensure that we get to a zero balance in the number.

Ms Bryant—I understand your point.

Senator LUDWIG—That is the work you are doing on the settlements database. Is that the systems one? I understand there is more work being done on that; is that right?

Mr Vardos—That is captured in the answer that Ms Bryant provided earlier on.

Senator LUDWIG—So that is the still unnamed—

Mr Vardos—We still call the existing systems by the old titles but what we are working towards will probably have a new name to distinguish it from the old system.

Senator LUDWIG—And then you will migrate it across?

Ms Bryant—I anticipate it will be a component of our grants management system.

Senator LUDWIG—I will wait. Has the pre-embarkation pilot program that exists in Cairo and Nairobi been extended to other countries?

Ms Bryant—The cultural orientation program is currently provided in Kenya, Uganda, Guinea, Thailand, Jordan, Pakistan, Egypt, Tanzania, Ghana, Turkey and Iran. So the IOM is delivering it there. The International Catholic Migration Commission is also doing some of the work in Guinea.

Senator LUDWIG—In respect of those, is there a breakdown of the cost of the program in total, the cost for each site and the name of the service deliverer at those locations? Is that available?

Ms Bryant—The service deliverer is the International Organisation for Migration.

Senator LUDWIG—Is that in all instances?

Ms Bryant—In all of the locations. The International Catholic Migration Commission is I think a co-provider in Guinea, if you like—an alternative provider in Guinea—but the IOM also does some work there. I will need to take the breakdown of costs on notice, in that the

responsibility and the funding in relation to that are drawn together from a number of departmental outputs, and we will need to aggregate that for you to give you a total picture.

Senator LUDWIG—I am happy for you take that on notice. Recommendations 3 to 5 in the of the *Report of the review of settlement services for migrants and humanitarian entrants* indicated that progress could be made on the application of priorities and principles relating to DIMIA's role in settlement service provision. Specifically, what work has been done to ensure that the provisions of settlement services, as per recommendation 4 of the report, are directed towards newly arrived migrants, humanitarian entrants and family stream migrants? What have you done to implement recommendation 4?

Ms Bryant—Just looking across the range of settlement services, you will see that for the IHSS, the integrated humanitarian settlement strategy, the target group is refugee and humanitarian entrants, especially humanitarian program entrants in their entirety. There are no other target groups. For MRC and CSSS organisations, the funding guidelines, issued in conjunction with inviting applications for grants, identify the target group for grants and indicate that they will have priority for funding and that—

Senator LUDWIG—Haven't they always had that?

Ms Bryant—They have, yes.

Senator LUDWIG—I will let you finish, but I am trying to establish what you have done in meeting recommendation 4, just to focus on it. At the time when that report was produced, they were already aware of IHSS, and they comment on it in that settlement report. They were already aware of the role of the MRCs and the CSSSs, and what they were doing and what they were targeting. My question is: what specifically is new to meet that recommendation? The recommendation sits there, what have you done?

Ms Bryant—We have done two things. Firstly, over time, a number of organisations meeting the needs of established communities have been funded under the CSSS program. In the 2004 budget, the government introduced a new program in the health department to cater for the needs of ageing established communities, and those grants ceased being funded by DIMIA from 31 December 2004, and from 1 January 2005 they were moved across to the department of health. Health is now responsible for those. The other thing that has been done is that the department has strengthened, if you like, its advice to organisations—both through the guidelines that accompany the application process and through the work of our grants consultants with organisations—that the priority for services is the identified target group. We have basically tightened our administration of that arrangement. Even though it had been a fairly long-term statement of intent, we have enforced it more rigorously.

Senator LUDWIG—So is it correct to say that to date, in response to recommendation 4, in relation to newly arrived migrants, humanitarian entrants and family stream migrants, you have strengthened the advice?

Ms Bryant—The government has created a new program and moved some grants that were not consistent with that targeting to the health department, given that they predominantly deal with the needs of ageing communities, and we have tightened our administration of targeting in respect of the rest of the organisations. I should clarify, though, that we have always said that although that is the target group for a grant and that we would expect the bulk

of an organisation's resources and efforts to be going into dealing with the target group, it was not exclusive in the sense that, if a migrant from a longer established community came in and sought advice on where they might go in the mainstream to have a particular need met, we have certainly always said they can still access information and referral services. But we do not expect organisations to be dealing with them in the sort of close case management and ongoing hand holding that they might do for more newly arrived entrants.

Senator LUDWIG—So there is nothing else. Is any work being done to see what else might be done to meet recommendation 4?

Mr Vardos—I think it would be fair to say that the move to the combined grants program is to place final and emphatic emphasis from a single bucket of settlement services funds on that target group: recently arrived and new and emerging humanitarian entrants. So the needs identification process that we will go through in the establishment of that combined grants program will be focusing on that core group of target clients.

Senator LUDWIG—We might revisit that question post-May or before may, do you think?

Mr Vardos—We certainly will have more things to say about this area the next time we meet with you in this committee.

Senator LUDWIG—In the 2004-05 reporting year, are there any new regional locations across Australia which have been selected for increased humanitarian settlement?

Ms Bryant—The minister wrote to the state premiers and proposed a number of potential locations. Most state premiers have now responded. Where they have responded positively we have commenced consultation with the potentially affected communities in a number of specific locations. In Victoria we have been quite open and there are two communities that we are immediately talking to—those being Warrnambool and Shepparton. Discussions have also been had in New South Wales with Griffith. There are locations being contemplated in South Australia. However, the South Australian government has not identified which particular locations it wishes to proceed with at this stage. Consequently, no particular community has been targeted or spoken to at this stage.

Senator LUDWIG—Are you able to say which states have responded positively?

