



COMMONWEALTH OF AUSTRALIA

Official Committee Hansard

SENATE

COMMUNITY AFFAIRS LEGISLATION COMMITTEE

ESTIMATES

(Supplementary Budget Estimates)

THURSDAY, 3 NOVEMBER 2005

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SENATE

COMMUNITY AFFAIRS LEGISLATION COMMITTEE

Thursday, 3 November 2005

Members: Senator Humphries (*Chair*), Senator Moore (*Deputy Chair*), Senators Adams, Barnett, Fielding and Polley

Senators in attendance: Senator Humphries (*Chair*), Senators Adams, Barnett, Carr, Evans, Fielding, Joyce, McLucas, Marshall, Moore, Polley and Siewert

Committee met at 9.11 am

FAMILY AND COMMUNITY SERVICES PORTFOLIO

In Attendance

Senator the Hon. Kay Patterson

Department of Family and Community Services

Executive

Dr Jeff Harmer, Secretary

Mr Wayne Jackson, Deputy Secretary

Mr Stephen Hunter, Deputy Secretary

Ms Glenys Beauchamp, Deputy Secretary

Group Managers

Mr David Kalisch, Group Manager, Social Policy

Ms Robyn McKay, Group Manager, Families and Children

Ms Kerry Flanagan, Group Manager, Women and Youth

Mr Robert Knapp, Group Manager, Housing and Disability

Ms Cate McKenzie, Group Manager, Communities

Mr Roger Barson, Acting Group Manager, Corporate Support

Mr Tim Youngberry, Chief Financial Officer and Group Manager, Business, Financial Services and Information Technology

Cross Outcomes

Mr David Kalisch, Group Manager, Social Policy

Mr Roger Barson, Acting Group Manager, Corporate Support

Mr Tim Youngberry, Chief Financial Officer and Group Manager, Business, Financial Services and Information Technology

Mr Rob Bray, Acting Branch Manager, Strategic Policy

Mr Andrew Whitecross, Branch Manager, Research and Analysis

Ms Jenny Bourne, Branch Manager, Data Management

Mr Simon Rosenberg, Branch Manager, Social Security Relationships and Compliance

Ms Peta Fitzgibbon, Territory Manager, ACT Office and the Network Operations Unit

Ms Julia Burns, Branch Manager, People

Ms Fiona Dempster, Branch Manager, Ministerial, Media, Events and Executive Support

Ms Sarah Byrne, Legal Services Manager

Mr Steve Jennaway, Branch Manager, Budget Development

Ms Christine Bruce, Branch Manager, Business Support
Ms Kasy Chambers, Branch Manager, Core Business Processes Taskforce

1.1: Support for Today

Mr David Kalisch, Group Manager, Social Policy
Mr Roger Barson, Acting Group Manager, Corporate Support
Mr Tim Youngberry, Chief Financial Officer and Group Manager, Business, Financial Services and Information Technology

1.2: Preparing for the Future

Mr David Kalisch, Group Manager, Social Policy
Mr Roger Barson, Acting Group Manager, Corporate Support
Mr Tim Youngberry, Chief Financial Officer and Group Manager, Business, Financial Services and Information Technology

2.1: Practical Support and Sharing Responsibility

Mr Robert Knapp, Group Manager, Housing and Disability
Ms Cate McKenzie, Group Manager, Communities
Dr Loucas Nicolaou, Branch Manager, Indigenous Family and Child Wellbeing
Ms Dawn Casey, Branch Manager, Indigenous Housing and Infrastructure
Ms Cheryl Foster, Business Operations Manager, Indigenous Policy
Ms Clare Wall, Branch Manager, Housing Support

3.1: Support for the Aged

Mr David Kalisch, Group Manager, Social Policy
Mr Nick Hartland, Branch Manager, Seniors and Means Test
Ms Michalina Stawyskyj, Branch Manager, International

3.2: Support for People with Disabilities

Mr Robert Knapp, Group Manager, Housing and Disability
Mr Ben Wallace, Branch Manager, Disability and Carers
Ms Peta Winzar, State/Territory Manager, National Disability Operations

3.3: Support for Carers

Mr Robert Knapp, Group Manager, Housing and Disability
Mr Ben Wallace, Branch Manager, Disability and Carers
Ms Peta Winzar, State/Territory Manager, National Disability Operations

3.4: Support for Youth

Ms Kerry Flanagan, Group Manager, Women and Youth
Ms Kim Loveday, Branch Manager, Youth Bureau

3.5: Support for Women

Ms Kerry Flanagan, Group Manager, Women and Youth
Ms Donna Griffin, Branch Manager, Safety, Leadership and Consultation, Office for Women
Ms Lee Emerson, Branch Manager, Policy Research and International, Office for Women

4.1: Support for Families

Ms Robyn McKay, Group Manager, Families and Children
Mr David Kalisch, Group Manager, Social Policy
Dr Loucas Nicolaou, Branch Manager, Indigenous Family and Child Wellbeing
Ms Gabrielle Phillips, Acting Branch Manager, Family Payments
Mr Mark Warburton, Branch Manager, Financial Wellbeing Taskforce
Mr Jeff Popple, Branch Manager, Families and Children's Policy
Mr David Hazlehurst, Branch Manager, Family Relationship Services and Child Support Policy

Ms Deborah Winkler, Deputy Branch Manager, Family Relationship Services and Child Support Policy

Ms Pamela Kinnear, Deputy Branch Manager, Family Relationship Services and Child Support Policy

Mr Evan Lewis, Branch Manager, Early Childhood and Communities

4.2: Child Support

Ms Robyn McKay, Group Manager, Families and Children

Mr David Hazlehurst, Branch Manager, Family Relationship Services and Child Support Policy

Ms Deborah Winkler, Deputy Branch Manager, Family Relationship Services and Child Support Policy

Ms Pamela Kinnear, Deputy Branch Manager, Family Relationship Services and Child Support Policy

Mr Evan Lewis, Branch Manager, Early Childhood and Communities

4.3: Child Care Support

Ms Robyn McKay, Group Manager, Families and Children

Mr Evan Lewis, Branch Manager, Early Childhood and Communities

Ms Linda Powell, Branch Manager, Child Care Policy and Planning

Ms Liza Carroll, Branch Manager, Child Care Services

5.1: Supporting Communities and Delivering Local Solutions

Ms Cate McKenzie, Group Manager, Communities

Ms Elizabeth Stehr, Acting Branch Manager, Community

Mr Barry Smith, Branch Manager, Community Thinktank Taskforce

CHAIR (Senator Humphries)—I declare open this meeting of the Senate Community Affairs Legislation Committee for the purpose of supplementary hearings in the budget estimates for the portfolio of Family and Community Services. The committee has before it a list of the outcomes and output groups relating to matters which senators have indicated they wish to raise at this hearing. 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 remind officers that they will not be asked to express an opinion on matters of policy and that they shall be given reasonable opportunity to refer questions asked of them to superior officers or a minister. Witnesses are reminded that the evidence given to the committee is protected by parliamentary privilege. I also remind them that the giving of false or misleading evidence to the committee may constitute a contempt of the Senate. I will invite the minister to make an opening statement if she wishes when she gets here. The first area we will look at is Cross Outcomes—issues that arise between outcomes or cross outcomes and corporate style issues.

[9.14 am]

Senator MOORE—We have a number of questions that look generally at the department's role in the Welfare to Work program and a range of questions clarifying exactly what happens. We see that as cross-portfolio, because we are asking across every involvement, but, as the chair has advised, the people who are expert in this area are not here, so we will keep that as a cross-portfolio series of questions for when the minister arrives and when your people are here. They are wider than specific questions on the child-care area.

Dr Harmer—The interface between FaCS and DEWR on Welfare to Work is primarily in the child-care area, which is the component of the Welfare to Work funding which was channelled to Family and Community Services. Therefore, the people who have been primarily dealing with DEWR on Welfare to Work are the child-care people and the people in the families and children area. They are not in the room at the moment. They are expected later.

Senator MOORE—Chair, with your agreement, I will keep the general questions about Welfare to Work and the questions about general involvement until the child-care people are here.

Dr Harmer—Yes, and I will keep here any others who I think are necessary for that section.

Senator MOORE—I also have questions to do with the issue of crisis payments. Where do you believe those questions should come?

Dr Harmer—When we have the disability and carers people here we will have the right people for the crisis payments.

Senator MOORE—Is that in outcome 3?

Dr Harmer—Yes.

Senator MOORE—We also have questions relating to the assistance provided to Australians affected by the London and Bali bombings. Is this the right place for that? There are a couple of specific questions about what the department's role was in that.

Dr Harmer—I am advised that outcome 5 is the appropriate place for those.

Senator MOORE—I have a couple of questions about AWAs. Is this the right area for those?

Dr Harmer—Yes.

Senator MOORE—If you keep trying you will finally get to the area. I will ask these and then my understanding is that Senator Carr has questions on outcome 2.

CHAIR—After these we will go to outcome 2.

Senator MOORE—On outcome 1, Dr Harmer, I know in the last round of estimates we talked about AWAs and their use in your department, and you did give us some information. What is the current status of the use of AWAs, and how many people across the agency are accepting that choice?

Dr Harmer—I will turn to Ms Burns or Mr Barson to answer that, but in general terms AWAs have been agreed to by the SES in FaCS, which is normal and standard across the department. We have a number of other AWAs further down within the organisation, and I am at the moment revising the AWA policy, with a view to offering them more generally, particularly to the EL1 and EL2 group, in order to increase the take-up of AWAs just below the SES.

Senator MOORE—Is that as an option or as a preferred—

Dr Harmer—It will be open to the staff member to agree to it, but my view is that at that level it would be appropriate for them to sign an AWA. We are revising the policy around that in the same way as I did in Education, Science and Training.

Senator MOORE—But it is not compulsory?

Dr Harmer—No.

Senator MOORE—What are the current numbers?

Ms Burns—There are currently 155 people on AWAs.

Senator MOORE—Are all of those at the top level—SES and senior professional groups?

Ms Burns—No, they are not. Fifty of them are from the senior executive service and the other 55 are not. The majority of non-SES AWAs are in the senior levels of the non-SES group—the executive level staff.

Senator MOORE—Is there any particular focus on the area of graduate recruitment?

Ms Burns—In terms of putting graduates on AWAs?

Senator MOORE—Yes.

Ms Burns—There has been no particular process there.

Senator MOORE—At what stage is your enterprise bargaining at?

Dr Harmer—I am delighted to say that we had a staff vote on Monday and we got it through. It was always a dorothy dixer, but we got it through. Eighty per cent of the people who voted voted for it.

Senator MOORE—That was this week?

Ms Burns—It was declared on Monday.

Dr Harmer—We have to go through a series of procedures, but they are procedural now.

Senator MOORE—Is that with the intention of becoming operative as soon as the—

Dr Harmer—As soon as we can possibly do it, because I am anxious to give the staff a pay increase as soon as possible.

Senator MOORE—In terms of the other discussion we had at the previous estimates—in line with the changed working arrangements and the focus on flexibility that seems to be expected—what number of part-time positions do you have in your structure, and not just in the central office? Also, what effort is the department making in terms of providing employment opportunities to people who may have to have hours that link in with child care and family responsibilities?

Dr Harmer—I am not sure that we have the number of part-timers at our fingertips. We will try and get that to you. Where it is pretty straightforward I will try to get you the answers during the day.

Senator MOORE—We talked at length last time about departmental policies regarding flexibility and parental support at work. Is there a department policy that looks at family friendly workplaces?

Dr Harmer—The overarching theme of our certified agreement is about being family friendly. Being a family and community services department we need to set the example there.

Senator MOORE—I think there would be a bit of a hope that you would be leading the field.

Dr Harmer—We try, but inevitably it comes down to an individual case and a negotiation between the supervisor and the staff member. There is an overarching philosophy in the department that where we can accommodate a worker's needs for a balance we certainly try to do it. However, as you can appreciate, the more senior the staff member becomes often the more difficult it is. If they have supervisory duties and management responsibilities, it is often more difficult to give them the flexibility that some of them might like, but even there we do try to accommodate it where we can. In a sense, one of the advantages of an AWA is that we can actually build into an AWA a particular provision which allows some flexibility for an individual case.

Senator MOORE—Ms Burns has those figures now.

Ms Burns—We have 258 part-time staff.

Senator MOORE—Is that focused at the central office level?

Ms Burns—Yes, the majority are, but the majority of our staff are in the central office.

Senator MOORE—The other issue that we talked about was your diversity plan in terms of recruitment strategies for people from non-English-speaking backgrounds and from Aboriginal and Torres Strait Islander backgrounds. At the last estimates you gave a commitment that the program would increase, particularly with the way the department was changing, some of those areas which had decreased because of the restructuring. What is happening with the Aboriginal and Torres Strait Islander recruitment and NESB recruitment?

Dr Harmer—At the moment we are working on a new strategy to try to increase the numbers of Indigenous staff in FaCS. 4.6 per cent of our staff have identified as Indigenous, which is quite a bit above the Public Service average, which I think is 2.3 per cent. But for a department like Family and Community Services, which has a very big role in, for example, Indigenous housing and Indigenous family violence and which has a range of other programs, we would like to have a greater number of Indigenous staff. So we are currently redesigning our recruitment and retention strategies in that area with the hope of increasing it. We suspect our actual Indigenous staff number is more like six per cent, but it is up to them to identify.

Senator MOORE—Dr Harmer, at the last estimates you were talking about your plan to revise. Is this part of your work plan for this financial year, and do you have a time frame for it?

Dr Harmer—Yes, it is.

Ms Burns—The diversity plan will be finalised and launched this financial year.

Senator MOORE—So by June next year?

Ms Burns—Yes.

Senator MOORE—So the expectation is that by the time the next annual report comes around there will be a report on the revised diversity plan?

Ms Burns—That is right.

Senator MOORE—Dr Harmer, that is all I have at the moment in general questions on the staffing profile. I know that I have had it in the past, but can we get a copy of your soon-to-certified enterprise bargain?

Dr Harmer—Sure.

Senator MOORE—Just for my own interest, is there any difference between what you will give us now as the one about to be certified and what we discussed?

Dr Harmer—The key provisions that I talked about that were important to me in revising the former FaCS certified agreement have been voted on in the affirmative by staff—that is, I have moved to get rid of the open-ended personal leave, because it was costing us and it was showing up in other figures like absenteeism, and a few other things. So there are some differences from the last agreement but I think they are differences that the staff have broadly accepted.

Senator MOORE—If I have any questions after I see that, I will get back to you straight away. When we were here last time we talked about what the department hoped to be in it; now you can come back and tell us that.

Dr Harmer—What I hoped is what has been agreed to.

CHAIR—That finishes questions on Cross Outcomes.

Senator CHRIS EVANS—I wanted to ask some questions about Ms Solon and her repatriation. Is that best done now?

Dr Harmer—That would be outcome 5.

Senator CHRIS EVANS—Okay.

CHAIR—I understand we have no further questions on outcome 1. We will proceed to outcome 2. Before we proceed to questions, Minister, I was going to invite you to make an opening statement of any kind if you wanted to.

Senator Patterson—No, thank you.

CHAIR—In that case we are on outcome 2.

Senator CARR—This is my first estimates since I have been given responsibilities in the housing area, so there may be a few questions that were dealt with in previous estimates. But I am sure you will be only too happy to clarify some matters for me. Dr Harmer, how many people do you have working on housing within the department?

Dr Harmer—We have a branch on housing. I will ask Ms Wall, who is a new branch head there, to answer the specific question. My guess is around 40 or so people. But that is a very rough guess; I may be quite wrong. I should clarify that we have two branches that deal with housing. The housing and supported accommodation assistance program is in one branch, which deals with the CSHA and SAAP. There is another branch, which we basically inherited

post-ATSI, which is the Indigenous housing. So I have two branches dealing with housing in Mr Knapp's group.

Mr Knapp—There is around 70 staff in the two branches. There are 27 in the Indigenous Housing and Infrastructure Branch and 42 in the Housing Support Branch.

Senator CARR—Could I get a list of the classifications for those two branches? Are they in the one division?

Mr Knapp—They are two branches within one group.

Dr Harmer—Within the division, yes.

Senator CARR—Could I get a breakdown of those classifications please?

Mr Knapp—Yes, we will provide that as quickly as we can.

Senator CARR—Has it changed over the last three years?

Mr Knapp—The transfer of the function from Melbourne to Canberra has occurred, but the general numbers have remained pretty well as is in the Indigenous housing area.

Dr Harmer—Except that we did not have them until July 2004. There has been an expansion of numbers in housing by virtue of the fact that we have absorbed a function that was formerly in ATSI.

Senator CARR—You say there was a transfer from Melbourne. What was the transfer? Was that the Indigenous Housing Branch?

Dr Harmer—Yes.

Senator CARR—The other branch was not transferred?

Dr Harmer—No, the other branch was here in Canberra.

Senator CARR—And it has remained pretty stable?

Mr Knapp—That is correct.

Senator CARR—You will take this presumably on notice, but can I have a list of the functions that each of the two branches undertake?

Mr Knapp—Yes.

Senator CARR—I have some questions about the housing ministers conference. I have the communique here. What progress was made on the agenda for the housing ministers conference?

Dr Harmer—I will let Mr Knapp and Mr Hunter perhaps give you more detail. There were four items on the agenda: a report about the strategy that the Australian government and the state governments are working on in relation to affordable housing; a report on the work that officials have been doing on Indigenous housing; an agenda item on AHURI research; and there was one other agenda item—

Mr Knapp—Building a Better Future—the Indigenous housing formal framework that has been in place since 2000—is having a mid-term review. It is a 10-year program. That was also an item for discussion at the meeting.

Senator CARR—I will deal with the Indigenous questions later. What progress was made on the affordable housing agenda item?

Mr Knapp—The discussion was confirming the intention of all jurisdictions to move ahead with the development of an affordable housing framework. There was an earlier discussion by joint ministers in August on housing and local governments and planning which had agreed to the principle of developing a national affordable housing framework. A working group of officials from the Australian government and the states had been working since then to put some flesh around that idea. That was discussed by housing ministers in Perth last week.

Senator CARR—Yes, it was discussed, but what progress was made?

Dr Harmer—The resolution that was put to the ministers was agreed to—unanimously, I think.

Mr Knapp—Yes.

Dr Harmer—We can give you a copy of the resolution.

Senator CARR—Thank you very much. I have the communique. Perhaps you could point me, Mr Harmer, to specific action that is being taken as a result of this conference to improve affordable housing?

Dr Harmer—The piece of work that was reported on at the ministers conference is an ongoing piece of work that started some time ago. There are many dimensions to it, as I understand it. It is intended—and I think ministers agree—that the work being pursued under the affordable housing banner will inform both the Commonwealth and state positions as they renegotiate the next Commonwealth-State Housing Agreement, which ceases on 1 July 2008. There are a number of dimensions to it, and I might let Mr Knapp or Ms Wall talk about the dimensions of the work. One of the elements of work that we are progressing is a review of rent assistance. But there are other elements of the work that are going on as well. The ministers in Perth last week were discussing a progress report on the various elements of the work.

Senator CARR—You agreed back in August to explore the benefits of a new national affordable housing agreement. So you have agreed that we need to talk. But that is about all, isn't it? Would that be a fair description of what has actually happened?

Ms Wall—There is a program of research activities that are being undertaken in conjunction with the states.

Senator CARR—Specifically what research activities are being undertaken and what progress has been made? Have you let contracts, for instance, on that research activity?