Ms Bryant—I think all have responded positively to the concept of increasing regional settlement. I think the Western Australian government has yet to respond formally.

Senator LUDWIG—That might be because they are having an election.

Ms Bryant—Yes. That might be understandable in context.

Senator LUDWIG—They would not be able to, I suspect.

Ms Bryant—Yes. I think the Tasmanian government has yet to respond formally, but I would need to confirm that for you. The others have all provided a response. The reaction to both the suggested criteria for identifying locations and the concept of increasing regional settlement has been positive and well received. The states have indicated a desire to pursue development of the arrangements jointly.

Senator LUDWIG—What criteria were used to identify the areas? Or were the states asked to identify the areas?

Ms Bryant—We proposed a number of criteria for identifying possible locations that might be suitable for humanitarian settlement. In particular, we were seeking ones where we could link people actively to employment opportunities. So the existence of a good labour market and a demand for lesser skilled labour were criteria, as were existence of affordable housing, the presence of infrastructure such as doctors, dentists, hospitals and schools and, a perhaps less tangible one, a capacity to accommodate appropriate services for entrants, such as the existence of, for example, CSSS organisations that could take on an expanded role or a history within the township of having a diverse population which the town was experienced in servicing, and so on. They are approximately the considerations that we have.

Senator LUDWIG—Are you able to say how the process ran? You developed the criteria, you then wrote to the premiers and indicated that these were the criteria and these were the areas that you had selected, and they responded? Is there a document that demonstrates how you went about the process?

Ms Bryant—We drew up suggested criteria, draft criteria, exactly as you as you have suggested. We then applied that set of criteria and had a look at the townships that would be notionally identified. We took into account our knowledge of particular communities which were already receiving people—for example, Shepparton has a very large Iraqi community and a number of African settlers had moved into that broad region, and I think the Warrnambool council was already quite active in that type of area.

Senator LUDWIG—I think I remember seeing that in the news recently.

Ms Bryant—We took into account our knowledge of where things were already progressing of their own volition and perhaps suitable to build on. We then wrote to the states and said: ‘Here’s a set of draft criteria. Please tell us if you agree with them or if you would suggest any changes and what they might be. Here are the towns that we think are thrown up by these criteria. What do you think about these as a place to begin? If you do not want to begin there, do you have some alternative suggestions?’ For those where we were not contemplating doing things in 2004-05 we did ask for a longer-term view on things they might like to begin work on now with a view to acting in future years.

Senator LUDWIG—Did you indicate to the state governments the number that you are seeking to settle in a particular location?

Ms Bryant—Yes, we did. From memory, we said as an indication four to 10 families a year. That gives you a number of 100 or fewer—so between 50 and 100 people.

Senator LUDWIG—Has any of that come to fruition? Have any been settled as a consequence of that dialogue?

Ms Bryant—In some of the locations like Shepparton and Warrnambool there was an existing trickle anyway, but I think—

Senator LUDWIG—There was in Tasmania as well, I think, and Queensland.

Ms Bryant—We already have regional settlement. The key difference with these arrangements is our efforts to try to link them quite actively to specific employment

opportunities and our efforts to consult with local potential employers and the local council and so on.

Senator LUDWIG—That program has started and is halfway through, I take it. It a review going to be conducted of it, or is it an ongoing—

Mr Vardos—It is an ongoing program. Although we have made progress, we are still pretty much—

Senator LUDWIG—It seemed to be at early stages.

Mr Vardos—in the early stages. It is now a program that is in place in some parts. It is still developing in others. We will continue the process of regional settlement where possible. So the short answer is, no, there is no evaluation planned at this point in time.

Ms Bryant—I was just reminded that a key difference now is our strong efforts to consult with local government and involve them in this process, which we have been doing.

Senator LUDWIG—You read my mind. The next area was: were you going to talk to the local councils, or were you leaving it to the states to talk to the councils in those areas?

Ms Bryant—They have tended to be tripartite discussions with, basically, the state, the Commonwealth and the local government.

Senator LUDWIG—It is probably safe that way.

Ms Bryant—When we have had discussions, they have been involved in them jointly.

Mr Vardos—We were always keen to engage with local government but we could not do that until we had been through the state government level first to get their endorsement. With their blessing we can then open up the dialogue more comprehensively, as Ms Bryant says, with all three sitting around the table.

Senator LUDWIG—I will put the remainder of the questions on settlement services on notice. I am happy to move to output 2.2.

Mr Vardos—With your permission, could Ms Bryant leave at this point? She has other commitments to go to.

Senator LUDWIG—Ms Bryant, you deal with only output 2.1, from my recollection. Good luck with your new career.

Ms Bryant—Thank you.

CHAIR—Following output 2.1, all officers not required in other areas are able to go.

Mr Farmer—The MARA have given me some details in response to a question from Senator Ludwig earlier about registration and sanctions. If it would help, I could table that or read it out, whichever you would prefer.

CHAIR—You could table it.

Mr Vardos—I will table it. Thank you.

[12.21 p.m.]

CHAIR—We move to output 2.2, Telephone interpreting.

Senator LUDWIG—I refer to the annual report, at page 137. Do you have that?

Mr Williams—Yes.

Senator LUDWIG—I have asked these questions before. It notes that you are nearly 1,400 documents short of your measure and that approximately 6,400 documents were processed in 2002-03. What was the measure of 10,000 based on? It is a statistical question in that sense. How do you determine your measure?

Mr Vardos—It is a projection—it is nothing more than that—based on past performance. One of the reasons fewer documents have been translated is because of the nature of the humanitarian intake. For example, many of them are arriving without any documentation, so the demand from that particular cohort is non-existent.

Senator LUDWIG—I had not thought of that.