Ms Wall—No, we have not. It has been done largely internally.

Senator CARR—What projects have been established?

Ms Wall—Four different commitments have been identified as a result of housing ministers conferences. States are working towards providing a package of measures that ministers can consider in relation to all of those commitments.

Senator CARR—Those four commitments are an issues and options paper, a draft definitions paper identifying a needs analysis, a policy options paper and a project brief for the development of policy options. Is that it?

Ms Wall—They are some specific tasks, but they are being done within a broader context.

Senator CARR—I am interested in what specific tasks are being undertaken in this process. I understand that the words used throughout the document include ‘broader tasks’ and ‘broader research projects’, but no action.

Dr Harmer—I do not think it is fair to say that there is no action. The work has been going on. The work on affordable housing is informing, and ministers did agree in August last year following a presentation by Julian Disney, about the possible advantages of ministers looking at a broader affordable housing strategy to possibly replace CSHA. There is quite a lot of work going on. We have got quite a bit of time under the current CSHA. There is a lot of work going on, such as the rent assistance review and various other things that the states are doing. But, remember, the resolution and the communique were agreed to by all state and territory ministers as well as the Commonwealth minister.

Senator CARR—I understand they were unanimous decisions, but they were unanimous decisions basically to get the mirror out, weren’t they, Dr Harmer?

Dr Harmer—I am not sure what you mean by that.

Senator CARR—Having a good look into it. What I am troubled by when I read these communiques and when I read the papers from the conference is that they suggest to me that there is a great deal of fine sentiment but no concrete action.

Mr Knapp—There is particular action. There are four commitments being made. What is basically happening is that there is a three-year program that is being put together. The first year of the program involves, for example, a commitment to improving the capability of the community housing sector to take a greater role in providing housing. There is also a role for encouraging greater private sector investment in affordable housing. We are also looking at the various state subsidies and other forms of incentives that are provided to enable people on low incomes to obtain housing. As you would be aware, while we were in Perth the Western Australian minister announced a program of shared equity, as an example of one of the activities that the states are doing. Some of the work that is being done, as Dr Harmer mentioned, on rent assistance will be informing that particular discussion.

Senator Patterson—One of the other things that happened was we met with the housing ministers and the planning ministers in August, because we all agree, as ministers responsible for housing, that planning and flexibility in planning are major issues. Some of the papers that are being prepared are about demographic changes. If the number of people living on their own—about a quarter of Australians—are living in houses of two or three bedrooms on a quarter-acre block, urban sprawl is going to continue. The message from the housing ministers was that it is a very major planning issue as well.

Senator CARR—Yes, indeed; I accept that. As I say, I have read the paper, and I appreciate the point you make. I am interested to know specifically, though, what the Commonwealth’s role is in developing this national sector development plan.

Mr Knapp—We are a member of the officials working group—the housing ministers advisory committee—which will be taking forward the program agreed by ministers last week. I mentioned some of the activities that we are going to be specifically looking at. We are involved in the working groups that are going to put together proposals for the next meeting of ministers. Certainly, as a group of officials—Commonwealth and state—we are working away to come up with some concrete suggestions on how we can address the affordable housing issue. It is a joint exercise; recognising that housing is a state and territory responsibility, we are working with them on that.

Senator CARR—Minister, given that the issue of planning has been raised, who in the Commonwealth government will be providing assistance on the planning questions? Will your department be doing that?

Dr Harmer—There were two Australian government ministers at that meeting—Senator Patterson, representing housing, and Minister Lloyd, representing planning. His department would be, I assume, working on that.

Senator CARR—You assume that, but I have asked the officers in that department and they tell me they do not have any responsibilities there. If it is not them, is it you? Do you have any responsibilities there?

Dr Harmer—Where there are changes that need to be made in planning at state level Minister Patterson would probably express views, which she did at that meeting, about the need for local governments and planning regulations to be flexible to accommodate the changes in demographics and demand for housing. In terms of direct discussion between Australian government and state planning ministers, it would in fact be Minister Lloyd.

Senator CARR—Yes, but what action would you take on, for instance, the matter of building controls?

Senator Patterson—We went to the state planning ministers meeting—we were asked if we could go to the ministerial meeting—because planning is really an issue for states. I have had a meeting with AHURI and discussed with them issues about demographic changes. Gerontology and changes with an ageing population are things that I have been talking about since about 1983, but we do not make planning rules. All we can do is raise the awareness of planning ministers that they need to address this issue as well; it is not just something that ministers with responsibility for housing can do.

Senator CARR—Given that the Commonwealth has direct responsibility for regulatory frameworks, in terms of building controls, for instance, will you be discussing matters with other officers, for instance in the department of industry? Are they part of this process?

Dr Harmer—The Department of Family and Community Services would not have direct involvement in those discussions; it would be done by the Department of Transport and Regional Services.

Mr Knapp—That is right. The department of transport has broad responsibility through Minister Lloyd.

Dr Harmer—That is with his responsibilities for local government.

Senator CARR—But he is not responsible for planning issues within that department.

Senator Patterson—Neither are we.

Senator CARR—The department of industry has direct responsibilities in that regard.

Dr Harmer—It would be a matter between the industry and the transport department—that is correct. The only thing that we can do in that area, and Minister Patterson certainly did this at the joint meeting in August, is make the point about the relevance and importance of planning regulations to housing and housing costs. We have constantly done that.

Senator CARR—Thank you for that. It also says here that you are examining taxes on property and assets and transactions. Is the Commonwealth making a contribution on that matter?

Dr Harmer—The minister certainly made some points with her state colleagues—

Senator Patterson—I made the point that in Australia, on average, the state and territory taxes and other imposts average \$67,000 per new house and land.

Senator CARR—Will you be raising Commonwealth involvement on negative gearing?

Senator Patterson—I think you had an experiment with negative gearing and found out what happened to that.

Senator CARR—I am asking you; you are part of this process.

Senator Patterson—That is a question for the Treasurer, but there is no intention to change it. You had an experiment and you saw what happened. There was a dearth of rental housing.

Senator CARR—Capital gains tax?

Senator Patterson—That is a question for the Treasurer.

Senator CARR—What about any other questions regarding taxes on property that the Commonwealth directly affects?

Senator Patterson—They are questions for Treasury.

Senator CARR—I see. So was the question on the First Home Buyers Scheme raised?

Dr Harmer—At the ministers conference? Yes, it was.

Senator CARR—What was the outcome of the deliberations on the First Home Buyers Ownership Grants Scheme?

Dr Harmer—A number of state ministers were asking the minister whether she would consider targeting the scheme, and the minister made the point that the First Home Buyers Ownership Grants Scheme is the responsibility of the Treasurer and I think it was agreed—I am going on my memory here—that they would write to the Treasurer about that scheme.

Senator Patterson—A couple of ministers were concerned they had not raised it with their own treasurers, and they agreed to discuss it with their own treasurers. It was raised without the item being on the agenda and some of the other ministers felt that they needed to discuss it with their own treasurers. So they agreed—and I noted that they agreed—that they would discuss this with their own treasurers and that the chairman, following that discussion, would write to the Treasurer.

Senator CARR—So, minister, you would agree that that scheme is a Commonwealth funded program?

Senator Patterson—Yes but the thing is I understood that some of the ministers—the state and territory ministers—felt they needed to discuss with their own treasurers first any changes that they were contemplating requesting.

Senator CARR—But it is a Commonwealth program?

Senator Patterson—Yes, it is a Commonwealth program, administered by the states.

Senator CARR—Many things that this government does are passed on to the states. I am just trying to get things clear in my mind. We are having a series of research papers produced which the Commonwealth officers working groups established and the Commonwealth attends, but this department has no responsibility for the key issues regarding planning or the questions to do with taxes, with property assets and transactions and with the First Home Owners Scheme—is that right?

Senator Patterson—We might make comment to relevant ministers, but we do not have actual responsibility.

Senator CARR—I am just wondering what you do at these conferences. What is the point of going, if you are saying that all of these things have to be dealt with by other people?

Senator Patterson—Because—and the Labor state ministers would understand this—some issues in portfolios cross over a number of portfolios. You take a role in raising those issues. That is what they are doing: they are raising the first home owners loan with their own treasurers first and then they will make a decision about whether they will raise it with the Treasurer. But there are some things which we do not actually have direct responsibility for. The state has a role to play in raising those issues, as do I, as the Minister for Family and Community Services. That does not mean to say we are not doing anything.

Senator CARR—Have you raised these questions with the Treasurer since the conference?

Senator Patterson—I am not going to say what I have discussed with the Treasurer or what I might discuss with the Treasurer.

Senator CARR—I just asked whether the department has raised these matters with the Treasury, if you are not prepared to discuss this.

Senator Patterson—The states have indicated that they are going to speak to their own treasurers and write to the Treasurer if they agree on what they want to say to the Treasurer.

Senator CARR—Has the department undertaken any consultation with Treasury, following the conference?

Dr Harmer—As the minister indicated, there has been a process agreed by ministers about approaching the Treasurer and until that happens it would not be appropriate for us to approach the Treasurer.

Senator CARR—The other issue that was canvassed was the Commonwealth-State Housing Agreement and the supply side programs there. In the previous estimates I understand you advised that there was an underspend in 2003-04 because the minister did not approve the Aboriginal Housing Services state plan for Tasmania, and that was a figure of

\$345,000. I understand that you did that because you thought that there was an unsatisfactory plan, and it was claimed that there was a poor performance report involved in that. Have you maintained that view?

Ms Wall—In relation to that year's expenditure, yes.

Senator CARR—What happened to the money?

Dr Harmer—We might take that one on notice.

Senator CARR—Was it returned to consolidated revenue? Was it spent on another housing project?

Dr Harmer—Rather than guess at that, we will take that one on notice. We may be able to get you the answer during the day.

Senator CARR—I would appreciate that. Dr Harmer, you and I have worked together for many years, so we know how it works. Are you able to tell me whether or not there has been a reassessment of the Tasmanian government's housing plans? Will the same problems arise this year?

Dr Harmer—I suspect we might have to take that one on notice as well.

Senator CARR—While you are at it, can you tell me what the department has done to improve performance?

Dr Harmer—Do you mean the Tasmanian department?

Senator CARR—Are you providing support services? If you say there is a failure—I have not heard from the Tasmanians, but that is your claim—then I presume that you would have offered support services to improve that situation. Has that been done?

Mr Knapp—Since that underspend we have had detailed discussions with the Tasmanian government about Indigenous housing delivery. We have been able to make progress to the point where we now have an agreement in place with the Tasmanian government for the provision of funding by the Australian government to the Tasmanian government for Indigenous housing.

Senator CARR—Has that figure of \$345,000 been made up?

Ms Casey—The money that was underspent last year that was allocated to the Tasmanian government still remains with the Tasmanian government spend through our Indigenous housing agreement. The money does not actually come back. They are making up for the money that they did not spend through our IHIA last year, and they will be spending it this year.

Senator CARR—Are you satisfied that the performance standards have been met now?

Ms Casey—We have had some fairly rigorous discussions with the Tasmanian government in negotiating the current bilateral, which the minister has just signed off on. She has requested that we have much more rigorous performance and accountability standards in the new agreement, and the Tasmanian government has agreed to those.

Senator CARR—So this year there will be an additional \$345,000 made available to Tasmania's Aboriginal housing service?

Ms Casey—In Tasmania they will get, through our bilateral, \$2.729 million through the Indigenous housing agreement.

Senator CARR—Does that include the \$345,000 from the previous year?

Ms Casey—They would already have that money, so they are additional funds on top of the money they already have that they did not spend last year.

Senator CARR—I want to ask you about the crisis accommodation capital funding in the Commonwealth-State Housing Agreement. In discussions with officers, I understand that there was a review of the crisis accommodation capital funding last financial year. Is that the case?

Ms Wall—That is right, there was a review that was undertaken on the context of the program.

Senator CARR—Have the review findings been made public?

Ms Wall—The review has certainly been completed, and it may be on our web site. I will have to confirm that.

Senator CARR—I would appreciate it if you could. Obviously I would like to have a look at it, if that is possible. If you tell me it is on the web site, that is where we will find it. If it is not, can we have a copy of the review findings?

Senator Patterson—We will take that on notice.

Senator CARR—What were the key findings?

Ms Wall—In general the findings were that there was a continued need for the program, but that there was some need to have clearer guidelines around the use of the funds. There was a commitment made that we would have those clearer guidelines by the end of this calendar year, and they are very close to being done.

Senator CARR—So they are not ready yet?

Ms Wall—No.

Senator CARR—What sorts of things were found that demonstrated the need for clearer guidelines? What were the sorts of practices that you found?

Ms Wall—I think the context of the issue really was that the history of the program was that it was originally designed to provide capital funding in conjunction with the Supported Accommodation Assistance Program, which provided the recurrent funding for support services, but that over time the amount of funding provided through the Crisis Accommodation Program for capital funds had become a little bit out of kilter with the Supported Accommodation Assistance Program funds. Having reviewed the program, it was identified that there was a continuing need for capital program funds but that in many contexts those would actually be used as rental subsidies for houses that would be used for crisis purposes so that people could be accommodated in caravan parks and those sorts of issues. So that was one of the key directions, I guess, for the future of the program.

Senator CARR—Is it the case that you have found in this review that people providing facilities for homeless people could not actually manage the capital?

Ms Wall—It was not that they could not manage the capital; the capital was largely being managed through the state housing authorities.

Senator CARR—Was it confirmed that the state housing authorities could not manage the capital?

Ms Wall—No, that was not my understanding; it was more just a case of balancing the competing needs.

Senator CARR—You have confirmed that there is a need for a separate capital fund?

Ms Wall—That is right.

Senator CARR—How much is that fund?

Ms Wall—I just have to check that one.

Dr Harmer—While Ms Wall is checking that number, I will just refer you to page 134 of our annual report, which I think provides you with the information you want about the various functions performed by the Housing Support Branch.

Senator Patterson—That section also gives the staffing, but I think it gives hours rather than the numbers.

Senator CARR—It does not give us the classifications though, does it?

Dr Harmer—No, we will give you a structure.

Senator CARR—Thank you very much.

Ms Wall—We will get back to you shortly on the Crisis Accommodation Program funding.

Senator CARR—Thank you very much. Do you have forward projections on that capital funding?

Dr Harmer—We will have projections of funding until the end of the current CSHA, I expect.

Senator CARR—The other aspect of the housing ministers conference was a discussion about demand assistance such as the Commonwealth rent allowance programs. If I look in the annual report again, I see that it indicates that nine per cent of rent assistance recipients were paying more than 50 per cent of their income in rent, after receiving Commonwealth Rent Assistance, and 35 per cent were paying more than 30 per cent of their income in rent. Have I read that correctly?

Dr Harmer—That sounds right.

Senator CARR—As part of the current review of the Commonwealth Rent Assistance program, I understand that the department is attempting to identify whether there are any characteristics which apply particularly to either of those groups—those paying more than 50 per cent and those paying more than 30 per cent of their rent after receiving Commonwealth Rent Assistance. Is that correct?

Ms Wall—We certainly have the data on the types of households and their location and the types of accommodation that they are living in.

Senator CARR—Thank you. I would like to, if I could, get some more information about who it is that is affected in that way. Nearly one million people are getting rent assistance now, I think, which means that nine per cent is an extraordinary number of people. Is that figure of nearly a million correct?

Dr Harmer—Yes, it is around a million

Mr Knapp—Yes, it is around a million.

Senator Patterson—It has gone up by 415 million.

Senator CARR—There has been quite a big growth.

Mr Knapp—Expenditure is around \$2 billion a year.

Senator CARR—So there are nearly a million people receiving \$2 billion worth of Commonwealth money—

Mr Knapp—That is correct.

Senator CARR—and nine per cent of those persons are paying more than 50 per cent of their income in rent. Who are they?

Dr Harmer—I think we have probably done an analysis. We can probably give you a profile from our analysis of the households.

Senator CARR—Could you please. Would you have it here?

Dr Harmer—We can probably get it for you reasonably quickly.

Senator CARR—Thank you.

Dr Harmer—I make the point on that one that—and this point was made by the minister at the conference last week—the \$2 billion in rent assistance has managed to reduce the number of households paying more than 30 per cent of income in rent. That has gone from something like 68 per cent prior to rent assistance down to, I think, 35 per cent. So it makes a substantial difference to a number of households.

Senator CARR—Absolutely. I would like to come to that, but my first set of questions really go to the issue of whether can you provide a profile of the people—who are they?—in both the categories.

Dr Harmer—We will do our best to provide you with the profile.

Senator CARR—Are you able to tell me whether or not in that profile there is a particular type of primary income support payment? Would that profile go to that question?

Ms Wall—We will have a breakdown by income support payment, yes.

Senator CARR—Thank you, if I could have that as well, I would be grateful—and I take it that would be part of the same profile?

Ms Wall—Yes.

Senator CARR—Thank you. Are you able to tell me whether those that remain in housing stress even after receiving rent assistance are more likely to live in a particular location—the inner city, for instance, or rural areas? Will that profile also tell me where these people live?

Ms Wall—We have the information sorted according to whether they live in a capital city or in the rest of a state, yes.

Senator CARR—Will it be sorted by capital city or will it be sorted by region within each capital city? Melbourne, for instance, is a very big place. Will the information tell me whether or not they live in an outer region, in the western region or in the inner city?

Mr Knapp—No, we will not be able to provide that level of breakdown.

Senator CARR—All right.

Mr Knapp—Just to make the point, the rent assistance is paid as part of other benefit payments, and a number of those benefit payments are paid by another portfolio, so we have some general information available, but we do not have the—

Senator CARR—Is it true that up to five separate departments are dealing with rent assistance matters?

Dr Harmer—They are not dealing with rent assistance matters—or they are not necessarily dealing with rent assistance matters—but I can think of at least four departments that would be making payments where rent assistance is an auxiliary payment.

Senator CARR—So there is an interface between this program and at least four—maybe five—departments. What are those departments, for the record?

Senator Patterson—Veterans' Affairs, DEST.

Dr Harmer—There is DEWR.

Mr Knapp—Human services.

Senator Patterson—And Centrelink does the payments.

Dr Harmer—Centrelink does the payments.

Senator CARR—If I could just have the best data you have available on location, without undue expense, that would be good. Dr Harmer, just to take up your point: you say 68 per cent of recipients would be in housing stress without the payment, and that suggests to me that 32 per cent would not be in housing stress without the payment. Is that right? In other words could it be argued that 32 per cent of recipients do not necessarily need the payment?

Dr Harmer—It depends—

Ms Wall—It means that after the payment those people are now paying less than 30 per cent of their income in rent.

Senator CARR—So as far as you are concerned there are no persons receiving this payment that should not get the payment?

Dr Harmer—The people who are getting the payment are eligible under the legislation at the moment. They receive an income support payment, and they are paying sufficient rent, and their income is such that they are entitled to accommodation.

Senator CARR—What is the nature of the eligibility criteria. There is obviously—

Dr Harmer—We would have to get you that, unless Ms Wall knows off the top of her head.

Ms Wall—They are quite detailed criteria, obviously, but basically they relate to eligibility for a number of assistance measures.

Senator CARR—What I am trying to get to is this: can you give me a profile of that 32 per cent? I have asked for a profile of the 68 per cent; now I am asking for a profile of the 32 per cent of people—those who are not in housing stress as a result of the payment being made.

Ms Wall—Yes, we have the same sort of information.

Senator CARR—Thank you. Could I have copies of that, on the same basis—with the highest level of detail possible?

Dr Harmer—We will give you what we have without—

Senator CARR—I would like the two categories.

Dr Harmer—I do not want to wind Ms Wall's branch up into too much work on that; we will give you what we have.

Senator CARR—This sort of work should be straight off the shelf, if you have done this review. Again, could you tell me the primary payment of the various housing stress groupings?

Dr Harmer—There may be a question on notice in parliament at the moment that goes to the breakdown of rent assistance recipients by primary payment or primary income support payment type over the last few years. I think we are working on that at the moment.

Senator CARR—Obviously that is what I am looking for, so could you take that on notice. Could you now tell me about the focus groups that you have conducted as part of the rent assistance review?

Ms Wall—Yes. We engaged some consultants to undertake some focus group research. The people that were engaged in those focus groups covered a wide range of service providers, including state and territory departments. We undertook consultations in several locations and asked some very broad-ranging questions about the housing market and rent assistance.

Senator CARR—Did these focus groups go to people actually on rent assistance or just to housing authorities?

Ms Wall—No. They were service providers and charitable organisations.

Mr Knapp—And peak bodies.

Senator CARR—What I am trying to get to is whether they were people who actually used the service or whether they were people who paid moneys to others. Were they tenants?

Mr Knapp—Representatives of tenants were consulted.

Senator CARR—Were they organisations or tenants?

Mr Knapp—Organisations.

Senator CARR—Centrelink keeps data by postcode so, given the previous question we asked, shouldn't you be able to tell me who is getting rent assistance by postcode?

Ms Wall—There are some sensitivities about releasing data at the postcode level, because, obviously, it can sometimes identify particular households.

Senator CARR—Out of a million people?

Senator Patterson—With some postcodes, it is possible you might have only one or two people.

Senator CARR—There will still be a lot of people in the postcode whom I will not know.

Dr Harmer—It is possible there are very small numbers in some postcodes where—

Senator CARR—We are not talking about census groups here; I am talking about postcodes.

Ms Wall—If we started to get breakdowns, for example, of those who are paying more than 50 per cent of their income in rent and getting rent assistance by type of household, by type of payment, by type of accommodation, it would be getting very small.

Dr Harmer—We could get very small cells.

Senator CARR—Postcodes are quite large areas.

Senator Patterson—Not in the country areas.

Dr Harmer—Even so, in some areas of the city where the rents are probably high and there are relatively few rent assistance recipients, it is possible.

Senator CARR—Dr Harmer, what I am saying is that, as we have the data, can't you say to me that people live in Melbourne or they live in country Victoria? You have much higher levels of detail than that.

Dr Harmer—I can give you that straightaway. I have a table here.

Senator CARR—I want more than metropolitan versus country. I would like to know where people live. Did you say that the focus groups did not draw on any tenants directly? You did not go directly to any tenants?

Dr Harmer—They were not a specific category, I think, as Mr Knapp said, but it is quite likely that people present in the focus groups were actually private tenants.

Mr Knapp—Given we were dealing with tenant organisations, there would have been people who were tenants there, as representatives through those organisations.

Senator CARR—Was it the view of those attending these focus groups that, while the program was important, it was failing to stop low-income Australians who are renting from falling into poverty?

Ms Wall—One of the key findings, as a result of those consultations, was that the rent assistance program itself was only a part of the solution and that a bigger part of the solution was probably affordable housing supply.

Senator CARR—Has the review now been completed or is it still ongoing?

Ms Wall—The consultations have been concluded, yes.

Mr Knapp—But the consideration is still ongoing and will be part of the information that will inform the affordable housing discussions and developments with the Commonwealth and the states.

Senator CARR—Dr Harmer, is it the intention to release the findings of the review?

Dr Harmer—We have not made that decision. It is not finished yet. I should just make the point that the minister agreed to do this review as part of the research work on a no-commitment basis. The state ministers and the state bureaucrats are very good at suggesting what the Commonwealth should be looking at—

Senator CARR—They are, indeed.

Dr Harmer—and not so good with clever and creative solutions about what they should be looking at in their neck of the woods.

Senator CHRIS EVANS—Some of them say the same thing about you!

Dr Harmer—I am sure they do.

Senator CARR—I appreciate that point and I am only too happy to help you, as you know, Dr Harmer, on these questions. I have fairly strong views on this. The way to get progress is to inform debate. If you have a review of this type, which goes to a program affecting a million Australians, some of the weakest and poorest people in the country in terms of their social position, the best thing to do is tell people about it. That would certainly move the states along, wouldn't it—if you actually told people what was going on?

Dr Harmer—Indeed. We have a lot of dialogue with the state housing people.

Senator CARR—It would help us, of course, if the public knew about this as well. That is why I ask if it is possible to have the review findings made available.

Dr Harmer—We are not finished yet, and the minister has not even seen it, so it is not likely to be made public in the short term. We have not made a decision whether we will eventually make it public.

Senator CARR—Fair enough. Minister, have you had any representations or advice since the recent increase in petrol prices to indicate the impact that is being felt particularly by those who are forced to rent in outer suburbs where the rents are lower?

Senator Patterson—I get a lot of letters every day. I cannot think of any that I have had, but I may have had one or two, but no, not that I remember.

Senator CARR—Dr Harmer, will the question of increasing costs of transport, the cost to people of locational disadvantage—with people forced to live in areas with poor public transport at a time of increasing cost of private transport—be part of this review?

Dr Harmer—I suspect that it is probably beyond our terms of reference for this review.

Ms Wall—The people who were involved in the consultation process raised a large number of issues. I cannot recall specifically whether that was one of them, but certainly there were issues around the fact that some of the cheaper accommodation was in areas where people would prefer not to live.

Senator Patterson—Senator Carr, just to go back to your question, I do get letters from people saying that prices have increased and they might mention fuel—not just in recent times. We write back and say that we have an indexation factor in the pension which is either CPI or male total average weekly earnings and we indicate to them the difference in the pension now compared to what it would have been if it had been under the pre-1996 regime, which involved the CPI increase only. So I do get some letters about increasing prices in general and they may mention petrol, but I cannot remember any specifically just about petrol since the prices increased so much in the last couple of months. I wanted to clarify that, because you get letters, as you know, from people saying that prices have increased, but they do not always realise that they get an increase twice yearly.

Senator CARR—The question of regional differential payments for rent assistance is a proposition I have raised with you in the chamber, and you have basically ruled it out.

Senator Patterson—It was raised with me in the housing ministers meeting—again, it was not on the agenda, but it was raised.

Senator CARR—That was last week?

Senator Patterson—Yes. I have to say that not all ministers were enthusiastic supporters of the minister who suggested it.

Senator CARR—Who was the minister who suggested it?

Senator Patterson—The Western Australian minister. They have an issue with the north-west mining towns. I did say to him that when he is releasing land—they release state land, some of which is for public housing and some of which goes out for auction—maybe he could have some measures in there which would ensure that they had some low-cost housing as well as public housing. He is releasing public land for people to make huge profits—he was saying the rent was sometimes \$1,200 a week. If you are releasing public land, which is a public asset, I would have thought that there might be some planning issues that could address affordability. He was saying that there were some problems with service industry people not being able to get accommodation at a reasonable cost, but some of the other ministers were not the enthusiastic supporters of his suggestion that he might have liked them to be.

Senator CARR—Certainly there have been cases raised with regard to major projects in the north-west of Western Australia. Some people can fly in and fly out, but others cannot. The accommodation costs are extreme, and those who are stuck in these places are facing acute stress.

Senator Patterson—As I said, they are releasing land, some of it for public housing, but none of it for low-cost housing. It is state-owned land and it is a planning issue. They have the power and the authority, when they are releasing public land, to put some caveats on that.

Senator CARR—So you do not see that you have got any responsibilities here?

Senator Patterson—I am fairly sure that differential rates of rent assistance is not the way to go. It opens all sorts of other issues in other areas. I would like to see the states doing a little bit first in terms of their taxes and duties and also creating some caveats to ensure that they have housing for people who are on lower incomes in service industries in those areas.

Senator CARR—Minister, is this question part of the review that is underway?

Senator Patterson—As Dr Harman said, we will look at rent assistance on a no-commitment basis. States are very good at giving us advice on what we should do; I have not seen one suggestion at the housing ministers meeting about what the housing ministers would do.

Senator CARR—I have asked the question: is it part of the review?

Ms Wall—It has been raised as part of the consultations.

Senator CARR—Is there a terms of reference that we could have a look at?

Ms Wall—We certainly had terms of reference for the consultancy.

Senator CARR—Can I have a look at those?

Senator Patterson—I will make a decision about that. I have not seen the review as yet, and I will make a decision about that.

Senator CARR—Can I have a look at the advice that went out on the tender for the consultancy?

Dr Harmer—What the minister is saying is that we have not included that in the briefing material to the minister and she would like to see it first.

Senator CARR—That is fine; I do not mind what you provide the minister with. I would like to know how much the consultancy was.

Mr Knapp—The consultancy was \$60,000.

Senator CARR—I take it there was more than one person seeking the consultancy, or did it go to open tender?

Mr Knapp—It was an open tender.

Senator CARR—Can I have a look at the tender documents?

Senator Patterson—Yes, you can look at the tender documents.

Senator CARR—Did those tender documents include the terms of reference for the review?

Mr Knapp—The tender was for the provision of consultation services, which we have already mentioned, not for the review as such.

Dr Harmer—So it is an element of the review, which is the consultation. The tender documents for the consultant for \$60,000 would have dealt with their role in conducting focus groups and consultations.

Mr Knapp—That is correct.

Senator CARR—Dr Harmer, I take it there is a terms of reference for this review.

Dr Harmer—I do not know whether there is a terms of reference. Because it is an internal review being undertaken by the department, there is no doubt there are working documents about the issues being covered. I do not know whether internally there is—

Mr Knapp—No, there is no terms of reference for the review itself.

Dr Harmer—But you are right, we cover a lot of issues in it.

Senator CARR—I would just like to know what the issues are. It just seems a bit strange that you would have—

Dr Harmer—We will give you a list of the issues that we are looking at as part of the review.

Senator CARR—Can you give me a list of things that have been explicitly ruled out under the terms of that review?

Dr Harmer—No, we cannot do that. We can give you a list of issues that we are looking at as part of the review.

Senator CARR—Dr Harmer, you are saying to me that there are no issues that have been ruled out under this review.

Dr Harmer—That is not the way we do reviews in the department. We respond to suggestions about issues that need to be looked at, and we can give you a list of those.

Senator CARR—What I would like to know is how an issue is considered under this review process. If the minister makes an announcement and says, ‘We’re not going to do that’, does that mean you do not consider it any further?

Dr Harmer—It would be a waste of our time to be reviewing something that—

Senator CARR—Fair enough. I can understand that. But, if the state ministers at the conferences have suggested this should be part of the review, does that mean that it is part of the review?

Dr Harmer—It depends on the case. For example, with the regional variation, the minister made it very clear to the state ministers last week in Perth that, to solve the issue that the Western Australian minister was talking about, the Commonwealth Rent Assistance program would be a particularly blunt instrument. We would not be interested in varying a national program, where there is national equity in rent assistance, for that specific problem. And she was supported by the other state ministers.

Senator CARR—So what you are telling me now is that regional variations in payments from the Commonwealth Rent Assistance program have now been ruled out?

Dr Harmer—The minister said that she was not interested in pursuing that as part of the response to her Western Australian equivalent.

Senator CARR—So it will not be part of this review?

Dr Harmer—We would not be pursuing it in that regard either, no.

Senator CARR—Are there any other matters that the minister has made a declaration of?

Dr Harmer—I do not think so, other than making the statement that she has already made here—and that we have made as well—which is that the agreement for the Commonwealth to do a review of rent assistance was on a no commitment basis, given that it was an Australian government program.

Senator CARR—I referred before to the housing ministers conference and the papers, which indicated that there was to be a list of projects as part of the research undertaken for the housing affordability framework. Can I presume that all of those items are part of this review?

Ms Wall—There will be some work that we will be doing internally, there will some work that we will be doing with the states and there will be some work that the states will be doing without us.

Senator CARR—If we go to the question of taxes on property assets and transactions, which is specifically listed here, is that part of the review?

Ms Wall—In terms of the national affordable housing work—yes, there is work happening.

Senator CARR—In terms of the Commonwealth Rent Assistance review—

Dr Harmer—That would not be part of the Commonwealth Rent Assistance program review.

Senator CARR—So you are not going to look at any of those questions that relate—

Dr Harmer—Not as part of the rent assistance review, I do not think. But we would look at them as part of our broader—

Senator CARR—So the availability and price of rental properties is not part of the review?

Ms Wall—It has been identified, as part of the consultations, as an issue—and we have noted that.

Senator CARR—Is purchase assistance part of the review?

Mr Knapp—That is part of the broader affordable housing—

Senator CARR—I understand that, but is it also part of the questions about providing rent assistance? The price of rental would surely be part of the review.

Senator Patterson—It is about rent assistance. Purchasing assistance is about purchasing.

Senator CARR—I am only too well of the difference. I want to know how far the money is going to go. Will you be looking at the question of demand and supply of assistance in regard to rental properties as part of this review?

Dr Harmer—Why don't we give you a list of the issues that we are going to—

Senator CARR—It would be very simple if I had the terms of reference, which you say do not exist.

Dr Harmer—I do not think there is such a thing as the terms of reference, but we will give you a list of the issues being covered by our review.

Senator CARR—Thank you very much. Can I turn to the Supported Accommodation Assistance Program. This is the first estimates since the SAAP 5 agreement was finalised. That is right, isn't it?

Mr Knapp—That is correct.

Senator CARR—The Commonwealth offer was amended after the May estimates round to move the bulk of \$106 million that was initially proposed for innovations and investments funding back into the base funding. Is that correct?

Ms Wall—There were a number of changes made to the Commonwealth's offer.

Senator CARR—Yes, but was that the key one?

Senator Patterson—Again, the relevant ministers last December asked me if I could start the process of the SAAP agreements. I obtained money outside of budget—\$175 million more than the previous agreement, in essence. That was the first part of my work to cooperate with the ministers.

We had had a SAAP review which indicated that we needed to do a lot more about the prevention of homelessness and a lot more about transition and working with people in crisis accommodation to develop life skills to assist them in transiting out of crisis accommodation and to reduce the likelihood of them returning. Twenty-five per cent of people return to SAAP services, and that is not a very good outcome. All the ministers agreed on that. I wanted to quarantine some innovation funds, because once I pass the money over to the states I have no control over how it is spent.

Some ministers are a bit more creative in making sure that they look at not just housing people, putting a roof over their head and food in their stomach, but actually working with them to reduce the likelihood of them returning. I had some approaches from some of the ministers saying that they had put some new money in during the previous agreement and it was unfair if that was not counted. I compromised with them and said, yes, if it met the SAAP 5 standards. We have a series of measures that we require of SAAP 5 programs. I accommodated them in that. I have to say that I feel as if, in many ways, I was the one who was being a little more accommodating than the state ministers. But I did actually get an agreement from all the state ministers in the end, and I believe that SAAP 5 will have better outcomes than SAAP 4, because we have all agreed that we need to have programs which focus very much on prevention and on transition into permanent accommodation.

Senator CARR—So, if I understand it, there are payments made to the base funding and payments to innovation and investment funding; there are state and territory contributions; and there is funding for evaluation and review and funding for coordination and training. Is that it?

Senator Patterson—Yes, and we asked the states to come up to at least match us, which means that there is about \$350 million more in SAAP—is that right?

Mr Knapp—Yes.

Senator Patterson—There is about \$350 million more in SAAP 5 than there was in SAAP 4. I thought it was only appropriate that the states match us. In that matching process, I accommodated some new money that had been introduced during SAAP 4 that actually complied with SAAP 5 requirements.

Senator CARR—Mr Knapp, my reading of the funding that is published in the tables associated with the agreement suggests to me that the Commonwealth will be contributing \$892 million over five years. Is that correct?

Mr Knapp—That is correct, although that is an amount that will be indexed over the—

Senator CARR—So what is the indexation rate?

Mr Knapp—Wage cost index 2.

Senator CARR—WCI 2, is it?

Dr Harmer—Yes.

Senator CARR—The figures that I see in those tables which are schedule 2 payments—do they include indexation?

Ms Wall—Sorry; are you looking in the SAAP agreement itself?

Senator CARR—Yes, SAAP 5 funding, base funding. The base funding load is \$892 million. I can go through those if you like. It is \$178.56 million, then \$175.26 million in 2006-07 and \$175.8 million in the year 2007-08.

Dr Harmer—What is your question? We might try and get that—

Senator CARR—I would like to know the indexation rate—

Dr Harmer—Built into the figures?

Senator CARR—Built in the figure of \$892 million.

Dr Harmer—We will get you that during the morning.

Senator CARR—I just wanted to know—if I could go to that table, please, Mr Knapp. Are you the officer responsible for this?

Mr Knapp—Yes. We will get back to you quickly. We just want to make sure we give correct advice, so we just want to confirm that.

Senator CARR—I always appreciate that. It is always very helpful. But can I ask you to examine the table. Can you tell me whether or not the figures that I have read out are accurate—that the Commonwealth base funding is expected to actually fall from \$178.5 million in 2005-06 to \$175.3 million in 2006-07 and \$175.8 million in 2007-08?

Mr Knapp—Can I correct that. The total, when you include the Commonwealth contribution for the innovation and investment fund, actually increases steadily over the life of the agreement. The total in each of the five years is \$178.5 million in 2005-06, \$182.4 million in 2006-07, \$186.5 million in 2007-08, \$190.3 million in 2008-09 and \$194.4 million in 2009-10. That reflects the start of funding of the innovation and investment fund.

Senator Patterson—What I did was quarantine some money so that we could encourage some new innovations in SAAP services. We have seen a couple with some very positive outcomes. There are a number of very interesting programs. For example, there is one in Victoria—which I would encourage you to visit, and I can give you the details—

Senator CARR—I would be happy to take the details.

Senator Patterson—I know you might not be interested, but I think it is a very outstanding piece of social research that is going on in Victoria, with the cooperation of the Victorian government, I might say, in funding the research. We have four organisations that have come together and, rather than having one with SAAP, one with Job Network, one with PSP and making the people run between the services, they have combined them to deliver a service to homeless young people. We are looking at a group of young people who have been in a joined-up service versus a group of young people who have not—240, I think there are. I think we will get some outstanding results, showing ways in which we can deliver not just

SAAP but related state and Australian government services to get better outcomes. That is what this innovation fund is about; it is about driving some new ways of doing business.

Senator CARR—I am delighted to hear about innovative administrative techniques, but I have asked you specific questions about the base funding. The base funding is that which supports the services that are provided now.

Senator Patterson—And so will the innovation fund. They will be able to apply, but we will expect that they do their business differently, that they do their business in a way that was reflected in the review. It is no good—and you can go and talk to some of your state colleagues who agree with me strongly—continuing to fund services doing business the way they did business back in the 1920s and 1930s. We have moved on. All the evidence shows that when you work with individuals in crisis accommodation and develop activities of daily living and life skills they are more likely to be able to go and live in accommodation outside crisis accommodation, whether they be men in their middle years who will never partner again, whether they be young people, whether they be women who have gone to a refuge because of abuse. All of them need a different program, and that is what that innovation program will do. It is basically part of base funding, although it is quarantined out to drive some new initiatives. By the states matching the funding, we now have \$350 million more. Some of that base funding that you say has decreased is now met by the states, and we have the innovation pool, so we can drive some new initiatives. So there is more funding overall in the SAAP program.