Mr Vardos—That is having a real impact. The figure of 10,000 is, as I said, a projection based on past performance, but, as we have now learnt, there is a particular group settling in this country that has no documentation for translation.

Senator LUDWIG—I understand that. I thought the measure might have been arrived at differently on a statistical basis, but I can see how that happens.

Mr Farmer—If I could make a general point, the measures are of a variety of generic types. Some of them are demand driven, obviously, and others are included because they are really for planning purposes. Others, like processing times, are really goals that we try to reach. I think the figure of 10,000 is one of the first sort. It is a planning figure, but whether it is reached or not is not a question of the same sort as achieving a processing time.

Senator LUDWIG—I leapt to the conclusion that it is not about your performance per se.

Mr Vardos—It indicates our ability to meet a demand at that level.

Senator LUDWIG—I refer to page 138 of the annual report. Was the Automated Telephone Interpreting Service developed in house or was it externally driven?

Mr Williams—It was developed in house. The Automated Telephone Interpreting Service is operating. At the present time it services 18 languages. It provides some other benefits, in that contract interpreters can dial in, confirm jobs and have the flexibility to make themselves available or not available, as the need arises.

Senator LUDWIG—So there was no external tender. What about the cost of it?

Mr Williams—I would have to take that on notice.

Senator LUDWIG—How long has it been operating for?

Mr Williams—It was introduced at the end of 2003 for internal departmental use only to pilot it, and then it was made available to all users in February 2004.

Senator LUDWIG—What is the use of it like? Do you keep a statistical log?

Mr Williams—Yes, we do monitor the use of ATIS. At the present time the use is not as high as we would have hoped, but it is increasing.

Senator LUDWIG—What is the use of it?

Mr Williams—It is complicated by the fact that the use is limited in the sense that, as I say, it covers only 18 languages. At the present time it is picking up probably around three to four per cent of our total business.

Senator LUDWIG—Can you break that down by number of calls and by language?

Mr Williams—The calls going to the particular languages available?

Senator LUDWIG—Yes.

Mr Williams—Yes I can, but I would have to take that on notice and provide it to you.

Senator LUDWIG—Can you just briefly explain to me how it works, if that is possible.

Mr Williams—The way it operates is that languages are broken into three groups, so you dial in to a 1300 880 number followed by three digits at the end, which will take you to the group of languages that you are seeking. A client needs a client code and they enter that client code and they also enter a PIN, similar to what you would have with a bank. That enables that person to be connected without intervention by our call centre staff directly to the highest accredited first available interpreter. It has benefits in the sense that it removes some of the disputes that have occurred in the past about how long people were actually involved in a call or an interpreted—

Senator LUDWIG—Or waiting from the call centre to be put through to an interpreter.

Mr Williams—That is correct. You go immediately through.

Senator LUDWIG—Are there any feedback forms on this as to how it is working and whether there are any complaints about it? It is only operating at three per cent; what was the original projection?

Mr Williams—The projection was to get it up to around 10 per cent. We have tried to encourage use. The minister did agree that those using ATIS would get a 10 per cent discount on the charge.

Senator LUDWIG—That was very magnanimous of you, Minister.

Mr Williams—As I said, at the present time, that is not having a significant impact.

Senator LUDWIG—What is the feedback? Is there feedback about the system?

Mr Williams—The feedback that we have had so far from visits to clients and our interaction with interpreters is that it is seen as welcome, but for some reason there does seem to be some resistance to actually using the system. I am not sure if it is because people feel more comfortable dialling the call centre, from where they can then be connected—as you know, it is an additional step. It is quite quick to be connected through the call centre. Some people say—

Senator LUDWIG—That is not withstanding their complaint that it was not. The driver for it was that there were delays in the call centre, notwithstanding what you have just said—that people think it is quite quick to call the call centre and get put through.

Mr Williams—I think that is true. The other factor that perhaps weighs slightly against ATIS is that people say, ‘I have got to remember the number I want to ring up.’ You need to

remember one of six numbers. Perhaps people think remembering just 131450 is more convenient.

Senator LUDWIG—Have you put it on a card for them?

Mr Williams—Yes, we do that. We promote it very actively.

Senator LUDWIG—You all but put the PIN on it for them as well, I take it.

Mr Williams—We cannot do that.

Senator LUDWIG—I know; I said ‘all but’.

Senator Vanstone—I am not sure if you meant a pin to pin it to yourself so you do not lose it or a PIN to access it!

Senator LUDWIG—Both, I suspect! What else are you doing to try and get it up to the 10 per cent?

Mr Williams—We are actively promoting the service to our client group and also to our interpreter group. Clearly, we can influence our major clients by especially highlighting the 10 per cent saving. Some people may say it is not much, but if you are a big user it is attractive. The department itself is a user of the system, and we have had a very strong focus on getting departmental officers to use the system.

Senator LUDWIG—What is the percentage rate that the department is using it at?

Mr Williams—The percentage rate for the department is variable. In Victoria, it is currently tracking at 40 per cent of the available jobs. In other locations it is 20 per cent and in one instance I think it is below 20 per cent. It is variable.

Senator LUDWIG—Is that the same percentage as the three per cent figure you gave me earlier?

Mr Williams—The three per cent is the total use of the system. This is just departmental use of the jobs that could be done on that system.

Senator LUDWIG—So what does that tell you? That the department is trying to use it but no-one else is? Of the three per cent, is there analysis of how many of that three per cent is not departmentally driven?

Mr Williams—No, I think I would have to take that on notice.

Senator LUDWIG—It would appear that the department is a significant user and would contribute significantly to that three per cent. Is that correct?

Mr Williams—Yes.

Senator LUDWIG—So there is non-acceptance in the broader community of the use of the automated system?

Mr Williams—There is a challenge for us to improve the usage.

Mr Farmer—That is not uncommon. This is a low figure—there is no doubt about that. But we have found that in a number of our other automated or electronic applications there can quite often be a period of low take-up but then a quite substantial rise. I am thinking, for example, of the take-up of the electronic travel authority in its electronic form in countries

like Japan, where initially the figures were rather low but then we picked them up. That would certainly be our hope in this case, obviously. It is all round a more efficient way of doing things. But certainly if anyone has more ideas about how we might promote it and how we might lift the figure they are very welcome to present them.

Senator LUDWIG—Thank you. In addition to seeking information from you, I was trying to identify whether it was systemic problems or issues of education that prevented access and I was trying to weight those accordingly. It appears to be both, in the way it has been presented to date. But if you could shed any light on that that would be helpful.

[12.34 p.m.]

CHAIR—We will move to output 2.3, Australian citizenship.

Senator LUDWIG—I have some questions on the disagreement, for want of a better word, between the ACT government and the federal government on the 2004 Australia Day citizenship ceremony speech. The ceremony in the ACT normally has about 100 people involved, as I understand it. Is that right?

Ms Ellis—It varies depending on the number of people who are available, but it is somewhere between 80 and 100.

Senator LUDWIG—Is it correct to say that the ceremony has always been an open event where whole families come along with friends, relatives and neighbourhoods, stay for a picnic and make a day of it? That is how it has been portrayed in the past, isn't it?

Ms Ellis—Yes—in fact, around Australia on Australia Day there are many citizenship ceremonies and they are public ceremonies.

Senator LUDWIG—What happened in the 2005 round then? It seems, from media reports at least—and perhaps this is an opportunity to correct the record if need be—that the number of recipients was reduced from 100 to 50, then that jumped back up to 80. I assume that something happened to cause that. Also, the number of guests was limited to two per recipient. If these restrictions were put in place, who put them in place?

Ms Ellis—The actual number intended for the ceremony was never at 50. There was some discussion about just how many conferees could be accommodated within the time available on the program, but it was always anticipated that it would be somewhere between 80 and 100 depending on how many people were actually available. The limitation of two people was not to do with attending the ceremony as a whole; it was about the number of seats that would be provided. The ceremony was conducted at Regatta Point in Commonwealth Park. It is a natural amphitheatre. There has always been a limit on the number of chairs that could be set out and therefore a limit on the number of people for whom there would be seating. But it has always been the case, and it was this year, that any number of family and friends are welcome to come and observe the ceremony and celebrate with the new citizens.

Senator LUDWIG—Was that put on the information that was sent to the recipients?

Ms Ellis—I would have to take that on notice. I have not seen the actual notice that was sent to recipients.

Senator LUDWIG—Perhaps you could make that available to the committee and highlight whether it included a limit in terms of guests that could attend, whether or not it included a broader invitation for the remainder of the families to enjoy the day and how they would then go about doing that. If it was not communicated in that document then please advise of other documents the recipient would have got that would have indicated that.

Ms Ellis—I can say that, in the lead-up to Australia Day, the fact that there was going to be a citizenship ceremony at Commonwealth Park was mentioned a number of times in the media in terms of the activities that were going to be held on that day which were open and available to the public. But I will certainly get a copy of the advice that was sent out to conferees.

Senator LUDWIG—In respect of the number of conferees, in 2004 there were 115, as I understand it, and in 2003 there were 100. In 2005 there were 80. Was that the total number that had been planned for or were any invitations refused? Were there any conferees who did not want a conferral on that day?

Ms Ellis—There are always a number of people who are asked if they would be available and would like to attend a particular ceremony but, for whatever reason, are not available to attend. It just so happens that, in 2005, of the number of people who were invited, 82 were able to attend.

Senator LUDWIG—So nobody was written to and told they could not partake in the Australia Day ceremony?

Ms Ellis—No. It is my understanding, however, that some people had expressed a wish to be conferred on that day. However, priority was given to the people who had been approved for citizenship well before those people. So there is a difference between people being invited and people expressing a wish to attend a ceremony on that day and whether the arrangements already in place were able to accommodate them.

Senator LUDWIG—There are those whom you nominate—and how do you go about that process?—and those who express an interest.

Ms Ellis—The local office of the department would go to the records of those who were awaiting the ceremony and make contact with them to see whether they were available and interested in attending a particular ceremony.

Senator LUDWIG—Then you would get a response back?

Ms Ellis—Then we would get a response back.

Senator LUDWIG—Is it correct then to say—and correct me if I am wrong—that all of those who were contacted were then accommodated then expressed a positive desire to attend and partake in the ceremony?

Ms Ellis—It is my understanding that those who were contacted and expressed a desire to attend were then formally invited to attend.

Senator LUDWIG—Were any persons who were obviously up for conferral—in the sense that they could be part of the conferral—then not contacted but who then wrote to the

department and requested a conferral ceremony in this instance? That is the subset group, I guess.

Ms Ellis—I understand that there was at least one person who had made contact—I do not know whether the contact was with the department in the first instance or with others and then reported on—and had indicated a desire to attend that ceremony. That person was subsequently accommodated in a departmental ceremony, because the arrangements were already in place for Australia Day.

Senator LUDWIG—Are you familiar with the two press releases that appeared in the *Canberra Times* on 18 January, in attachment 2? Had you seen them? They were in relation to a story on Ms Toohey's troubles. Annette Ellis wrote to the PM on, I think, 12 January. Are you familiar with those two pieces?

Ms Ellis—Yes.

Senator LUDWIG—What is your answer in relation to them?

Ms Ellis—I recall that there was correspondence at the time. I personally was on leave at the time, so I do not have an immediate recall of the detail.

Senator LUDWIG—It makes it difficult.

Ms Ellis—But I can certainly take that on notice.