Mr Knapp—The funds that have been put aside for the innovation and investment fund are not just for research in the academic world or whatever; that money will be used to fund innovative programs that will assist people who are facing the prospect of homelessness or who are homeless. It is appropriate to include those moneys in funds that are going to assist people who are homeless. As I read out, that money is available to assist homeless people or people facing homelessness.

Senator CARR—The way you presented the tables does not do it like that. You have two separate tables under schedule 2. I am reading directly from the agreement:

Schedule 2—Base Funding: a separate table for innovation investment funding.

I am interested to know whether you have had a chance to look at whether or not the indexation effects have been taken into account.

Mr Knapp—We are double-checking that as we speak.

Senator Patterson—You have to put that in context with the states based funding. It is a joint program, funded by the Commonwealth and run by the states. What we have done by saying to the states, ‘We want you to at least match the Commonwealth’s contribution,’ is to make the base funding go up overall and the overall funding go up. But, as I said, we have quarantined some to drive some initiatives. I believe at the end of SAAP 5 we will have better outcomes, better services and services that are much more responsive in terms of early intervention, prevention, transition and linking services.

Senator CARR—I assume that the SAAP Innovation Investment Funds for 2008 and 2009 are not available yet. Is that information not included in the tables? Do you have aggregates for those yet?

Ms Wall—The allocation of the Innovation Investment Fund has not been finalised at this point for those two years.

Senator CARR—I take it, though, that moneys have been provided and appropriated in forward estimates?

Senator Patterson—Yes, out of budget in cooperation with the ministers, who wanted that done.

Proceedings suspended from 10.36 am to 10.54 am

CHAIR—I assume Senator Carr has more questions.

Senator CARR—I certainly do.

Mr Knapp—In answer to questions that the senator asked before the break, the figures that appear for the SAAP Commonwealth contribution include indexation and are based on wage cost index 1.

Senator CARR—So there are no additional moneys to go on top of that?

Mr Knapp—That is correct.

Senator CARR—Would it be fair to describe these as nominal figures? They take into account the indexation, and the money is going down. In the capital account the money is going down.

Mr Knapp—The total Commonwealth contribution is the figures that I read out before, which include indexation, which in nominal terms is rising.

Senator CARR—When you take inflation into account, there is a reduction in the base funding.

Mr Knapp—But the funding by the Commonwealth should include—and will be including—the investment and innovation fund.

Senator CARR—We will get to that. But, in the base funding which actually provides support for the services, the Commonwealth contribution is falling.

Ms Wall—But the Innovation Investment Fund is also supporting services.

Senator CARR—When I read through the table on page 19, for instance, I am told that the innovation funds will be completed in the following year: in the first year they will develop a national strategic direction action plan; in the second year they will fund best practice research and evaluation of innovative types of service delivery. It will not be until the fourth or the fifth year when the Commonwealth actually distributes funds to the states and territories.

Mr Knapp—The funds in years 2006-07 and 2007-08 will also be distributed to the states and territories in a form to be agreed with the states and territories. A lot of that money will go to service providers as well.

Senator CARR—Yes, but for research and other practices. All I am doing is reading from your own document.

Mr Knapp—I understand your point. But the point is that, while it is for that sort of activity, it is actually being used to trial service delivery and it will go to the benefit of people who are homeless or whatever, as I mentioned before.

Senator CARR—Dr Harmer, at the last estimates I think you indicated that you thought 300 people a day in search of emergency housing were turned away from services. Is that correct?

Dr Harmer—I do not recall the figures, but there would be no doubt—

Senator CARR—That would be the department's estimates?

Ms Wall—I cannot confirm what was said at the previous estimates but, yes, some people are turned away every day.

Senator CARR—Three hundred a day?

Ms Wall—On average, requests for immediate accommodation from 225 adults and 127 accompanying children could not be met.

Senator CARR—Could you repeat those figures, please?

Ms Wall—The figures I have are that 225 adults and 127 accompanying children could not be met.

Senator CARR—So it is actually more than 300. It is more than 300 per day.

Mr Knapp—It is an average daily rate.

Ms Wall—That is requests for immediate accommodation. Often those people's needs can be met in different ways. For example, I referred previously to the fact that they can be provided with support for accommodation in a caravan park.

Senator CARR—All I am doing is going to the estimates *Hansard* of 30 May. Ms Carroll said:

On average, there are around 300 requests for immediate accommodation that could not be met.

Dr Harmer—That sounds right but, as Ms Wall is pointing out, one has to be careful with that figure. They are people who cannot be accommodated at that point in time by that service, but what we do not know is how many of them are accommodated or provided with services through state housing authorities and caravan parks et cetera. But what you are saying is true.

Senator CARR—If you want to correct the record, there it is on 30 May.

Dr Harmer—No, because it was a specific question about at the point of service.

Senator CARR—You have referred to the evaluation of SAAP 4. I understand that that evaluation said that a 15 per cent increase in the funding was required to sustain service viability. Is that correct, Minister? Is that what the evaluation actually found?

Ms Wall—If you have read that from the report, then I am sure that is correct. I do not have the report in front of me.

Senator Patterson—Senator, as I have said, we have put \$175 million more in and we have asked the states to put more in. We have \$350 million more than we had before. We are

now trying to drive a much more efficient and, for the people involved, better outcome program than we had before.

Senator CARR—Where does the \$175 million come from?

Senator Patterson—It was \$175 million more than the previous SAAP. The previous SAAP had a \$100 million one-off payment for GST. Normally that is a one-off payment. When I went to cabinet I argued to maintain that so that it would be extra money, another 175, so it is \$175 million more.

Senator CARR—You are making a presumption there that, because you did not take the money out, it is extra money.

Senator Patterson—No, it is not a presumption. We would not have got it. The GST payment in PSP payments was a one-off.

Dr Harmer—That is the way the budget works. If it is not in the forward estimates as ongoing, and the minister, as she did in this case, wins the money in the debate around the budget, it is extra money.

Senator Patterson—This was outside the budget.

Senator CARR—So is it the case that a number of states—it was agreed that their contribution be SAAP-like services?

Senator Patterson—We had an important discussion about this. I understood that, if they were to introduce new measures during an agreement, if there was not some process for accepting those as new money, it would be a disincentive for anybody to do anything except right at the beginning of an agreement. What we agreed to was services that met, as far as possible, the requirements of SAAP 5 being included as new money for the purposes of the agreement. That was what the states came to me on. That meant that I had less money in the innovation fund, but that was the compromise. As I said to you, I think I compromised quite considerably with the states. They went to their treasurers, I must admit, and matched our funding—or at least matched our funding over a five-year period. We wanted to get the increase in funding of \$350 million but also to drive a more efficient use of the dollars that we have in making sure that we reduced the likelihood of people ending up in crisis accommodation—of assisting them with that transition.

I have also asked the department—and talked to the state ministers—about looking to see whether we can actually put other programs together, like an Indigenous Family Violence Program. We have some services where there are a large number of Indigenous people—women particularly—re-entering SAAP services and nothing being done with the perpetrators while those people are in crisis accommodation. I think we have not worked hard enough—both Australian government programs and the states—in bringing together programs that could assist in driving a better outcome in SAAP. I have had some very good cooperation with some of the ministers who can see the vision of putting these together to get better outcomes.

Senator CARR—Minister, do you still take the view that homelessness is primarily a state responsibility—a position you took in a press release recently? Is that still your view?

Senator Patterson—The states actually run SAAP. We fund it. As I said, we have kept the innovation pool of funds there to try to drive better outcomes. But in the end, the states basically run SAAP.

Senator CARR—Is it the case that in previous years the Commonwealth has provided the bulk of the money?

Senator Patterson—In New South Wales, for example, they provide slightly above the Commonwealth, and have done for some years. Other states are significantly below. We believe it should be roughly fifty-fifty. When you look at what the Australian government does for housing programs—I have forgotten the exact word I should use—we put in something like \$1 on average for every 13c the states contribute. You have to take into account rent assistance, which is \$2 billion per year; you have to take into account the other measures that we have, including family benefit, which is now significant—about \$7,500 per family on average. The states do have responsibility for a whole lot of issues, including planning.

Senator CARR—We will just see how that has moved. Is it possible to get a breakdown of the proportion of Commonwealth funding and state funding for each of the five SAAP agreements? Are you able to provide that table to us?

Ms Wall—We can take that on notice.

Senator Patterson—I just want to know what you are asking for.

Senator CARR—I want to know how the shifts occurred. You say that you want to move to a fifty-fifty arrangement. That has not traditionally been the arrangement. Is that the policy objective now—to move to a fifty-fifty arrangement?

Senator Patterson—Yes, and we have agreed with states that, over a period of time, they will achieve that.

Senator CARR—Can I have a look at what the trend lines are? What is the proportion of SAAP funding that is Commonwealth sourced over the last five agreements?

Senator Patterson—We can give that to you, probably before this evening.

Senator CARR—Thank you.

Dr Harmer—It should be straightforward. I should make the point that the reason the Commonwealth is taking this position in joint areas like SAAP and others is that the revenues that the states are now getting under GST have increased substantially, so the revenue base, which is a generous indexed base, now means that the states have a great deal more capacity to pull their weight in these joint areas.

Senator CARR—I have heard the states' view on this, and they do not see it in those terms. But if I could have that figure, it would be helpful. With regard to the Innovation Investment Fund, would you take the view that, if new programs are to be developed and new services are to be provided, they require initial capital injections?

Senator Patterson—Not necessarily.

Senator CARR—Would they require additional expenses?

Senator Patterson—Not necessarily.

Senator CARR—Why do you say that? Let us take the Mission Australia centre, which the Prime Minister opened in September. It required a \$7 million capital injection, didn't it?

Senator Patterson—It did. That is one example of the sort of innovation I have been talking about. The program before had people who would go into crisis accommodation, have breakfast, lunch and dinner served, and have their single-room accommodation. Now that has moved to a program where I think they have an eight-bed unit with a team leader—a caseworker who works with those people in budgeting for the purchase of food, for cleaning and so on. They argue that many of these people will go out and not partner and that they need to learn skills of living in group housing, for example. If you just have them come in and have breakfast, lunch and dinner and sit around in between, they go out with no more skills than they came in with. It is one innovation. I think there was some capital funding for that program, but they raised a lot of money through fundraising. I think the state might have contributed some money as well. But there are other programs that do not require capital funding and that have had some—

Senator CARR—Can I get an indication from you? The source of funding of capital changes—will it come from this Innovation Investment Fund?

Senator Patterson—The innovation fund will fund existing services and sometimes it will drive reform. I give you the example of YP4, which came out of homeless strategy funding, which is funding which now has \$10 million, which is additional funding for homelessness and which is an increase from the previous budget. I think it was \$3 million before; it is now \$10 million. The YP4 program in Victoria came out of that funding. I think we gave them \$250,000 to run it. The Victorian government gave money for an assessment. They do not actually have new capital. What they have done is pool their various programs to deliver a seamless service to a client.

Senator CARR—Can you give me some examples—

Senator Patterson—So it is not capital that is involved in that innovation.

Senator CARR—Give me some specific examples of where there is no additional cost involved—either capital or other costs—for the delivery of these changed innovative new programs.

Dr Harmer—One of the sources of capital is that, if some of either the existing services or new services require capital to take up the innovation or whatever, the states have the capacity to use their crisis accommodation capital money and they have the capacity to in fact use some of their CSHA capital money under untied for such purposes.

Senator CARR—Are they both available for those things?

Dr Harmer—Yes, indeed.

Senator CARR—But if you are saying that there is going to be this new reform program, I am putting to you that this will have a cost involved. You are telling me that is not the case. I would like to know some of the examples.

Dr Harmer—It may or may not, but if it does have a capital cost the states have sources available.

Senator CARR—I mentioned the figure of 300 people turned away. You told me there are a few more. Did you see Mission Australia's claims that there are 700 people turned away from homelessness services everyday?

Dr Harmer—I have not seen that.

Senator CARR—Back in August 2005.

Senator Patterson—One of the things that the report showed was that, when you have 25 per cent of people coming back, you are utilising spaces for the same people. One of the things we are attempting to do—and I have to say that most of the ministers have the same goal—is this. By reducing the number of people returning to SAAP services, you increase the number of places available and you also, with due respect, hopefully, make the lives of those people who are not returning better in that they are more able to cope. Going back and returning to a SAAP service is not the best outcome.

Senator CARR—New South Wales women's refuges, I am told, have been sending letters to you, Minister, about this issue? That would be right, wouldn't it? They are saying that since March 2005 they have had to turn away 512 women and 585 children. Are they the sorts of figures being put to you?

Senator Patterson—We know from the review that people are being turned away. But I have to say that I did not find it easy to convince my state colleagues that they needed to match us at least fifty-fifty.

Senator CARR—I know. But, Minister, this is a pattern that is emerging from our discussion. It is always someone else's—

Senator Patterson—I am not saying that it is always someone else's. I have actually achieved a \$175 million increase. I have achieved ensuring that we have a fund that can drive some innovation. I now have the states agreeing to match us over the five years, fifty-fifty.

Senator CARR—Do you agree with the New South Wales women's refuges, in the letters they sent to you, that these sorts of figures reflect what is actually happening?

Senator Patterson—The review showed that there were people who were turned away from SAAP services, but it also showed that there were 25 per cent of people who repeatedly came back into SAAP services. What we need to do is to improve that. It is not the best outcome in terms of either the best use of the resources or the best outcome for those individuals.

Senator CARR—Is it the case that the recent report, an AIHW report, found that half the women escaping domestic violence who sought SAAP services were turned away?

Senator Patterson—The review indicated that there were people who were turned away; I admit that. That is one of the reasons I wanted to ensure that we increased the funding as far as we possibly could. The states can match us. They do not have to match us fifty-fifty. We have another \$10 million sitting there for the Homelessness Strategy program, which is driving some good outcomes. They can actually do more than their half.

Senator CARR—We will come to that. I am interested in knowing this, Minister. In that report, was it the case that two out of three children who were accompanying the women escaping domestic violence were actually turned away from these services? Are you aware of that report?

Senator Patterson—I have read the review and I know the problems that are associated with it. If I had unlimited funds for all demands in this portfolio, then of course I would be saying that maybe there is some more we could do. The AIHW review, firstly, only looked at SAAP services; it did not take into account of some of the other programs that are there for women escaping domestic violence. But it is the case that our SAAP services are not being used as effectively and efficiently as they possibly can. Rather than having people coming back, we can use those places more efficiently by driving a combination of services. Twenty-five per cent of the services are used by Indigenous women. We have a family violence program—a new program of about \$45 million over four years. I was determined, in talking to the states, that we try and drive those in partnership with SAAP so that they are not done in isolation and so that we actually reduce the likelihood of people returning.

Senator CARR—But given that these sorts of figures are there—and you are not disputing the figures; you are not saying that these figures are wrong—I wonder what the Commonwealth is doing. You are running various ads and the like; you are running campaigns against domestic violence. But what action is the Commonwealth taking under SAAP to assist women and children escaping domestic violence?

Senator Patterson—By increasing it by \$175 million, by asking the states to match it now and getting \$350 million over the life of the next agreement and by showing leadership and driving better outcomes with the current services.

Senator CARR—Given the campaign on domestic violence, can you say what the level of increase in demand has been on SAAP services?

Dr Harmer—Are you asking for the increase in demand?

Senator CARR—I am asking: given that the government is running a campaign on domestic violence, has there been an increase in demand on services?

Dr Harmer—We will take that on notice.

Senator CARR—What percentage of the funding that has been made available is aimed at this particular question?

Senator Patterson—As I just mentioned, some of it—\$45 million—has been aimed at the Indigenous Family Violence Program, because the review showed that 25 per cent of services are used by Indigenous women.

Senator CARR—Dr Harmer, I have an administrative question. It has been brought to my attention that, yesterday, the information on the department's web site regarding this program related to SAAP 4. Is it your intention to update the web site?

Ms Wall—The data certainly relates to SAAP 4, because that is the only information we have, but certainly we need to update the web site.

Senator CARR—Do you agree that you need to update it?

Ms Wall—Yes, we do.

Senator Patterson—We have only just had some of the states sign a multilateral agreement and now we have to do bilateral agreements with them.

Senator CARR—I have some further questions on homelessness, but I understand that Senator Evans has questions on Indigenous housing programs under the Commonwealth State Housing Agreement. I also have a number of questions on them.

Ms Wall—Perhaps I can give some information that you asked for earlier. The crisis accommodation program in 2005-06: \$40.674 million; that is part of the Commonwealth State Housing Agreement. You asked about the availability of the review of the crisis accommodation program. That is available on the Family and Community Services web site, through the community/housing/publications link.

Senator CARR—Thank you. Will we have the other figures, the profiles, that I have asked for given to us today?

Ms Wall—I will not be able to give them to you this morning.

Senator CARR—Can I get them in my office today?

Ms Wall—We will do what we can.

Senator CARR—Thank you.

Senator CHRIS EVANS—I have a general question—and I suppose this is broader than Aboriginal housing—which goes to the impact of the abolition of ATSIC and the mainstreaming that has occurred. What impact has that had on FaCS, particularly in relation to Aboriginal housing? Dr Harmer, you might want to pick this up more generally, in the sense that I can ask you in every program or I can ask you once.

Dr Harmer—FaCS received two major elements of former ATSIC programs. One was the family violence area and the other was the Community Housing and Infrastructure Program, which provided housing and infrastructure funds primarily for Indigenous communities and was formerly run by ATSIC. So we received those two functions and quite a few of their staff. In July last year, the absorption of those two functions and the various other little bits and pieces we had had a reasonably significant impact on FaCS, but we have managed to accommodate the programs. We are reviewing the Community Housing and Infrastructure Program at present. We are working in a whole-of-government way with the other departments that have also absorbed various ATSIC functions.

Senator CHRIS EVANS—How many staff did you pick up in the community housing and infrastructure area?

Dr Harmer—Ms Casey probably has the number.

Ms Casey—There were 36 people in the branch in February 2005; there are 29 now. But, as you know, we have moved the branch from Melbourne back to Canberra, so some relocation and re-establishment of a branch in Canberra occurred.

Senator CHRIS EVANS—What will the full-time staffing complement be?

Ms Casey—The FTE for the branch in the future?

Senator CHRIS EVANS—Yes.

Ms Casey—At the moment it is 33, but we are still looking at the resourcing that will be required as we progress with the program.

Senator CHRIS EVANS—How does that fit in with your other housing programs that affect Indigenous people? It will be mainstreamed. You have picked up a fairly large program, and I am just trying to work this out. You are now it, so I want to know how you manage it and how I can follow your progress. We are all into responsibility and benchmarking and key performance indicators, so I want to know how yours work and how the whole thing comes together.

Dr Harmer—The first thing is that both the specific Community Housing Infrastructure Program and the housing support program that we were talking about with Senator Carr are now in the same division, in the same department, so at least *prima facie* we ought to be able to have better coordination and better capacity to work with the states on providing housing assistance to Indigenous Australians. We have, as you know, the Aboriginal Rental Housing Program under the CSHA, and we also have the Indigenous housing program that was a former ATSIC program. We now have them in the same division, and we are now able to talk with the states from the same Commonwealth point of view about reforms and priorities in those two program areas. I regard that as a plus.