Senator LUDWIG—The suggestion is, as you can appreciate, that the list of people who were invited was reduced. There must have been an explanation. Has the explanation been sent to those relevant people? Do you think they were culled from the list?

Ms Ellis—The list of those people invited was not reduced.

Senator LUDWIG—No, I think we established that by your evidence. Someone out there, by the looks of that press release, thinks that they were culled, reduced or removed from the list. I think that is accepted. Your answer to it is that they were not?

Ms Ellis—I understand that the facts of the matter had been explained to at least one person—the person who had expressed a desire to attend, who was not able to be accommodated and who subsequently was conferred in a departmental ceremony.

Senator LUDWIG—We will hold that person for a moment. That person, though, was not and never was in the group that DIMIA originally contacted and said, 'You are going to be part of the group,' and sent a letter out to saying, 'Please respond'.

Ms Ellis—That is correct.

Senator LUDWIG—That was a person, who, separately from that process, then asked in a positive sense to be included in the ceremony?

Ms Ellis—Yes.

Senator LUDWIG—And you then, for a reason you might tell me, chose not to accommodate the person and did it separately.

Ms Ellis—Yes.

Senator LUDWIG—What was the reason why you chose not to accommodate them, given that there were 82 on the list and in previous times you have had up to 115?

Ms Ellis—I will get confirmation of this but, as I understand it, arrangements had already been put in place. The citizenship certificates that needed to be printed and handed over to people on the day had already been ordered, but I will get confirmation for you as to precisely why that person was not able to be accommodated.

Senator LUDWIG—There seem to have been two people. One name is public, I suspect, because it appeared in the *Canberra Times*.

Ms Ellis—One person who was mentioned was in fact part of the ceremony on the day.

Senator LUDWIG—Who was that?

Ms Ellis—My recollection is that it was Ms Toohey.

Senator LUDWIG—Right. So she was the one who was accommodated. The second one was then accommodated separately.

Ms Ellis—Ms Toohey was on the list to be invited. There was, as I understand it, not an issue about her having been included on the list of those to be invited for that day.

Senator LUDWIG—So she was written to and invited, she responded and she was then on the list and got the conferral.

Ms Ellis—As I understand it, she was on the list of people to be contacted. Whether she had raised issues prior to the contact actually being made, I would need to check.

Senator LUDWIG—Now that we at least know the nub of the issue, would you like to take it on notice, put it in a time line and see if you can provide an explanation as to what occurred? It is an opportunity to correct the record. When you read the *Canberra Times* article, you get a different perspective—let me put it that way.

Senator Vanstone—Perhaps we should fund a PhD student to make a list of the number of matters you read about in the papers in one week, in six months or in any one year which give a very unfortunate and false impression.

Senator LUDWIG—I did not want to go there, Minister. I wanted to use neutral language, but it makes it hard.

Senator Vanstone—Wouldn't it be interesting, though?

Senator LUDWIG—It makes it difficult sometimes. This is a lesser matter than some, but sometimes we do take on face value what we read, in the sense of it being accurately reported. We legitimately have to ask questions that arise as a consequence of those reports, and that is difficult in the sense that you then have to deal with both the content of the report and what might not be—

Senator Vanstone—Senator, I was not being critical of your questioning. I think when senators see things in the paper, while I would not go so far as to say that it is appropriate to take it on face value, it is appropriate to question whether that is correct or not, certainly. I think the only difference is whether it is appropriate to take it on face value as being true.

Senator LUDWIG—I prefer to try and elicit a response from the department about it first rather than take it on face value.

Senator Vanstone—That is quite appropriate.

Senator LUDWIG—Unless it seems really good!

Ms Ellis—Senator, I have now recollected the sequence of events. It is my understanding that Ms Toohey contacted the citizenship information line and was told, based on information that was in the departmental systems, that she was not listed for that ceremony. We have one contact centre in Melbourne and one in Brisbane, and what had happened was that the ACT and regions office staff who were pulling together the conferees for the ceremony were working from a list of people who had been granted citizenship. They had not actually put any information into the system about who they were contacting and looking to schedule for that ceremony. Subsequently, Ms Toohey was contacted as to whether she would be available for that ceremony. She was and she attended. I saw her receive her certificate from the Prime Minister. Although there was an appearance of her not having been included on the list for that ceremony and then subsequently being included, that difference was because of a phone call and because the information on the database being accessed did not reflect what was actually happening in the ACT and regions office.

Senator LUDWIG—Did someone call the PM's office and later that day DIMIA said she was back on the list, or was it just a mix-up?

Ms Ellis—There was no issue of her not being on the list.

Senator LUDWIG—So she was always on the list?

Ms Ellis—She was always on the list. It is just that her inclusion on the list was not reflected in the department's database and it was that database that was accessed by the person answering this citizenship information line and responding to her that, no, she was not going to be attending that ceremony.

Mr Vardos—There was a disconnect between what was on the database and the real-time activity of the ACT office in helping to put this ceremony together.

Senator LUDWIG—Can you provide anything else that might be of assistance? There seems to have been a confluence of events that created a different impression in people's minds as to what occurred. It might be helpful if we could at least establish a time line and allow the record to reflect what actually happened. How many recipients were in the previous five Australia Day citizenship ceremonies in the ACT?

Ms Ellis—I will need to take that on notice.

Senator LUDWIG—In total, was it 82 or 81 that were recipients in the ACT Australia Day ceremony?

Ms Ellis—Certainly 82 was the number planned. I would need to confirm that it was finally 82. Occasionally, people are unable to turn up at the last moment, for whatever reason.

Senator LUDWIG—Who bears the cost of the 2005 Australia Day citizenship ceremony in the ACT?