Ms Casey—I might add that we are also working very closely with the Indigenous Policy Branch that is in the department as well, so having the three branches located in the department has worked extremely well from our perspective.

Senator CHRIS EVANS—Just so I understand your organisational structure now, you effectively have three branches impacting on Indigenous housing: the Community Housing and Infrastructure Branch, the Housing Support Branch and the Indigenous Policy Branch

Dr Harmer—Yes, they all have some impact on—

Senator CHRIS EVANS—Where is the Aboriginal Rental Housing Program lodged?

Dr Harmer—It is in the Housing Support Branch. It is part of the Commonwealth-State Housing Agreement.

Mr Knapp—It is managed by the Indigenous Housing Infrastructure Branch.

Ms Casey—It is funded through the CSHA. However, the management of that program and the elements of the policy directions are looked after by my branch, Indigenous Housing and Infrastructure. Again, the Housing Support Branch and my branch work very closely together on those issues.

Senator CHRIS EVANS—What about the Community Housing Infrastructure Program?

Ms Casey—That belongs to my branch, Indigenous Housing and Infrastructure.

Mr Knapp—The Community Housing Infrastructure Program is part of the Indigenous Housing and Infrastructure Branch.

Dr Harmer—Would you like us to provide you with a map or a diagram?

Senator CHRIS EVANS—I think that will be absolutely necessary—

Dr Harmer—Well, why don't we do that.

Senator CHRIS EVANS—because I think you have just managed to completely confuse me, which is probably more my fault than yours.

Dr Harmer—It was not intended, I can assure you. If we can clear it up with a diagram we will do our best.

Senator CHRIS EVANS—I think that will be necessary because the names are very similar—

Dr Harmer—Yes, indeed.

Senator CHRIS EVANS—and everything seems to be a branch but it is part of a different program. I think that would be helpful. Given that this was all about simplifying administration of Aboriginal services, it is interesting that at first blush this seems to be as complicated as ever—but I concede that it is in all in one department.

Dr Harmer—It is quite simple to us and we will try and make it simple to you with a diagram.

Mr Knapp—Indigenous housing policy and programs all fall within the Indigenous Housing and Infrastructure Branch. That is quite straightforward. We rely on other areas for advice and consultation, but the actual responsibility for all Indigenous housing programs from the Australian government falls within the Indigenous Housing and Infrastructure Branch—just the one branch.

Senator CHRIS EVANS—And you liaise with what is the Indigenous policy branch.

Mr Knapp—Yes, on broader Indigenous policy issues.

Senator CHRIS EVANS—Is there any suggestion of amalgamating these programs, if only to make it easier for me to understand? But there might be broader policy goals. I think you mentioned a review of one of the programs, Dr Harmer.

Dr Harmer—A review of the Community Housing Infrastructure Program, yes. I do not think there would be any advantage in amalgamating further. We now have all the Indigenous housing being dealt with under Ms Casey's branch. The Indigenous Policy Branch covers many more issues than housing, and I think it is important that they have a separate capacity.

Senator CHRIS EVANS—Where does the responsibility for the COAG trial lie?

Dr Harmer—The COAG trial lies in the Indigenous Policy Branch because it covers, as you would imagine, a lot of issues other than housing.

Senator CHRIS EVANS—So the Indigenous Housing and Infrastructure Branch is where it all ends up. The source of finance is the Commonwealth State Housing Agreement and—

Ms Casey—Community Housing and Infrastructure Program, so CHIP funding, and ARHP, which is what you have probably heard them referred to as.

Senator CHRIS EVANS—I am just getting over the old Defence acronyms. I have not quite caught up again with the FACS acronyms.

Ms Casey—There are two primary fundings for Indigenous housing, which are ARHP, the Aboriginal Rental Housing Program, of which there is \$93 million this financial year, and the Community Housing and Infrastructure Program, CHIP, which is \$283 million.

Senator CHRIS EVANS—What happened to the national Aboriginal housing strategy?

Ms Casey—The national Aboriginal housing strategy is still there. It is a subcomponent of CHIP. It gets a little bit complex.

Mr Knapp—Can we correct the name. It is the National Aboriginal Health Strategy.

Ms Casey—Which is a subcomponent of CHIP.

Senator CHRIS EVANS—So there is no national Aboriginal housing strategy?

Ms Casey—No. The National Aboriginal Health Strategy is the one you would be talking about, which has been ongoing.

Senator CHRIS EVANS—I have no confidence I know what I am talking about, so I would not want you to take any confidence from it. I remember at one stage it was health and housing, or there was some combination.

Ms Casey—It was healthy housing.

Senator CHRIS EVANS—Are we talking about the same thing or not?

Ms Casey—I think so. It is often referred to as NAHS.

Senator CHRIS EVANS—That was run by ATSIC, wasn't it?

Ms Casey—Yes. The whole of the CHIP was run by ATSIC.

Senator CHRIS EVANS—So this was part of the CHIP that has been transferred to you.

Ms Casey—Yes.

Senator CHRIS EVANS—Is that still administered as a separate program?

Ms Casey—The CHIP is administered, yes, as a separate program. We have the AHRP which was part of CHA. That was part of FaCS prior to the machinery of government changes. Then the CHIP came over to FaCS. We have two components but with different objectives.

Senator CHRIS EVANS—Where does the National Aboriginal Health Strategy fit?

Ms Casey—It fits under CHIP. This year we are allocating under the National Aboriginal Health Strategy \$71.2 million of the \$283 million.

Senator CHRIS EVANS—What are the objectives of that program?

Ms Casey—The National Aboriginal Health Strategy?

Senator CHRIS EVANS—I mean in general. I do not want you to look them all up—just a one-minute summary.

Ms Casey—It is around providing housing but related to environmental and health needs of communities. A needs based assessment and a project impact statement is done. We determine which are the primary areas of most need to have the investment of funds. Then there will be funding invested around housing and infrastructure projects.

Senator CHRIS EVANS—Can you tell me whether the La Perouse application for funding is there? I understand they had been waiting under the old program under ATSIC for quite some time.

Ms Casey—We actually did offer La Perouse a grant of \$1.45 million for the replacement and repair of five houses. That was made on 28 April. However, the administrator was unable to accept our offer because there were some legal and technical issues that needed to be addressed. We are currently working with the organisation and with residents and looking to address this.

Senator CHRIS EVANS—What does ‘legal and technical issues’ mean?

Ms Casey—There were things around the caveats, the ownership of the homes and the organisation that needed to be looked at—who owns the houses, who has the access to them and how we transfer that. The department is working closely with the ICC and the community to address the issues. We have funded an environmental health assessment of the houses in the surrounding area, and that is due to be completed by January 2006. The department has agreed to meet with other Australian state and local government agencies to work with them to address the outcomes of that assessment. There is a further meeting that is going to be held to progress these.

Senator CHRIS EVANS—Do I take it from that that there is no chance of improving on the housing stock before the middle of next year at the earliest?

Ms Casey—What we can say is that money has been committed or earmarked through the NAHS project for that community.

Senator CHRIS EVANS—That is the \$1.45 million?

Ms Casey—Yes. That is committed to be there but we need to work through some of the issues with the administrator before it can be expended and things can start to be worked through.

Senator CHRIS EVANS—I think you call it the EIS. Is there some issue about contamination next to the site from dumping by previous state authorities?

Ms Casey—Yes. I remember there were some issues of contamination that need to be addressed.

Senator CHRIS EVANS—They need to be addressed as well?

Ms Casey—They will be looked at through this environmental health assessment.

Senator CHRIS EVANS—What is the health assessment going to tell you? When people are living there and houses are there, what is the purpose of it?

Mr Knapp—If—as the name of the program indicates—it is about health issues around housing, and if the environmental health analysis indicates that some remedial work is required, then that would be something that could be considered for funding. But we need to know what the issues are before we can determine what funding may be required to correct any pollution or whatever else is identified as part of this exercise.

Senator CHRIS EVANS—That means any funding for the improvement of the housing stock has to wait on that?

Ms Casey—The environmental health assessment would look at things in a holistic way, to ask what issues are impacting on this community. I understand that there is some dumping of hospital waste, there are some sewage problems and there is some vermin infestation. They would all be looked at and the assessment would then put forward how those would best be addressed, and a strategy or an approach would be put forward on the investment of the housing dollars. But it may be that other Commonwealth, state and local government money needs to be put in to address some of the other issues that are identified in the assessment that will be done. It is about all levels of government working together to address it.

Senator CHRIS EVANS—I understand the language, but in a holistic way people at La Perouse would say they have been waiting nine years and their holistic vision is that they still have not got any improvement to their houses after nine years. And you are talking to me about at least another year's delay. I am not being critical of you, but I am trying to put their perspective to the bureaucratic speak about assessments and blah blah blah. All they know is that they are living in Third World conditions while this is all going on.

Ms Casey—Unfortunately the administrator has been unable to accept our offer of the money, so in a way our hands are tied.

Senator CHRIS EVANS—Is that because it is tied to an SRA?

Ms Casey—No.

Mr Knapp—No, there have been issues about the administrator needing to get the approval of members of the New South Wales local Aboriginal land council. As far as I am aware that still has not been resolved—as far as we have been advised. That is an issue within the New South Wales legislation that is governing that particular issue.

Senator CHRIS EVANS—Is this the legal argument that was occurring?

Ms Casey—It is one of them, yes.

Mr Knapp—It is about the encumbrances over the properties, concerning whether we can provide the repairs and other services that we want to. We have made the offer. As Ms Casey has indicated, the funds are available. But we have these various issues—environmental stuff and also the need for the administrator to get the clearance of the local Aboriginal land council—that still have not been resolved.

Senator CHRIS EVANS—From your perspective, you are waiting on the EIS which you will not get till early next year?

Ms Casey—We are waiting on the EIS but I know that our New South Wales state office has been working very closely with the community and has been very keen to find some resolution to progressing things. I know they are very actively involved with the New South Wales government, local government and the working groups that have been established in La Perouse to make this happen. So I do know that they are very keen to progress the money and the offer being taken up.

Senator CHRIS EVANS—I am not doubting anyone's motivations. It is just a classic case where everyone agrees that something needs to be done and everyone has the best of motives but nothing seems to happen. I understand the community identified this as their priority issue when the government came out to talk to them about SRAs. I gather the first one did not

include the housing issue as in the first SRA was signed, but there is some talk of it being included in the second SRA. Is that right?

Ms Casey—I can check on that and get back to you fairly quickly.

Senator CHRIS EVANS—Is the Indigenous Policy Branch coming to the rescue?

Ms McKenzie—I can provide you with advice on what the first SRA covered. It was \$60,000 to continue the work of the community development facilitator to support the formation of a residents group that would help address government and community concerns over management of community housing and recognise the cultural significance of La Perouse.

Senator CHRIS EVANS—When was that signed?

Ms McKenzie—That was signed on 24 August.

Senator CHRIS EVANS—This year?

Ms McKenzie—Yes, this year.

Senator CHRIS EVANS—Has that been activated?

Ms McKenzie—My understanding is that it has been activated.

Senator CHRIS EVANS—How does that help to solve the problem of getting the money used? You have two branches and you are both working on the same issue. Tell me how you are going to fix it.

Ms McKenzie—As I understand it, the role of this SRA was to get the community to be able to understand what it was looking for around community housing and therefore it will put the community in a better space to be able to be more explicit about its needs at the same time that the work is being undertaken on the environmental—

Senator CHRIS EVANS—To allow them to understand better what they need and to put them in a better space—that is \$60,000?

Ms McKenzie—It is important to understand that the SRAs are jointly negotiated between the Commonwealth government and the community. They are things that the community wants as well as things that the Commonwealth government supports. This was an identified need of the community. They asked for money to enable them to do the things that I mentioned there. That is what the money has been provided for.

Senator CHRIS EVANS—So there is \$60,000 to allow them to better understand what they need. I understand, though, that their No. 1 priority was the need for housing. How does your work fit into that?

Ms McKenzie—The work on SRAs is where the government is working with a community who identify their needs and the things they want to progress in the community. The government helps them to try and identify some of their needs. Obviously, there are some things in communities where the needs are longer term and there are some things whether the needs are more immediate. There are some things that can therefore be brought to fruition in an earlier SRA than possibly some others. But an SRA does not stop the ongoing work of government. It is additional money that is provided for the community to address their needs.

Senator CHRIS EVANS—But do you concede that the identified priority of the local community was better housing? That was their main priority?

Mr Knapp—One of the initiatives was the appointment back in 2004 of a community development facilitator. As I understand it, part of the SRA was to continue or extend that position until February 2006. What was also agreed by a working group of the residents was, for example, improvements in adhering to tenancy management requirements and so on.

Dr Harmer—What often happens is that the community that is managing housing needs some help with the management of it. It may be that, when we make judgments about how many houses or resources we can allocate to them, we make a judgment about their capacity to manage them. If we, for example, suggest to the community that we do not think they are doing it very well, it is quite likely that the community will identify that they need some help in that area, which might come through the other program.

Senator CHRIS EVANS—So if you suggest to them that they are not doing it very well, they will identify that that is a priority.

Dr Harmer—If they believe that they need additional housing for some of the community and we identify that they have not managed the existing housing very well and tell them that they are not getting any more until they do, then I think there would be very quick recognition that they might need help.

Senator CHRIS EVANS—So your attitude to the housing is that they will not get the housing until you are satisfied by their administration. Is that right?

Dr Harmer—It would be pretty irresponsible of a department handing out money to communities for housing to not take account of the fact that they not are looking after them, not collecting rent and those sorts of things. I think it is really important. Otherwise, we just put good money after bad in communities. We have been doing that for a long time and we have to fix that up.

Senator CHRIS EVANS—I am just trying to understand whether that is part of the negotiation.

Dr Harmer—Yes.

Ms Casey—There was a residents advisory group set up and they agreed to ensure that all the tenants adhered to the tenancy management requirements. I believe there has been significant improvement in that work. At the same time, there has been quite a lot of money invested in La Perouse. In 2001-02 we put \$24,000 in to help them prepare a housing policy and to assist them in developing the plan for how they wanted to address that. In 2003-04 we gave them another \$66,500 to support the community development facilitator to interface between the community, the land and the government. That was where we started to develop the holistic approach about addressing all of the issues in that community. At the same time, we had the NAHS impact assessments and that community was identified as having a priority need through the NAHS program. That is where the housing came in. In April 2005 we made an offer of \$1.45 million to address the housing, which had a number of projects that were identified specifically and we agreed with the community that we would address. In 2004-05 we gave another \$133,500 to continue the community development facilitator. In 2004-05 we

gave \$50,000. In 2005-06 we gave \$10,000. So we have given a total of \$60,000 to undertake the environmental impact statement. In February 2006 we still plan to give another \$25,000, and in 2007, \$60,000, to continue that community development facilitator. I believe that is working quite well. Having someone there to—

Senator CHRIS EVANS—What is the total of all that? That started in 2002, is that right?

Ms Casey—Yes. In 2001-02, \$24,065, in 2003-04, \$66,500, in 2004-05, \$133,500, and in 2005-06, \$60,000. We have also committed, but not expended, \$1.3 million.

Mr Knapp—It is about \$300,000 plus the \$1.3 million. Also, it is through the activities that we have provided funding to, including supporting the residents advisory group, that the environmental health issues were picked up by the residents advisory group, which we are now funding. So it is not just the Commonwealth government raising issues. As a result of working with the community they are raising issues that they want addressed, such as the environmental concerns.

Senator CHRIS EVANS—If I was living next to a place where they dumped toxic waste, I would be concerned too. But if I can play devil's advocate, what you are telling me is that since 2001 you have spent \$300,000 of taxpayers' money dealing with community development issues, paying salaries, making sure that they understand their needs, when, as I understand it, they said nine years ago that they needed some repairs and new housing. We have spent \$300,000 talking about it for five years and we still have not got any change in the housing stock.

Ms Casey—Primarily that is due to the administrator being unable to accept the offer to progress until some of the issues have been addressed.

Senator CHRIS EVANS—So that has been since 2001?

Ms Casey—No.

Senator CHRIS EVANS—You told me today that in 2001 you started funding community development to address the needs for housing. We are at the end of 2005 and you are telling me that there is going to be no housing stock until at least late 2006—but judging by this pace it will probably be 2007. I am asking you how this is working when we are spending \$300,000 on consultation, community development, discussions et cetera. What they needed was houses and they still have not got the houses.

Ms Casey—That goes back to Dr Harmer's comment before that we needed to ensure that there were some practices and procedures in place to ensure that the houses were going to be maintained and looked after and that tenancy management arrangements were in place. A lot of work needed to go into working with that community to look at the community capacity development and to engage them in what they needed to do to move forward. We had to look at what they wanted and how they were prepared to work with all levels of government—because there are three levels of government working with this community—to invest funds.

Mr Knapp—I will add that the New South Wales government share concerns on these issues. They appointed an administrator in 2004 because of concerns about the way that the La Perouse Local Aboriginal Land Council was operating. There were the sorts of governance issues and tenancy issues we have already raised. It is that administrator who has not been

able to agree to our proposal for the 1.45. So not just the Commonwealth government are having issues. The New South Wales government have also raised significant concerns and have appointed an administrator because of concerns over the government's issues with regard to that land council.

Senator CHRIS EVANS—I accept all that. I accept everyone's bona fides. I just wonder how many people have died from health related issues due to overcrowding and poor housing while we have been unable to resolve all this. I am not attacking anyone. It seems to me that this is what we allegedly have fixed in the brave new world of mutual obligation and shared responsibility and it does not seem to be getting any better. I do not want to be provocative, but we are pouring money in and there is no improvement in housing.

Dr Harmer—We probably need to give you a little chronology. When you paint it like that it sounds like we have all been sitting around on our hands and nothing has been happening, but that has not been the case, I can assure you.

Senator CHRIS EVANS—No, I am not making that allegation at all. I am not trying to be unfair. I do want to point to what you tell me and what I am sure the New South Wales government would tell me. I am not apportioning blame, but you have to admit that since 2001 there has been no improvement in the housing stock.

Dr Harmer—I do not know whether that is true or not.

Senator CHRIS EVANS—If that is not right, I am happy for you to tell me that. It seems that all the money you have spent is on consultation, development officers and making sure everyone's head is in the right space, but there is no housing improvement.

Dr Harmer—There is no point in giving them money for housing if their heads are not in the right space.

Senator CHRIS EVANS—There is no point in spending \$300,000 over six years and not getting anywhere either.

Dr Harmer—I do not know the circumstance of that, but I am sure we can give you some details.

Senator CHRIS EVANS—You just told me how much you spent over five or six years, and we do not seem to be getting any closer to getting a bloody house built.

Ms Casey—I am not disputing that La Perouse is a case that requires considerable attention and that the needs are great. It has been identified. I am not claiming that we have made a lot of progress, but steps forward have been made. We are quite conscious of the need to address the needs, but it is probably one of the more complex and difficult ones that we have had to deal with.

Senator CHRIS EVANS—I had an experience the other night with OIPC and the first SRA that received so much publicity. The Commonwealth government's contribution was to provide the petrol browser. Ten months on, there is still no petrol browser in Mulan but they have kept their part of the bargain and have reduced trachoma rates from 80 per cent to 16 per cent. I want to make sure that the Commonwealth is delivering on its obligations in the new world of mutual obligation. I am getting a bit cynical.

Dr Harmer—We would be very concerned to make sure that where the Department of Family and Community Services is involved in that we will deliver.

Senator CHRIS EVANS—I put you on notice that I will be taking a keen interest in the La Perouse issue.

Dr Harmer—Thank you. We will be very well prepared next time.

Senator CHRIS EVANS—Next time we meet we will have another round. I hope you will be able to tell me that not only is everyone's head in the right space but we actually have some housing.

Dr Harmer—We will be doing our best.

Senator CARR—I want to ask you about another of the shared responsibility agreements, at Cunnamulla. I put a question on notice, question No. 61. I understand that the department have question 61 there.

Dr Harmer—This is a question you have already received a response to?

Senator CARR—Yes, I have received a response. It is answer No. 61. You are telling me there that priorities will be still set through the health impact statements and that the programs continue to be administered by external program managers—is that right?

Ms Casey—This is the NAHS program?

Senator CARR—That is right.

Ms Casey—All of our NAHS programs are managed by an external contract manager.

Senator CARR—With regard to Cunnamulla, the answer to question on notice No. 86 said the negotiations on the SRA:

... have not been finalised regarding the level of NAHS or other program funds to be provided by FaCS.

Why is that?

Ms Casey—The negotiations are still continuing and the SRA has stalled.

Senator CARR—Why has it stalled?

Ms Casey—I guess there have been a number of issues. One in particular is that the housing stock that is owned is in a poor state of repair. The department has been making efforts to address both the short- and the long-term needs of the community. There are major concerns that the department has around the SWQACCAS ability to address the needs of housing in the community, and there has been a pattern of noncompliance and poor or non-existent rental conditions for many years.

Senator CARR—Dr Harmer, I am particularly concerned about this. It is a matter I have pursued in other committees, including a select committee on Indigenous affairs in February this year. I asked Dr Shergold a direct question with regard to whether house repairs would be considered a discretionary benefit for the purposes of negotiating an SRA. Dr Shergold told me:

If there is an existing program to do it, then it probably is not appropriate.

Given that this is clearly an existing program, and there is a clear process for the allocation of funding according to the answers that you have provided me, and that there is an independent assessment of priority, do you consider that this is a discretionary funding arrangement for the purposes of SRA negotiation?

Dr Harmer—I would need to know the specific case, but what we are trying to do with the money on housing—one of the problems that has been the case in the past is we have spent a lot of money on housing. We have not done it very well; we have not insisted that the community organisations who are managing housing and stocks of housing actually put the effort into maintaining them and collecting rents and those sorts of things. The minister has made the point to her state housing minister colleagues that, while there is an undoubted need for more spending on Indigenous housing, in the current process there is insufficient attention paid by community organisations managing them to maintaining housing and collecting rent. I do not know whether they form part of the SRA, but I do think it is important that we continue to make the point to those community organisations that get funding that they have responsibilities in relation to maintenance and collecting rent.

Senator CARR—But, Dr Harmer, you told me in question No. 82 that 87 per cent of people consistently pay their rent. And now you are telling me that it is part of a discretionary funding arrangement.

Ms Casey—It is not the discretionary component that has been questioned—people are starting to pay their rent—but it is the organisation to which the funding is being paid that is being brought into question, and their ability to deliver housing maintenance to those houses and ensure that those tenants get high quality service in the management of their houses.

Dr Harmer—We are interested in protecting the tenants who do pay their rent.

Senator CARR—I have no doubt that that is your objective, Dr Harmer. I have known you well enough and long enough to know that that is the case. But we have a situation here where your department is telling me that there is a set of procedures in line for the payment of moneys and that negotiations have broken down—and, it would appear, around the question of a bargaining arrangement. We were told by the head of the Public Service in this country that that would not be subject to bargaining. And that, according to the circumstances that your department identifies to me, is a high priority for the department. But you are now holding people to ransom for funding under this program and this SRA. This particular community has an enormously serious housing shortage, an enormous need. I come back to the point: tell me how much money has been paid as a result of the SRA to Cunnamulla, as a result of the priority rating which you have given?

Ms Casey—Can I just clarify: the SRA per se is not the issue here, and it is not actually a bargaining tool for the SRA being signed and developed. What we are actually doing is this: if the organisation has issues around how they are providing services to that community and is unable to meet its obligations under that funding agreement, we will be looking at how best we can, through the SRA and other approaches, provide housing services to the people in that community. That is what we are currently doing.

Senator CARR—So has there been any money flowing under the NAHS to Cunnamulla as a result of the priority rating?

Ms Casey—Not at this stage.

Senator CARR—Not at this stage.

Ms Casey—No.

Senator CARR—When will the money flow?

Ms Casey—We have a short-term strategy. At the moment, we are undertaking to have a property condition audit of all the houses and to get an indicative cost estimate of the repairs and maintenance requirements for that community. Once we have done that, we will be looking at what are the best ways to deliver those services to the community.

Senator CARR—When will money flow?

Ms Casey—There is an issue of the fact that several of those houses at the moment belong to the South West Queensland Aboriginal Cooperative Community Advancement Society. They have ownership of those houses; therefore we need to negotiate with them about how we can provide services to and get access to those houses.

Senator CARR—I am sorry; I asked some months ago about the conditions of funding and when money will flow. You told me that you could not give me an answer, and you are still telling me that.

Ms Casey—I can tell you that we are making a lot of progress and there have been a lot of discussions and consultations with the community and the provider themselves. However, until we can get resolution on the ability and the capabilities of that organisation to meet the funding requirements—we cannot fund an organisation that is not able to deliver the service and meet the requirements for funding.

Senator CARR—Are you still maintaining the condition that the yards of tenants' houses must be kept in good order?

Ms Casey—As I say, that will be part of an SRA that will be negotiated. If that is what the community puts forward as part of what they want to negotiate through the SRA, that will be it.

Senator CARR—No, the question is: are you putting it forward as a condition?

Ms Casey—All SRAs are negotiated with the community and what the community wants to put forward.

Mr Knapp—There are two separate issues. One is the governance issues around the South West Queensland Aboriginal Cooperative Community Advancement Society and our inability at this stage to get them to the stage where we are satisfied that they can deliver the services we want to provide through them. The SRA is a separate process to that. We are dealing with more fundamental governance issues with that organisation. Whether or not the SRA is in place is a separate issue.

Senator CARR—So there are a number of other hurdles before we get to the question of whether or not their yards are clean?

Mr Knapp—We are dealing with a governance issue with that organisation. If we can resolve that, then we can start moving ahead with the housing—

Senator CARR—How long will this go on for?

Ms Casey—I think it takes all parties coming together to get an agreement about how we can move forward for the people in the community.

Senator CARR—Just remind me: when did you start the negotiations?

Ms Casey—I do not have that.

Dr Harmer—We are talking here about a program that was provided to Family and Community Services from July last year. It was a former ATSIC program, I think.

Mr Knapp—That is correct.

Dr Harmer—We have inherited the program and we are trying to make sure there is a very solid foundation—knowing that there is a lot of need in Indigenous communities for good housing—for making sure that the money goes to the right places and the houses are maintained et cetera.

Senator CARR—I understand the point that you are making.

Dr Harmer—So we are reforming the program—

Senator CARR—But you are not paying any money. That is the point.

Dr Harmer—You will not reform the program if you pay the money without getting the reforms.

Senator CARR—The question is: how long will it take to reform—to get people to do what you want them to do?

Senator Patterson—I am sorry; to get a community to do what we and they want to do, Senator Carr.

Senator CARR—They want this, do they? They want their housing funds cut off, do they?

Dr Harmer—No, they want their housing funds.

Senator Patterson—They want better outcomes for their housing. You talk to them: they want better outcomes for their housing. The majority of them want to ensure that they are maintained and that we do not see the loss of capital stock that we have seen. I think, on average, the stock has a 10-year life. Is that right?

Dr Harmer—It is short.

Senator CARR—I have one additional question just to finish this off and I think I will put the rest of my questions on notice. Could you confirm in writing and provide me with evidence that the conditions you are talking about were initially proposed by the community and not by the ICC; and can you tell me when that occurred?

Dr Harmer—We will give you an account of the discussions that we have had.

Senator CARR—I would like to see evidence of it being a community initiative that led to them losing their housing funding.

Mr Knapp—That is not the case. We can give you the facts behind what is going on currently. It is a governance issue with the organisation itself; it is not with the individuals or tenants themselves.

Senator CARR—I have absolutely no doubt that that is correct. My proposition is that the money is not flowing; you are confirming that.

Ms Casey—For the money to flow requires SWQACCAS to come to the party to work with us to find a way that we can deliver to that.

Senator CARR—That is right, but they have to comply with your conditions, not the other way around.

Ms Casey—No.

CHAIR—I am sorry, we have to cut it off there. We have agreed to suspend the committee at this point. We will resume at the point the Senate passes a motion to allow the committee to sit while the Senate is sitting. Senator Moore, you might like to advise your colleagues when that point is reached, if they are not already aware of it. I will advise my colleagues and Senator Fielding.

Dr Harmer—I have a large number of officers here from the various programs. Senator Carr, will you put your other questions in this area on notice?

CHAIR—Unfortunately, Dr Harmer, there are other questions on program output 2.1.

Dr Harmer—Will we assume that we will be back at 1?

CHAIR—You will be back sometime around 1 o'clock. I will get in touch with the minister's office.

Senator MOORE—But it will not be before 1, will it?

CHAIR—Just to make it clear, it will not be before 1 o'clock but it might be after one, depending on when the Senate passes the motion. It will be 1 o'clock at the earliest. If it is to be later than that, Senator Moore, the minister and I will contact the various parties here to make sure they are ready to come back and resume the hearing.

Dr Harmer—Thank you very much.

Proceedings suspended from 12.03 pm to 1.36 pm

CHAIR—Order! I will call the committee together for resumption of our hearings. I understand the Senate has now passed the resolution necessary for us to sit while the Senate is sitting.

Senator Patterson—Without a division.

CHAIR—Without a division, yes, which is quite extraordinary. However, I think we will be having plenty of other divisions later on in the day so we are not out of the woods yet. We are on output group 2.1 and I call on Senator Fielding.

Senator FIELDING—I have some questions around public housing. The Commonwealth-State Housing Agreement is the area that I want to specifically talk about. How much of a need is there for public housing, from what you understand? Obviously we provide at a federal level quite a fair bit of funding there.

Dr Harmer—I will start off before I hand over to Ms Wall. The federal government and the state governments have been involved in public housing since 1945 and there have been successive Commonwealth-state housing agreements since that time where the

Commonwealth provides capital to the states to build and manage rental housing for low-income people. There have been a number of changes to that program over the years and now most of the tenants and most of the people in public housing are people who are on welfare payments et cetera. So without the stock of public housing it is likely that the proportion of people paying more than 30 per cent of rent in the private market would be significantly increased. I think about five per cent of the stock is public housing. The state housing authorities certainly tell us that there is a continued demand and they have waiting lists, and issues like that. Ms Wall may have more information about that. I do not know whether we have actually done any surveys or have any sorts of estimates, but certainly if you have a look at all the state housing authorities and their waiting lists that would indicate that there is quite a demand for it.

Senator Patterson—But you also need to look, Senator Fielding, at the public housing that is unoccupied and the length of the period it has been unoccupied. Some states have had them unoccupied for a significant period of time. I was quite stunned to go down Cheltenham—which is in our state—when I first became minister, for the opening of a public housing house that had been empty for, I think, three or four years. It had, I think, three bedrooms and a room out the back which would be appropriate for a teenager. It had been refurbished by the HIA and a number of the charitable organisations and business organisations and then passed over to the Brotherhood to manage, and it was state public housing. It did make me wonder. I think the shadow minister asked questions about the number of public houses that were not occupied, and the number was concerning.

Senator FIELDING—Through that agreement would there be some performance targets? Are some of those things addressed, about not letting them go unutilised, as part of the agreement of the funding?

Ms Wall—Certainly there are performance targets in the agreement, yes, not specifically in relation to unused stock but certainly in terms of efficient use of funds.

Senator FIELDING—Is there any known waiting list that we have at a federal level or is at a state level? Are the waiting lists run by the state governments?

Ms Wall—State governments run their own waiting lists, but we collect information in an annual report which combines all of the state information into a Commonwealth report.

Senator FIELDING—In the annual report I could not see anything on the waiting lists, unless I have overlooked it. Is that something that is not deemed as important?

Ms Wall—We have a Commonwealth-State Housing Agreement annual report, which is tabled separately. The information is certainly in that.

Dr Harmer—There is a separate report on the operation of the Commonwealth-State Housing Agreement which we are required to produce each year. It is not that one.

Senator FIELDING—Is the waiting list increasing or is it staying static?

Senator Patterson—Why don't we get you a copy of the latest Commonwealth-State Housing Agreement report.

Senator FIELDING—It is just that I thought the question was pretty—

Senator Patterson—All of that detail is in that report.

Senator FIELDING—I think it is a pretty simple question.

Senator Patterson—It is a simple question, but we will give you the report so that you can have all of the information.

Ms Wall—The waiting list is varied because the states will change their eligibility criteria from time to time. They also have different categories of waiting lists. There will be high-priority waiting lists and then lower priority ones. It is not just one figure.

Senator Patterson—New South Wales has just had a significant reform of their public housing, for example. The data that is in there will not be as relevant to data in future. People no longer have life tenure, for example. You would have got a copy of the report in your office, but you get flooded with reports.

Senator FIELDING—I was just looking at the figures on the number of dwellings on page 142. From the year prior to this year there is a decrease in the number of dwellings to 177 by 2006. What would be the cause for that?

Ms Wall—There will be a number of causes for that. In some cases it will be that some of the public housing stock may have been transferred to community housing providers. In other cases, it may be that older stock has been replaced by newer stock and sometimes, in terms of replacement, it cannot be done on a one-to-one basis. A substantial amount of funds are actually spent on upgrading and maintaining public housing stock as well.

Senator FIELDING—Then, on page 137 under ‘Key achievements’ at the third bullet point, it says that there has been a decrease of 1,780 households being accommodated in public houses. It just seems to be odd that, if there is a demand or waiting list, the number seems to be going down from year to year.

Ms Wall—Part of the explanation is that some of those households will be accommodated in community housing rather than in public housing. There has also been a very substantial increase in the amount of assistance provided through the rent assistance program. Some additional households are being assisted in that way.

Senator FIELDING—Is there any way of getting from you the number that is transferring between the two, to make sure that we are not decreasing? There just seems to be a need out there for public housing. There is a strong need, I know, from time to time. I noticed the minister’s comment before about the state governments maybe not doing their part in it, but at a federal level we are giving a lot of money out on this thing. I just want to make sure that, if we are giving money out, we are making sure that there are performance targets that make sense. I just see decreasing numbers. I want to make sure that we have those things. I am wondering if I can get some figures on the transferring between the two.

Dr Harmer—I suspect that, as the minister said, most of the information you want is in the report. It is a pretty comprehensive report on the program, frankly—it is one of the most comprehensive reports there is on any of our programs. I suspect you will find most of the information you want in that. We certainly require the states to provide information to us on an annual basis across a whole range of indicators.

Senator FIELDING—In Victoria, the number of days taken to occupy vacant stock has increased from 38 days to 42 days. Is there any particular reason why that would be?

Senator Patterson—That is the same issue we were discussing.

Senator FIELDING—It is that same issue?

Senator Patterson—I would like to know the reason as well. The shadow minister wanted to know the reason. We cannot actually make the states do things. We can put down performance indicators. Some states do better than others. Some do better in some things and not as well in others.

Senator FIELDING—Have we asked the state government for a response on that particular issue? Obviously, we are providing the money; I want to make sure that we are getting value for money.

Ms Wall—They are certainly required to provide performance information.

Senator FIELDING—When it comes back do we question why there is a change between one year and the next?

Ms Wall—Yes, we do.

Senator FIELDING—What was the reason for that change?

Ms Wall—Once again, there is quite a bit of information in this report about the specific reason in relation to Victoria.

Dr Harmer—It may be that as the stock ages in Victoria the maintenance period between occupancies gets longer because the average amount of work that needs to be undertaken is greater. There are lots of possible explanations. They may have changed their policy in relation to what they do when a house becomes vacant. They may now mandate that it must be brought up to standard, or something like that is possible. We would ask and be monitoring those sorts of things. I do not know if that is specifically mentioned in the report.

Senator FIELDING—I will have a good look for that, and I will come back if the answer is not there. The client satisfaction survey was quite clearly not done, and you have said that in your report. When is it going to be done next?

Ms Wall—It will certainly be done as one of the requirements for the current Commonwealth-State Housing Agreement. I might have to take the exact timing of that on notice.

Senator FIELDING—Thank you.

CHAIR—I would like to ask a question concerning the promise that was made at the election last year to fund Indigenous housing governance issues in the states. I understand that there was a commitment to provide, I think, \$14 million to the states and territories to address governance issues in Indigenous community housing. Can you tell me what the state of play is with that funding? Has it been taken up by all the states and territories at this point in time?

Senator Patterson—I think it was Senator Evans who was raising some issues about Indigenous housing. Again, a lot of these issues are really state and Australian government issues. My advice at the moment is that only WA and ACT have signed up to the offer so far. I

think the ACT signed up only very recently. This funding is about assisting Indigenous groups with staffing and training issues and about the accreditation of Indigenous housing organisations. It has taken nearly six months for the states to sign up, and I do not have a sign from the other states that they are going to.

This is the issue we were talking about before: there is little point in giving out money for housing if we do not have the governance skills. We learnt this with overseas aid. If you do not have the governance skills you are setting people up to fail. The cost of Indigenous housing is about \$300,000 or more a house in remote communities. When you are putting that much money in, you want to make sure that they have a life span longer than 10 years.

I am sad that the other states have taken so long. As I said before to Senator Fielding, some states do better than others. I have to say, in a couple of areas, WA has signed up faster for some issues than others. WA and ACT have signed up and I still have the other states. Are they going to be in before Christmas? That is a nine-month hiatus in addressing the issue of governance of Indigenous housing organisations—for collecting rent, organising maintenance, doing programs in training for maintenance. It would be nice if we had the other states signed up, but your territory has signed up already.

CHAIR—We will ask at next estimates to see whether any progress has been made by those states. Thank you.

Senator Patterson—I hope they not still languishing.

Senator McLUCAS—What is the kind of contribution required by the state?

Ms Casey—The contribution was specified. We would hope that there would be matching funds, but it was a payment that the minister was prepared to make and she had gone out to all state and territory governments saying that she was prepared to give them the money. The only proviso was that they came back with a plan of how they would spend that money to address the governance issues in their state or territory.

Senator McLUCAS—Was it negotiated with the states prior to the announcement being made?

Ms Casey—State and territory governments had been advised of it once the announcement was made in the budget.

Senator McLUCAS—That was the question I asked.

Ms Casey—They were advised by the minister of the offer, and the arrangements will be negotiated through the Indigenous housing bilateral agreements.

[1.51 pm]

CHAIR—As there are no further questions on output 2.1, we will move to output 3, Seniors, people with disabilities, carers, youth and women are supported, recognised and encouraged to participate in the community. I think we can deal with those output groups in seriatim. We will go first to group 3.1, Support for the aged.

Senator McLUCAS—I only have one issue that I want to canvass in this outcome: National Information Centre on Retirement Investments. I notice that almost half a million

dollars was allocated in the last budget for this activity. Can you explain to the committee how NICRI is administered. How do you allocate those funds?

Mr Warburton—We have a contract with NICRI specifying NICRI's objectives and its approved activities. NICRI itself is set up as an association and FaCS is on the NICRI committee.