Mr Vardos—I will make an initial point, and then I will ask Ms Ellis to come in. The Australia Day ceremony in Canberra is organised by the Australia Day in the National Capital Committee. That committee is independent of the department. It puts the ceremony together. The department cooperates in providing conferees and printing the certificates. I think the costs were shared.

Ms Ellis—I would need to take on notice precisely what happened in 2005. I know in previous years when the ACT government has been involved in ceremonies some of costs have been borne by the department's ACT and regions office and some of the costs have been borne by the ACT government. I will provide that information for the committee.

Senator LUDWIG—Who funds the Australian national capital committee?

Mr Vardos—I do not know where they draw their funding from.

Senator LUDWIG—So it is not your department?

Mr Vardos—It is not DIMIA. They do have an association with the National Australia Day Council, but I do not know whether or not they draw funding from that source.

Senator LUDWIG—So they are not in receipt of a grant from the relevant section of your department?

Mr Vardos—No.

Senator LUDWIG—You can then highlight what costs you contributed to on the day?

Ms Ellis—Yes.

Senator LUDWIG—Is that different from previous occurrences?

Ms Ellis—I understand that on previous occasions the Australia Day in the National Capital Committee jointly hosted the ceremony with the ACT government. Generally, it was the ACT government that provided an MC for the ceremony. Certainly in 2004, and I expect in previous years, the Chief Minister was the presiding officer. For 2005, the Australia Day in the National Capital Committee invited the Prime Minister to preside, and he accepted.

Senator LUDWIG—The request was from the Australian national capital committee?

Ms Ellis—The Australia Day in the National Capital Committee, yes. The department's role in the Australia Day ceremonies is really that of support.

Senator LUDWIG—That is how I understood it. It just seems to stand out as different to the normal ones I go to. On the day the local mayor of the particular region does most of the presiding work, DIMIA is there to make sure that everything is done according to Hoyle and the AEC is there to make sure they get them on the way out.

Ms Ellis—Yes.

Mr Vardos—The AEC was there on the day as well.

Senator LUDWIG—I am absolutely positive that they were, and I congratulate them for their diligence. I also congratulate the DIMIA officers who give up their time to be at various ceremonies across Australia. Is it right that, because the Prime Minister was involved, it necessitated DIMIA becoming more hands-on in this instance?

Ms Ellis—It is my understanding that DIMIA was not involved in a more hands-on role as such. The level of involvement was similar to that of previous years.

Senator LUDWIG—What about funding?

Ms Ellis—I have taken that on notice.

Senator LUDWIG—As far as you are aware, was there a difference in funding or have you always contributed that amount or similar amounts?

Ms Ellis—I will need to get back to you on the specific amounts. But, for example, it is my understanding that the ACT and regions office paid for the cost of the trees and native plants in 2004.

Senator LUDWIG—Perhaps you could give me information as to what costs the department shared with the Australia Day in the National Capital Committee from 2001 onwards, any other costs it incurred as a consequence of holding the Australia Day ceremony and the difference, if any, in that cost when the Prime Minister was invited to preside. Is ‘preside’ the right word?

Ms Ellis—Yes, he was the presiding officer.

Senator LUDWIG—Was there any discourse that you are aware of between the Prime Minister and the department of immigration or did any correspondence go between them as to the number of conferees and whether that number was a limited one?

Ms Ellis—As I indicated earlier, I was on leave, but to my knowledge there was no correspondence between the Prime Minister and the department on the numbers.

Senator LUDWIG—I should have included his office, I suspect—that is a better way of putting it.

Ms Ellis—In terms of the planning of the numbers, the Chairman of the Australia Day in the National Capital Committee was the person who was communicating with our ACT and regions office on the arrangements for the ceremony.

Senator LUDWIG—Who does the official invitation list?

Ms Ellis—The invitations are usually sent out by the organisation that is hosting the ceremony. There is a code—the Australian Citizenship Ceremonies Code—and the requirements of that code were discussed with the Australia Day in the National Capital Committee. The invitations were sent out consistent with the requirements of the code.

Senator LUDWIG—Who sent those out—DIMIA or the Australia Day in the National Capital Committee?

Ms Ellis—It was the Australia Day in the National Capital Committee.

Senator LUDWIG—So DIMIA did not have any involvement in the invitation list other than the inclusion of the PM?

Ms Ellis—We provided advice to the Australia Day in the National Capital Committee on who needed to be included on the invitation list to ensure that the requirements of the Australian Citizenship Ceremonies Code were complied with.

Senator LUDWIG—What was the nature of that advice?

Ms Ellis—There was discussion at a meeting. They were shown a copy of the code. The advice was that it needed to include the minister—the minister needs to be invited to all ceremonies—the local federal member, a senator from a different party to the local federal member and generally the local mayor. In the states we also include the local state member. In the ACT the invitation was to the members of the electorate in which the ceremony is held, so the members of the Molonglo electorate in the ACT government were invited to attend.

Senator LUDWIG—Was it a written advice, or was that a meeting where you then informed them that they were the minimum requirements to meet the code?

Ms Ellis—The written advice is in the Australian Citizenship Ceremonies Code, and a copy of that code was provided.

Mr Vardos—We can provide you on notice with a list of all the government officials or ACT government members who were invited.

Senator LUDWIG—Yes, if you would not mind. One of the issues that seemed to be floating in the newspaper at the time was that the Chief Minister had not got an invitation. That seemed surprising to me.

Ms Ellis—The code does not require the Chief Minister or the Premier of a state to be invited to a citizenship ceremony unless of course they are the local member of the electorate in which the ceremony is being held.

Senator LUDWIG—It just seemed discourteous not to invite the ACT Chief Minister, irrespective of the code, but I guess that is a question that has to be put to the national Australia Day committee, in truth. It did seem surprising. In Brisbane there is only one electorate, for which Arch Bevis is the member, but the mayor does it for everybody and invites all the relevant people because Brisbane is the capital of Queensland. It is a great place and that is what you would expect.