Senator McLUCAS—So it is an incorporated organisation.

Mr Warburton—That is correct.

Senator McLUCAS—Where is it based?

Mr Warburton—In Woden in the ACT.

Senator McLUCAS—Is it a national organisation?

Mr Warburton—Yes.

Senator McLUCAS—It would not have a very large staff for that amount of money, I imagine.

Mr Warburton—No, only around five.

Senator McLUCAS—What is the proportion? I understand it provides direct financial advice—not advice; I think that would be going too far. How is the staff broken up? What are their activities?

Mr Warburton—They produce leaflets, they run a telephone inquiry line, they maintain a web site and they assist with FIS seminars and some other seminars. I cannot give you a particular allocation of staffing to each of those activities. I suspect that would be fairly difficult. They are all involved in those activities.

Senator McLUCAS—I was interested in their phone activity. Is that a big part of their operation, do you think?

Mr Warburton—They received around 6,900 calls last financial year.

Senator McLUCAS—6,900?

Mr Warburton—They received 6,931, according to the briefing.

Senator McLUCAS—Okay. I had 6,759, so we are not far out. That is one part of the activity. I have seen some of the leaflets. How are they dispersed?

Mr Warburton—My understanding is that you would be able to obtain them through Centrelink. You would also be able to obtain them through the telephone inquiry line, and I suspect you can download them from the web site.

Senator McLUCAS—How is the service evaluated?

Mr Warburton—We have a funding agreement. We regularly monitor the funding agreement. We have had some evaluation activity recently, mainly some stakeholder consultation around the quality of the service and so forth. They are the recent activities.

Senator McLUCAS—I understand the last evaluation was in 2000.

Mr Warburton—I would need to check that.

Senator McLUCAS—Who conducted the evaluation in 2000?

Mr Warburton—I have not got that information with me. The stakeholder consultation that I was talking about a moment ago was completed in June 2005.

Senator McLUCAS—Was that then compiled into a report and made public?

Mr Warburton—I do not believe it has been made public yet.

Senator McLUCAS—Do you imagine it will be?

Mr Kalisch—We will take that on notice and I will discuss that with the minister's office.

Senator McLUCAS—Thank you. Let us have a look at that and then we can have an understanding of what the stakeholder consultation has shown.

Mr Kalisch—Obviously, with a contract of this relatively small size, we are not going to have an overly expansive evaluation.

Senator McLUCAS—It has got to be glossy, Mr Kalisch, really! I notice that the report to the department of activities from 2003-04 reports the number of leaflets that have been produced. There was a drop in the number of leaflets from 2000-01 to 2001-02. Was that investigated or were questions asked about why that happened?

Mr Warburton—I am not aware of that. Is that the number of different leaflets they have, or the number of leaflets they distribute? There has been an increase in the number of leaflets they distribute.

Senator McLUCAS—It is the number of actual leaflets that were distributed.

Mr Warburton—I was not aware of that.

Mr Kalisch—Both those years predate our engagement with the program, so perhaps we can take that on notice and see whether there is some information we can glean.

Senator McLUCAS—We are not talking about huge figures, but the drop was from 230,000-odd down to under 200,000. It is worth a question to find out what it was about.

Mr Warburton—That sounds like the number of leaflets distributed. In 2003-04 there were 177,558 leaflets distributed and in 2004-05 there were 205,695 distributed.

Senator McLUCAS—Once again, we are not talking about large numbers, but the fluctuations are there and I would not mind understanding them. There might be a very plausible reason as to why that has happened. It would just be interesting to know.

Mr Warburton—I suspect that the fluctuation in those numbers is largely the demand of people seeking information.

Senator McLUCAS—Yes, but why has there been a growth in demand or a drop in demand—we would like to understand why that happens. In the 2003-04 report there seems to have been the shift away from direct service to individual Australians to training and seminars. Was that a policy shift in the organisation?

Mr Warburton—The organisation has always had both of those functions and, because it is a relatively small organisation with a small number of staff, it has never had a major role in

directly servicing customers. It tends to carry out that role in conjunction with Centrelink's Financial Information Service.

Senator McLUCAS—The most recent report I have is 2003-04. Is the next report about to be published?

Mr Warburton—This is NICRI's report of NICRI itself?

Senator McLUCAS—It is *Report to Department of Family & Community Services on activities 1 July 2003 to 30 June 2004*. That is how the 2003-04 one is headed.

Mr Warburton—We do get reports from NICRI. I was not aware that we published them. I can certainly look to see whether we could make a copy of the latest report available to the committee.

Senator McLUCAS—I understand that the 2003-04 report is on your web site.

Mr Warburton—You could easily be right.

Mr Kalisch—Perhaps we might take on notice when we expect to have the 2004-05 one available.

Senator McLUCAS—Thank you. And that will give us the 2004-05 data?

Mr Kalisch—We certainly have some 2004-05 data that Mr Warburton has been providing you with.

Mr Warburton—I can certainly make available a copy of the information sheet on NICRI, which has much of that data for the 2004-05 year, available to the committee.

Senator McLUCAS—The information sheet?

Mr Warburton—We put out an information sheet on NICRI's activities each year.

Senator McLUCAS—Is that on your web site?

Mr Warburton—I am not aware whether it is on the web site, but I can certainly make it available to the committee.

Senator McLUCAS—Terrific. Thank you, Mr Warburton. There is quite a bit of information on the NICRI web site. As you leave the web site there is a pop-up that asks you how much money you have to invest. I am quite sure that it is de-identified or whatever. It is an interesting piece of information that people are asked for. That information would indicate the demographic of the people who are using the web site and it could be quite informative about what is going on. Does NICRI report that information to you—the demographic of people using the investment information and seeking advice?

Mr Warburton—In qualitative terms they do. Our understanding is that people who use NICRI services tend to have, not always, significant levels of income and assets.

Senator McLUCAS—'Significant' amounts?

Mr Warburton—Yes.

Senator McLUCAS—But the purpose of NICRI is actually to assist people of 'modest means', I think it says in the mission statement.

Mr Warburton—It is operating in a specialist area of the market, and the information it provides about retirement income products tends to be quite useful to people who have reasonable sums of money to invest.

Senator McLUCAS—So you are suggesting they might not be hitting their target market?

Mr Warburton—The portfolio has broad interests in this area about getting people to maximise their incomes in retirement, so it would be within their market. I guess all I am saying is that they tend not to be people who have had very low incomes, who could have been dependent on benefits for a substantial period of their life and who do not have the sorts of levels of assets and income that would warrant them getting into some forms of retirement investment. NICRI has information on those forms of investment available.

Mr Kalisch—I think we are talking a little bit about relativities here and it is a little hard to gauge. When we talk about ‘significant’ it is not about the significant assets and incomes of perhaps people in the very upper echelons of society. We would certainly expect them to seek expert professional advice and pay for it. Nonetheless, the sort of service provided by NICRI and the advice provided broadly would apply to anyone with either a very modest amount of assets, including financial assets for investment, or people with a more significant sum. So people probably are making some choices and no doubt some people with significant assets are using NICRI services, but we would expect this service probably to be particularly helpful for those with more modest sums but still substantial amounts to invest who may not think about spending some of their hard-earned assets on advice and information.

Senator McLUCAS—Certainly that was the intent of NICRI.

Mr Kalisch—Yes.

Senator McLUCAS—Mr Warburton, you said that there was qualitative not quantitative advice about the type of demographic of people accessing the information. How is that expressed to the department?

Mr Warburton—I would need to check precisely on that.

Senator McLUCAS—They certainly have this very good method of collecting clear—not necessarily demographic information—base income information. If we could ask them to give us an indication of the income levels of people who are accessing the web site and, therefore, the information available there, that would be helpful. Does NICRI advise you how many women, as opposed to men, access the service?

Mr Warburton—Not that I am aware of, although I have only been in this position for a short period of time so I have not gone through a full cycle of activity, so to speak.

Senator McLUCAS—You would be aware that the Australian Longitudinal Study on Women’s Health recently released information stating that almost half of working women aged in their fifties plan to retire and rely on pensions rather than on superannuation or savings to support them. Clearly, we know that women have much less superannuation and should be the group seeking this sort of financial retirement advice. It would be nice to know that NICRI is targeting this group of people to ensure that they get the best information they possibly can.

Mr Kalisch—I would be surprised if we did not ask for that information, given the very statistics that you have quoted that we are also well aware of concerning the distribution of retirement incomes amongst the older population, particularly with the differences between older men and older women, with older women retiring earlier and generally having a shorter work force experience.

Senator McLUCAS—They are actually retiring later.

Mr Kalisch—They are retiring later than they have been, but they are still retiring earlier than men are.

Senator McLUCAS—Yes, but we are all working harder.

Mr Kalisch—New cohorts are moving through that are working longer, but they are still retiring earlier than men are.

Senator McLUCAS—What about measures to target people of non-English-speaking backgrounds and of Indigenous heritage? Are they part of NICRI's target market?

Mr Kalisch—Certainly those aspects are covered in the Financial Information Service seminars that Centrelink run.

Senator McLUCAS—That is information going to the FIS officers of Centrelink, though.

Mr Kalisch—Yes, and they do provide information for different multicultural groups as part of that process. As for how NICRI operate, I am not sure whether they provide their leaflets in a number of different languages, but I know that certainly Centrelink does through its FIS service.

Senator McLUCAS—It would be handy if you could provide us, on notice, with information about how NICRI targets women, Indigenous people and culturally and linguistically diverse people.

Mr Kalisch—Yes.

Senator McLUCAS—Thank you. As I said, that was the only item in 3.1 that I wanted to talk about.

[2.10 pm]

CHAIR—As there are no other questions on 3.1, we will proceed to 3.2, Support for people with disabilities. Senator McLucas has some questions.

Dr Harmer—I wonder if I could ask Hansard to turn up Senator McLucas's microphone. I have been finding it a little bit—

CHAIR—We had a problem all day yesterday with the volume.

Senator Patterson—We have had a problem for 17 years.

CHAIR—Indeed, as the minister points out, we have had a problem for a long time. I remind people to sit close to the microphone and to speak loudly. I also remind people that yesterday it was resolved by the committee to allow the taking of photographs by AUSPIC, which is occurring at the moment.

Senator McLUCAS—I want to ask about the government's announcement to establish a system that would allow private trusts to be established for people with disabilities; it is a recent announcement. Where in the budget does that money come from? It is not in the PBS because it came out after that, but in what program does it sit?

Mr Wallace—That would sit in outcome 3.3, the carers output.

Senator McLUCAS—So it sits in 3.3, as it is a carers activity rather than a disability matter. Thank you. The Australian National Audit Office recently delivered its report on the administration of the CSTDA. There were five recommendations in that report that the department agreed to. Could we go through each of those recommendations and have you indicate what the department intends to do to implement them?

Mr Wallace—Yes. We are quite please that the audit presented quite a positive reflection on the department's administration of the Commonwealth State/Territory Disability Agreement. As you noted, the department has agreed with each of the audit's recommendations. In broad terms, the recommendations are divided into two categories, one reflecting more directly on the Commonwealth's oversight and administration and the other reflecting more on the ways in which we need to work with state and territory governments to obtain performance data to appropriately monitor outcomes under the agreement.

In relation to the recommendation around greater coordination and collaboration across Commonwealth departments, I have written to my colleagues in those other relevant departments to arrange to meet so that we can work through appropriate mechanisms to further improve the Commonwealth's performance in implementing the Commonwealth State/Territory Disability Agreement. In relation to all the other recommendations, those are things that I and my colleagues will be taking up with national disability administrators as part of our efforts to continue to improve the performance reporting under the agreement. But they are all things that require the cooperation of the state and territory governments, and I am sure we will get that. As the audit noted, we have quite strong and positive relationships with the state and territory officials in administering the agreement.

Senator McLUCAS—Let us go through them one by one. I understand they did naturally group in certain ways. Let us go to recommendation 3. Mr Wallace, you said that you have written to other departments. Which departments have you written to?

Mr Wallace—I have written to the Department of Veterans' Affairs and the Department of Transport and Regional Services in particular.

Senator McLUCAS—I slightly differ with your opinion about the report being positive in total. I think the report identified quite significant holes in the internal collaboration with other Commonwealth agencies. In fact, from my recollection, it says that the ANAO was somewhat surprised—those are not their words but I think they used the word 'surprised', which is an unusual word for an auditor to us. Auditors do not usually get surprised, but they were surprised that there was no relationship with DVA. Moving to transport, that is an area where I understand there had been no relationship between Disability in FaCS and the department of transport, even though the CSTDA actually identifies that transport and accessibility to transport is an objective. What do you intend to do with the department of transport?

Mr Wallace—As I mentioned, I am intending to meet with my colleagues in both those departments to discuss establishing regular mechanisms for transfer of information and input into the administration of the agreement. Not having had the opportunity since the report was tabled to meet with them, I am not able to outline exactly what those mechanisms will be, but we are committed to following through on the recommendations of the report. I will be looking to meet with DOTARS as soon as possible.

Senator McLUCAS—The agenda for those meetings: what sorts of issues would that canvass?

Mr Wallace—I imagine we will establish an agenda at the first meeting. We certainly acknowledge that transport issues are an important set of issues for people with disabilities. There certainly has been contact between the department and DOTARS around a range of issues about accessibility of transport for people with disabilities, but we will be looking to formalise some of those mechanisms specifically as they relate to the Commonwealth State/Territory Disability Agreement. I do not have a proposed agenda in front of me.

Senator McLUCAS—We will certainly be interested in hearing at the next estimates how that is progressing. The ANAO report also identified that in 1999 there was going to be a strategy for working with Indigenous Australians with disabilities. ANAO also noted in the report that nothing had happened on that expressed intention to date. Do you have an intention to liaise with DIMIA or wherever you would do, given the demise of ATSIIC, in terms of developing that strategy?

Mr Wallace—I am not aware that there is a specific strategy, but we certainly are aware of the particular needs and interests of Indigenous people with disabilities. That is an issue that has been raised and addressed in the National Disability Advisory Council context on a number of occasions. An Indigenous representative on that body brings advice to the department and the minister on issues facing Indigenous people with disabilities. But, no, there is not a formal Indigenous disability strategy under the Commonwealth State/Territory Disability Agreement. I am not aware of whether or not that has been an issue that has been taken up with National Disability Administrators, being relatively new in the position.

Ms Winzar—My recollection is that in around 2000 or 2001 there were some attempts to set up an Indigenous disability reference group—

Senator McLUCAS—Yes, that is right.

Ms Winzar—and there was quite some work done with ATSIIC, as it was at the time, around that. But it was quite difficult to get the right people around the table—I guess maybe the time was not right—and that group never really formed properly, from what I recall. Certainly it has lapsed at the moment. But, as Mr Wallace said, it is something that National Disability Administrators have turned their minds to on a number of occasions.

Senator McLUCAS—It is identified in the ANAO report—not in the recommendation, but it is clearly identified as an area that was a commitment to fulfil that has not occurred.

Mr Wallace—The audit report will also be something that the Commonwealth takes up in the National Disability Administrators forum, and we will be working through that to look at

the ways in which the Commonwealth and the states can work together to address the issues raised in the report.

Mr Knapp—Also, just wearing my Indigenous housing hat for a second, I can say that certainly we have had some issues where, in assisting some Indigenous communities with housing, we have also been looking at infrastructure to assist Indigenous people with disabilities—like putting in footpaths to assist people to move around their communities and so on. So, in terms of the whole-of-department approach, we are aware of the needs of Indigenous people with disabilities and we are taking that into account when developing some of our strategies, in some of the more remote communities in particular.

Senator McLUCAS—In fact, the ANAO report identifies the lack of formalised arrangements for people with disabilities, even within the Department of Family and Community Services—that is, the disability sector having a formalised dialogue with the housing sector in the department—which is a bit concerning.

Mr Knapp—I guess what that says is that, informally, certainly we are aware and are doing things to try and support Indigenous people with disability through some of our programs. What the report is saying and what we will be doing is following up on some of those issues to, I guess, make more formal some of those interactions so that we can make sure those issues are addressed in future.

Senator McLUCAS—I think the ANAO report has identified the lack of formal structures. Whilst I dare say people ring each other up and have a chat, once a structure is formalised that is when you start thinking more strategically and that is when you start planning properly. Mr Wallace, do you intend to establish a more formal relationship with the housing section of FaCS?

Mr Wallace—I certainly have a very close relationship with the housing area. We are housed, as it were, on the same floor in the department. I think the point you raise is probably right. There are certainly connections within the department and beyond the department with other portfolios around disability matters. It may be that those processes are not formalised in the way in which they feed into the NDA process or the CSTDA process, but those connections certainly do exist. So I do not think the audit report is pointing to a lack of connections as much as to a lack of formal process around that.

Senator McLUCAS—It is a lack of measurable connection. Certainly it is an Audit Office report and they like to measure everything, but that is their job. But I think there are good reasons for having measurable relationships, because then you can test whether or not you have actually achieved anything. The issue about the Indigenous reference group is clearly something that just fell off the plate. If you do not formalise those relationships, those things can happen.

Dr Harmer—In the restructure that took place after the last MOG changes I put the disability and carers area with the housing area under Mr Knapp as group manager. So I think the potential for that system to work better is greater now in FaCS than it was before. Secondly, I can assure you that we take very seriously the ANAO reports about these things. It was only brought down on, I think, 19 October and it is only a couple of weeks since then. Mr Wallace is new, but he has already written—and I am impressed; I did not know that he had

already—to the department, so I can assure you that we will be taking seriously our follow-up on that report and doing our best to make sure that if the ANAO come back at some point in the future and have a look at how we have gone we will pass the test.

Senator McLUCAS—It is no reflection on your individual staff. I want to make that very clear. I am sure that Mr Wallace is doing a fine job.

Dr Harmer—He is doing a very fine job.

Senator McLUCAS—Mr Wallace will not be aware of this document, but some 10 years ago—I think Mr Wallace was eight years old then; that is a bit sad—

Mr Wallace—I was slightly older.

Senator McLUCAS—Ten years ago there was an assessment of a review of the Commonwealth State Disability Agreement which was called *Getting real*. When you read that document and compare it with the ANAO report it is a little concerning to see that, 10 years ago, a report had a lot of similar recommendations on things that had to be addressed, like coordination across departments and more robust data collection. It seems to me that we might have been sitting around for 10 years collecting reports that provide us with information about how we should move forward, because the recommendations are quite similar. I commend that report to you. I think the ANAO report is also a useful document.

Can I go to the issue of data collection in CSTDA. The ANAO report clearly identifies that as a weakness. It has certainly been put to me by the states and, most importantly, by the providers of services for people with disabilities that there is inconsistency of data collection for the range of funding organisations that they have. Can the department advise me what work is under way to rationalise or at least streamline the various data collection and acquittal systems that are in place in order to ensure that paperwork is reduced as much as possible?

Senator Patterson—That gives me a wonderful opportunity to—

Senator McLUCAS—No; we have had this discussion in the chamber.

Senator Patterson—I made an announcement last week in Western Australia about not only a focus within FaCS of having one FaCS approach but also a focus outward towards the myriad of organisations we deal with through the 80 or so programs we have. The Prime Minister has indicated that he wants ministers in the finance and business industry portfolios to reduce red tape with businesses. FaCS, my department, and I have taken the lead in indicating that we are going to have a streamlining of the processes for the organisations that deal with us by reducing the number of times they have to report to us and the forms in which they have to report to us, making more uniform applications for various programs and only requiring them to give information once. We may have to deal differently with larger organisation than with smaller ones. But it will reduce the time they have in dealing with us so that they can have more time with their clients or, if they are volunteers, with the work they are doing.