CHAIR—He is a very good mayor.

Senator Vanstone—In Adelaide we do not have that; we have a whole range of ceremonies. I used to be invited to one at Walkerville, a small council area, and that was simply because I lived in that council area. When I moved out of that council area I was no longer invited to those ceremonies. They would invite the local federal member and the local state member. That was pretty much it. The Premier would be invited for something big.

Senator LUDWIG—I think that is right, though. That happens in Logan and the Gold Coast and places like that. But in Brisbane, as in Canberra, when the Prime Minister is the presiding officer and you have Minister McGauran, in that incidence, also present it seems surprising not to include the Chief Minister. Whether he wanted to attend is of course open to him, but it seems surprising to me. Providing that the department did not offer any advice or indicate that he was not required, it is a matter for the national committee, I guess. The key finding of the ANAO report of November 2004 into the management and promotion of citizenship services is on page 12. What comes of that is what work has been done on analysing and addressing the differing timeliness standards between DIMIA officers. You might want to take that on notice, unless you can assist the committee now.

Ms Ellis—We will take that on notice.

Senator LUDWIG—Given that they all fall within the same type of issue, I might put these questions on notice and move to 2—

CHAIR—That is for 2.3? We only have four left to move to.

Senator LUDWIG—I was just having a quick look.

CHAIR—It is a process of elimination.

Senator LUDWIG—I have a general question. Could you provide a figure for the amount of money spent on Australian citizenship promotions in 2003-04. Is that available?

CHAIR—On notice?

Senator LUDWIG—Do they have it now?

Mr Vardos—I will have a quick scan to see if we have that now. Did you ask for the 2003-04 allocation?

Senator LUDWIG—Yes.

Mr Vardos—I do have some financial data here but it is written down per calendar year. For 2003 it was \$1.9 million and for 2004 it was \$1.74 million.

Ms Ellis—That was the budget.

Mr Vardos—That was the budget for the citizenship promotion campaign.

Senator LUDWIG—I am jumping around a little bit but I am trying to put some questions on notice which you can deal with in the prescribed period. Has the citizenship readers guide been completed yet?

Ms Ellis—No, the readers guide is work that will be undertaken once we have the new act.

Senator LUDWIG—Did the review of that commence in 2001?

Ms Ellis—The Australian Citizenship Council recommended that a readers guide to the act be developed. Because of the large number of amendments to the act that have been announced at the same time as the introduction of those amendments there is a planned restructure of the act to make it easier to read. At that point, once we know what the act and the new provisions will look like, the readers guide will be developed. It was considered not appropriate to undertake that work given the substantive changes that were planned.

Senator LUDWIG—Where is the planned revamp of the act up to now?

Ms Ellis—The drafting instructions are being prepared and the expectation is that the draft bill will be available for introduction in the parliament this year. Precise timing has not yet been determined.

Senator LUDWIG—In terms of how that is going to be progressed, has consideration been given to whether there will be an exposure draft and community consultation and whether it will go back to the council for consideration as part of the consultative process? Has anything been planned?

Ms Ellis—Consideration has not given to that, but the council is no longer in existence.

Senator LUDWIG—You could reform it if you wanted to.

Ms Ellis—That obviously would be a matter for the minister.

Senator LUDWIG—What I am asking is: has there been any consideration of any of those processes to date, including sending it back to a re-formed council or sending it to an exposure draft?

Mr Vardos—At this point in time, no consideration is being given to a further community consultation of any sort. Certainly, a major speech was made by Mr Hardgrave announcing all the—

Senator LUDWIG—That was in August 2002, wasn't it?

Mr Vardos—I cannot remember the precise date. All of the proposed amendments are out in the public domain already.

Senator LUDWIG—I am not sure everyone quite understands what they might be, though.

Mr Vardos—I can say that the interest groups are aware. The Southern Cross Group is very aware.

Senator LUDWIG—I know.

Ms Ellis—The changes to the act were announced in mid-2004.

Senator LUDWIG—But if you read Mr Hardgrave's speech and you look at the summary you will see that the issues that you raise are not all covered off between the summary and the speech. I do not have them before me, but matters that are raised in the speech do not appear to be dealt with in the summary. Will all the matters in the summary be dealt with, including those in the speech?

Ms Ellis—Some issues that were not covered by the announcement are still under consideration.

Senator LUDWIG—So there are additional matters?

Ms Ellis—Other matters are under consideration.

Senator LUDWIG—It might be one of those areas for which we have to adopt a wait-and-see approach until we see the print.

Mr Vardos—The minister is still going through the contemplative stage and it is not appropriate for us to speculate.

Senator LUDWIG—I am stopping myself at that point. We will wait.

[1.09 p.m.]

CHAIR—We turn now to output 2.4, Appreciation of cultural diversity.

Senator LUDWIG—Last year it was noted that five agencies did not meet performance indicator 2 of the Charter of Public Service in a Culturally Diverse Society and that DIMIA had given support, including training, to improve that indicator. How many of the five agencies took up the offer of DIMIA training? This is a test for them now.

Dr Nguyen-Hoan—I am not sure if I can answer that right now, but I can take it on notice.

Senator LUDWIG—Yes, please. Since then have you become aware of any others that have not met the indicators in the Charter of Public Service in a Culturally Diverse Society?

Dr Nguyen-Hoan—We have bilateral discussions with them and provide feedback to all agencies about their ability to meet the indicators. We have held not only bilateral meetings but also meetings where we have invited all agencies to come along and we have a seminar for them to attend to understand their obligations.

Senator LUDWIG—So did DIMIA meet its requirements?

Dr Nguyen-Hoan—Yes.

Senator LUDWIG—How did it meet its requirements?

Dr Nguyen-Hoan—Through reporting. We asked all our divisions in the department to report on their implementation of the charter and through that we looked at the examples of how they consult with ethnic communities in their program development and implementation. We have noted in the report that the assessment has a degree of subjectivity. Given the large number of examples that our department has been able to show we feel that it has met its obligations.

Senator LUDWIG—Is that available in the sense that there is a report that DIMIA produces which points to how they meet that charter?

Dr Nguyen-Hoan—We can provide you with both the input that we have received from all our divisions and state and territory offices and the assessment that we have made, if you think that is useful to you.

Senator LUDWIG—It would be helpful to see the process. Should other departments go through a similar process, or would they have different ways that they can meet the performance indicators?

Dr Nguyen-Hoan—They provide us with the input and we have a look at the input against the framework and the indicators. We look at how they meet their obligations through a number of examples that they have used in their communication, in the translation and other indicators. But there is a move for us to put back that responsibility on agencies because, as I said, we do not really have the authority to have strong scrutiny of their preparation of the input.

Senator LUDWIG—Are you aware of any departments still noncompliant with performance indicator 2?

Dr Nguyen-Hoan—I would have to take that on notice.

Senator LUDWIG—Thank you. What was the cost of developing the Harmony Day web site?

Dr Nguyen-Hoan—I think it was only about \$200.

Senator LUDWIG—I am happy for you to take that on notice if you would prefer.

Mr Vardos—We do have a brief on it—I have seen the figure.

Senator LUDWIG—I suspect you would have.

Dr Nguyen-Hoan—It has been created at a cost of about \$200. That was the cost of registering the new name. The development costs were absorbed by the department's web services area.

Senator LUDWIG—Was it an external company that developed the site, or was it internal?

Mr Vardos—It is an internal capability.

Senator LUDWIG—What new information is now available on the new web site that was not available on the old web site?

Dr Nguyen-Hoan—It is really refreshing in terms of trying to simplify the language of the site. We needed to update sections of it. For example, we have substantially rewritten the Harmony Day and partnerships areas so that people would find it easier to understand. I think there was some criticism that they found it hard to access and hard to understand the information there.

Senator LUDWIG—So there was nothing new in that sense; it was a refreshment.

Dr Nguyen-Hoan—The content is not new, but I think it has been updated.

Senator LUDWIG—So there is no change to content but it has been refreshed and brightened up.

Mr Vardos—Clarity and simplicity were the two objectives.

Senator LUDWIG—How do you determine those objectives?

Dr Nguyen-Hoan—Last year, we started to see the statistics of the number of products that people ordered and also the events that people organised for Harmony Day. There seemed to be some discrepancy between what we know and what we receive on the web site. So we thought that if we updated the web site there would be a greater capacity for us to have more reliable statistics. It was determined through community input.

Senator LUDWIG—How was that community input gathered? Was that just people responding to you in emails?

Dr Nguyen-Hoan—Through phone calls and in other ways. For example, organisations who have received community grants will ring us, and through our work with them on the outcomes of their grants they tell us.

Senator LUDWIG—What was the cost of the *Diary of Australia 2005—A Nation of Diversity* and the distribution of it?

Dr Nguyen-Hoan—From memory, it was about \$20,000, but I will need to take it on notice.

Senator LUDWIG—Was any work done on who the target audience was? Who was going to receive it?

Dr Nguyen-Hoan—We have worked over the years to produce this diary. So over the years we have also received community feedback on whether certain dates are correct or whether independence days or national days—

Senator LUDWIG—They change sometimes.

Dr Nguyen-Hoan—should be included and so on. So once again community feedback has been important for us. We have targeted people who have expressed their satisfaction in the use of the diary. We have distributed it very widely—there are about 6,000 copies.

Senator LUDWIG—That was my next question. How many were printed and how many were distributed?

Dr Nguyen-Hoan—I will have to take that on notice.

Senator LUDWIG—Do you keep a stock of them? How many are left?

Dr Nguyen-Hoan—We do.

Senator LUDWIG—How many are still in that stock?

Mr Vardos—I am not certain. We do an initial print run and then we distribute it according to our mailing lists, as Dr Nguyen-Hoan as mentioned. If there is increasing demand we print more. I cannot tell you just—

Senator LUDWIG—Perhaps you can take it on notice and get back to us, as well as on what target audience is, in the sense of a list of the major community groups and the areas that you send it out to. There are about 6,000 by the look of it. I am not asking for a list of 6,000. If there are multiple copies sent to multiple users that might be helpful for the committee's understanding of the area or the audience you send it to.

Mr Vardos—If there is a single recipient group—for example, all parliamentarians—we will simply say, 'All parliamentarians.'

Senator LUDWIG—That is fine.

Dr Nguyen-Hoan—We distributed it to all local councils, embassies and high commissions, and community groups, but we will have to look at the mailing list of the community groups to be able to let you know what the target audience is.

Senator LUDWIG—That would be helpful. Thank you.

CHAIR—There being no further questions, that concludes the multicultural component of these additional estimates and, in fact, brings to an end these hearings of the Senate Legal and Constitutional Legislation Committee. Thank you, Minister, Mr Farmer and the officers of your department, in all its incarnations, for your assistance this week. We look forward enormously to seeing you all again in May.

Senator Vanstone—Thank you, Madam Chair. I thank Senator Ludwig for his courtesy, Senator Mason for his attendance, Senator Johnston for his questions and Hansard for their attendance.

CHAIR—Indeed, and I thank the secretariat and the parliamentary reporting service for their assistance. I declare this hearing closed.

Committee adjourned at 1.21 p.m.