It is a very concerted effort that we are going to have. We are starting off with consultations right around Australia with various groups—large, small and medium—to ask them how we can do business with them better. This will be one area that will be covered by that. I just wanted to take the opportunity to say thank you to the department too, because it is going to

take a lot of work and goodwill on their part. Any effort we can make to reduce the time and effort that not-for-profit organisations and NGOs have to put in in dealing with the department means they have more resources to deal with the real business they have of working in the community.

Senator McLUCAS—You must have been reading my speeches. It is a very good idea.

Senator Patterson—No, I did not read your speech, with all due respect. We made the announcement last week. I thought you would have been reading my press releases.

Senator McLUCAS—Dr Harmer, I wonder could there be a written brief to the committee that explains what that program is going to be, what the consultation is going to be, how long it will go for, what the milestones are.

Dr Harmer—Yes. It is a very significant part of our activity and it is really important. As the minister said, in her conversations, particularly with the big organisations that deal with FaCS—and my conversations since I have been here just 12 months—in liaising we find it is enormously frustrating for organisations to have to fill in different sorts of forms and different acquittals for different programs. We are putting quite a lot of effort into that exercise, which the minister announced last week in Perth. We will give you some information on that, yes.

Senator McLUCAS—That would be great. I want to go to the mobility allowance. in the government's welfare proposals, there are some measures that increase mobility allowance for people who are—correct me if I am wrong, Ms Winzar—in open employment. Are they people with disabilities? Can you explain the measure in the welfare proposal, please?

Mr Wallace—Senator, mobility allowance has been transferred to DEWR in the MOG changes, as has open employment.

Senator McLUCAS—So DEWR completely run mobility allowance?

Mr Wallace—That is right.

Senator McLUCAS—Does FaCS provide any policy advice to DEWR on the delivery of mobility allowance?

Dr Harmer—The people who, before the last election, ran mobility allowance in FaCS are now in DEWR—part of the transfer.

Senator McLUCAS—That does raise the question about the equity of the measure between those people who are in open employment and those people who work in business services. it has been put to me and I have had representations from the member for Ballarat on behalf of people in her electorate recognising that people in open employment have had their mobility needs recognised somewhat and those people who are in business services have not at all. Can you tell me why it is that people in business services did not get included in the mobility allowance changes?

Ms Winzar—Any of the specific matters you would need to direct to the Department of Employment and Workplace Relations. I can say that people who work in business services who are not able to use public transport can still access mobility allowance. What they will not get is the higher rate of mobility allowance which is being extended under the Welfare to Work provisions.

Senator McLUCAS—Yes. I think I just said that. The question I am asking is: why were they not considered? Were they considered? Why was the decision made not to include—

Ms Winzar—That is a question you would need to direct to the Department of Employment and Workplace Relations.

Senator McLUCAS—But it is this department that manages business services.

Ms Winzar—We do not have responsibility for mobility allowance.

Senator McLUCAS—The mobility allowance that people who work in business services access is through DEWR?

Dr Harmer—That is correct.

Senator McLUCAS—Have you had representations made to you about that inequity?

Ms Winzar—Not representations. I am aware that there is a differential rate of payment, but I have not received any letters or calls about the matter.

Senator McLUCAS—I recently attended a business service and spoke to a worker there who explained to me that he quite liked going to the business service. He liked it very much but he could only go two days a week because his taxi to get there was \$4 more than what he earned in the day. So he goes only three days a week. Otherwise it bites into his pension too much.

Senator Patterson—Is that in Victoria?

Senator McLUCAS—No.

Senator Patterson—Because some of the states differ in their voucher system for people on disability benefits and pensions. I do not know enough about it, but I think some states do differ. I might stand corrected, but I think that in Victoria, because there was a bit of an outcry, there was a change—I do not know whether it was for DSP people—to the amount that they could have for assistance with taxis.

Senator McLUCAS—Anyway, that is an issue. I will send those questions along to DEWR. I wonder, though, Ms Winzar, whether you could give me an update on the whole business service review process and where we are going with that.

Ms Winzar—I think last time we spoke we were talking about the full capability reviews, which were under way in a number of business services in May this year. At that stage I think we had completed around 50 full capability reviews of business service organisations, and we had about another 50 or 60 that were scheduled, which we were hoping to complete by the end of this year. At this point we have approved funding for 99 business service organisations under the full capability review arrangements, and we have extended an invitation to the remaining hundred or so business services that we did not deal with in the first round because they were not either wage top-up or wage phase-in organisations. We have now asked them to put their hand up if they would like a full capability review. I think about 102 organisations have taken up that offer. So at the moment we have done 99—we have delegated on the funding for 99 of the organisations. We have about another 40 that are already under way: either field work is being done or they are in the pipeline.

Senator McLUCAS—Is that being done by KPMG?

Ms Winzar—KPMG, PricewaterhouseCoopers and WalterTurnbull are the three organisations we are using.

Senator McLUCAS—Sorry; 99 have been approved and 40 are under way with their capability review?

Ms Winzar—That is right. And we will schedule the others through the course of the next 12 months or so.

Senator McLUCAS—What is the total number of business services again, Ms Winzar?

Ms Winzar—At the moment I think we have 405 outlets that belong to about 235 different organisations.

Senator McLUCAS—And the capability reviews are by outlet, aren't they?

Ms Winzar—No, it is the whole organisation. But an organisation can choose. For example, they might say: 'We think, generally speaking, the organisation's going well. Five out of our seven outlets are doing just fine, but we'd like some advice or a further insight into the workings of a couple of the outlets that we've got.' So we would be happy to do that. But, generally speaking, we will look at the whole organisation.

Senator McLUCAS—Have there been any business services that have advised in the last period that they do not feel as if they can comply with the changed arrangements?

Ms Winzar—No. I am not sure exactly what you would be referring to there.

Senator McLUCAS—Whether any are closing down.

Ms Winzar—In the 2004-05 financial year, we had a total of 35 business services which had some outlets which merged. I think one organisation, for instance, had three separate outlets on the same physical site, but one might have been called the gardening and lawnmowing service, one might have been the laundry service and one might have been a printing and packaging arrangement. We had 15 administrative mergers where, because the organisation had outlets in close proximity or co-located, it was easier for them to merge them. There were a further eight where FaCS actually suggested to the organisation that they merge those outlets because they were so close together that it did not make any sense to have a distinction between them. There were eight outlets which were merged because of viability issues. Generally speaking, they were small ones. For the most part, they would have been mergers of outlets within an organisation, but in a couple of cases an outlet might have been transferred to another organisation and merged with a larger outlet of that other organisation—if that makes sense.

Senator McLUCAS—That is a nice way of describing a closure.

Ms Winzar—No, not at all.

Senator McLUCAS—I know what you mean by a merger: these people had to be accommodated in another business.

Ms Winzar—Sure.

Senator McLUCAS—But I think you might be able to describe some of those mergers as less than amicable.

Senator Patterson—Which one in particular are you talking about?

Senator McLUCAS—I do not like to name particular organisations without their permission, Minister.

Senator Patterson—If it is in Warragul, Victoria, which most probably is the one you are talking about, I had letters from parents who were opposed to the mergers into other outlets and those parents are now writing to say that it was the best thing that has ever happened.

Senator McLUCAS—Change is always hard to deal with.

Senator Patterson—It is hard to deal with. That particular service—

Senator McLUCAS—It is not Warragul that I am talking about.

Senator Patterson—was \$1 million in the red and, if we had put \$1 million into it, we would have got no further ahead. But a couple of the department's officers put in an enormous effort by going there on a very regular basis to work with that difficult emotional situation. With the one that I presume you are talking about, if you were to dig a bit deeper, you might find that, even with the pain of change, the outcome has been better for the people who work in the business service.

Ms Winzar—There were three remaining mergers in 2004-05. One took place as a result of the transfer of responsibilities to DEWR, under the machinery of government arrangements. For example, one organisation was running open employment, business services, perhaps work based personal assistance and another stream of business. Once their open employment went to DEWR, their remaining business would not have been of a large enough critical mass to be viable without merging with another organisation. That was one of those mergers.

Senator McLUCAS—Can I just pursue that one? I do not know the organisation you are talking about, and that is good. Even though their open employment activities moved to DEWR, why could they not run to having contracts or to having two relationships, one with FaCS and the other with DEWR? Why was that difficult for them?

Ms Winzar—They could have, if they had chosen to do so. But, with the separation of open employment and business services, we did uncover a few things that were, if you like, neither fish nor fowl: they did not really fit open employment or business services. In some cases, the organisation made the decision, 'To continue funding for this activity, we'll need to do X, Y and Z,' and in other cases they said, 'Well, this is not really a business line that we want to stay in, so we'll merge this activity with someone else.'

Senator McLUCAS—Does that raise the issue of what possibly is inappropriately called 'double dipping'?

Ms Winzar—I do not think it is so much double dipping. I will give you a really simple example. Business services are generally, I guess, defined as organisations that we fund to employ the person themselves. Open employment, on the other hand, is funding an organisation to find employment in another organisation. We had some arrangements where we were funding people as a business service, but they were supporting people working in open employment—but they were doing it as a full-time sort of activity.

Senator McLUCAS—They were using one to top up the wages.

Ms Winzar—It was not so much topping up; it was just a different employment relationship, which did not neatly fit either open employment or a business service structure. It is not really double dipping, so much.

Senator McLUCAS—Yes, I did say that it was the wrong language. There were three remaining, one of which you have just described.

Ms Winzar—Yes. One business was sold by the organisation. They made a commercial decision to do that and the employees were placed elsewhere in business services. The final one has since reversed its decision to merge with another outlet and it is unmerged now.

Senator McLUCAS—A de-merge.

Ms Winzar—Yes.

Senator McLUCAS—In the work for this current financial year, how are things progressing with those that are going through capability reviews?

Ms Winzar—I think we pretty much covered that off before.

Senator McLUCAS—In terms of where you predict there might be mergers?

Ms Winzar—I do not know that we are able to make those sorts of predictions. It really depends on what the financial advisers find when they go in and talk to the organisation and what sort of recommendations they might make to improve efficiency. Sometimes it makes good administrative sense for outlets to be kept separate and sometimes it does not.

Senator McLUCAS—Then the award wages come on line. When do people have to pay award wages?

Ms Winzar—Organisations were required to either be paying pro rata award wages by 1 January or to have agreed a phase-in plan to pay award wages by the end of May 2008. So they are already doing it or they are well on the way to doing it.

Senator Patterson—Chris Pyne negotiated a lot of this, but I want to say that, in the spirit of bipartisanship, in dealing with that issue he received significant assistance from previous ACTU presidents who are now in the House of Representatives. That assisted us enormously. It does not always happen but it did in this case, to smooth the passage of what were some significant changes. As people have been to integrated schools and have more skills because they have been school, parents were expecting that if they had a reasonable level of productivity that was recognised. There was considerable cooperation last year in dealing with the Industrial Relations Commission and Chris received significant support in that area.

Senator McLUCAS—Ms Winzar, you said that some people are already paying award wages and others have had to give you an indication of how they are going to move to award wages by May 2008.

Senator Patterson—Productivity based award wages.

Senator McLUCAS—Yes.

Senator Patterson—We have to emphasise that.

Senator McLUCAS—In various business services that I have been to, some have progressed quite a way. What is the roll-out of assessment of people's productivity?

Ms Winzar—Perhaps I could tackle that question from two directions. Firstly, 88 organisations sought an extended time to phase in wages and all of those, as I understand it, have now had their full capability reviews completed. Most of them will have already a wage phase-in schedule or milestones with FaCS. I am aware that one organisation has not yet agreed exactly how it is going to phase-in its wages, in what sorts of steps. The other point that is worth noting is the business service wage assessment tool. So far, we have done something like 7,600 wage assessments using that tool. That is not the only wage tool that services can use, of course, but it has reasonable coverage—about 116,000 business services use that tool. Wage assessments have been completed for their existing work forces. Obviously, as they get new employees they will do wage assessments on those people.

Senator McLUCAS—As a result of those wage assessments and the move to pro rata award wages, have you come across cases of people who have been assessed to be very capable and, as a result, been able to move into an alternative employment type?

Ms Winzar—It has always been the case that someone who is able to move into open employment can do that. We do not find large numbers of people leaving business services to move into open employment. To be frank, we would like to encourage that because, if people have developed the skills, competency and confidence, then they can often make that shift. There are a number of people in business services who do function reasonable well. They may be earning, say, 80-odd per cent of an award wage and could make the transition to open employment, if they chose. Some choose and some would prefer to stay in business service environment.

Senator McLUCAS—What activities does the department do to encourage people to move, if they are capable and desirous of doing so? It is a very supported move that would be required, but what do we do to encourage that to happen as best it could?

Ms Winzar—There is nothing in the current case based funding fee structure that explicitly rewards providers for encouraging people to move into open employment. A lot of it depends on the philosophical orientation of the service. Some of our better business services have very good integration of open employment business services activity and training, and we find that those organisations often have quite productive work forces and they often have a much higher level of movement into open employment.

Senator McLUCAS—What about people who have been measured as having very low productivity—what is the feedback on what has happened to those people?

Ms Winzar—Our original modelling was based on the expectation that 15 per cent of people in business services would have very low productivity. So far we are tracking quite close to that. What can happen is that people with very low productivity are given the option of staying in employment or moving into non-vocational activity. So far I think we have had about 1,300 people who have been approved for case management—that is to say their productivity is less than 15 per cent. Of those, I think about 800 people have said that they would like to go through the case management part of the process. I think we may have discussed this before—that involves people from CRS Australia going in and talking to the

person about what their service options are and helping them make informed decisions about what they would like to do. So far—

Senator McLUCAS—In the recognition or with a view that their staying at the business service is probably not feasible—is that the suggestion?

Ms Winzar—No, not at all. So far we have around 283 people in business services who are in whole outlets that have been transferred into non-vocational activity. On top of that, we have around 110 people who have chosen a non-vocational activity in preference to employment. But we also have about 160 people whose productivity is very low who have said, ‘That is fine, but I really like coming to work, and I would like to stay here.’ So, for those people, in some cases we have been able to fund workplace modifications and in other cases there has been special training or intervention—that might be speech therapy or communication skills or whatever they might need to make their work more productive and more pleasant and enjoyable for them too.

Senator McLUCAS—If they do not show greater productivity, what happens then?

Ms Winzar—It is entirely their choice to remain in employment.

Senator McLUCAS—That is great. Thank you, Ms Winzar. I will keep a running brief on that one. That is all I have on 3.2.

Senator Patterson—I would like to make a comment about business services, and I thought Senator McLucas might like to help me spread the good news. Last week I made another announcement—or it might have been the week before—to say that we have a new web site for business services. I need help to make sure state governments use it, as well as all our departments. The web site is called bizability, and all the business services willing to participate have been assisted by us to build a web site, if they did not have their own. You can go into the web site and search by postcode or by product. Now that they have seen it, they want to update it and fix it up. But, if you want to buy backless undies, for example, you might be able to go to a business service and find them. If you want to buy—

Senator McLUCAS—I am sorry; what did you say I might want to buy?

Senator Patterson—A business service has a mail order process from a German company, I think it is, that accesses backless undies somewhere, and they distribute them. They order them on the internet. They are very innovative, these business services. Others make candles or altar bread. I did not know that one of the business services made altar bread until we did all of this. They have a process. They are a bit concerned about not as many people going to communion as ought to. Some of the orders have dropped off and they are competing with a company overseas. But they make altar bread. There are sample bags for mining industries and mining pegs. How are we supposed to advertise that and tell people?

Through this web site we now have it by product and you can go in and search. It means that we can now advertise—and we have put some money aside to do this—in trade magazines, saying ‘If you want a job done, think of a business service first.’ For the electrical industry it may be component assembly or electrical circuit boards. There is a business service that makes circuit boards—I do not think people realise that. For, say, catering you would have candles and conference packaging. So you would target it. We were not able to advertise

it before the web site. I hope you will encourage all of your state colleagues to think about having their departments use it and that you will tell anybody else you meet. I have had my Christmas cards printed by a business service and I have visibility on the back of it. We want to make them viable. One of the ways of doing it is by helping them to advertise what they do. They do it very well. When you go through the list of things they do—and I would encourage you to have a look at the web site—it is staggering. You can look on the computer now if you want to.

Senator McLUCAS—I could. That raises another question, though—

Senator Patterson—When somebody else is asking questions you could go through and see the plethora of things they make.

Senator McLUCAS—Sure. In the United States I understand there is a requirement that government departments purchase a portion of their purchases—and it is probably not equally beautifully transferable—from organisations that employ people with disabilities.

Senator Patterson—This is exactly why I wanted the business—

Senator McLUCAS—Has a mandating or a requirement for government departments ever been contemplated here?

Senator Patterson—Why I wanted to have the business visibility site up first was that it was very difficult to ask any department to do it when it was not easy to find who packaged stuff, who shredded wastepaper, who printed and so on. Now we have the site up, I am expecting my department to do a little better than it has on getting quotes. Now they are on a productivity based wage and moving towards that, you can actually begin to ask the departments to look very carefully and make sure that, where it is appropriate, they get a quote from a business service. I have indicated to the state ministers that I would like them to encourage their departments to do that. Local governments should think about it with gardening, nurseries and acquiring trees and plants et cetera. But it was very difficult to do it without having a central point where people could go to find a business service reasonably near to them that did the service they needed.

I did not know about mandating, but I am on the case. You can do everything you can to help me to make sure that all departments think about a business service first. I have started the ball rolling by getting my Christmas cards printed by a business service. I am writing on all of my briefs now, 'Did we get a quote from a business service for the printing of this document.' I will be writing to my colleagues. But also I think the states need to do it. We cannot just expect businesses to be the ones who procure. I am not sure about mandating, but at least doing this will accelerate, hopefully, the number of quotes and tenders that business services can put in to government departments.

Senator McLUCAS—But has there been work done on mandating in the past?

Senator Patterson—I just said no. One of the reasons that it was difficult to mandate was that nobody knew how to locate them. We needed to start with this first. I have forgotten how much it cost us to set this up.

Ms Winzar—It was about \$330,000 for the web site.

Senator Patterson—We had to engage all of the business services and assist those that did not have a web site. It has been about a year-long project.

Senator McLUCAS—Is everybody on?

Senator Patterson—Not every business service wanted to be on it. I think that, now they have seen it, more will. Now they have seen it, more want to refine what they have put on. I do not think they really quite understood the concept until they saw it working. I fiddled with it in the last day or two and thought that there were a few things we could fix. We need to keep building it. But it is quite useful to go by postcode or by product and find where the nearest business service is that does what you might want done.

Senator McLUCAS—Some business services have a very limited range of activities. For example, you can only construct Qantas headsets for one purchaser, from the way I see it.

Senator Patterson—Most businesses offer a range of services. One of the reasons is to insulate them against a business taking that business away, so they diversify in order to maintain their viability. The web site is one of my suggestions and ideas to improve the viability of businesses. Also, there was no way you could advertise generically. If you wanted a job done you had to think of a business service. Big deal. Now you can generically advertise in trade magazines—and they are the people you want to do it—and help them find a business service that shreds paper or will assemble parts or take plugs off things coming in from overseas and put a new plug in, or whatever else they do. I will expect you to be out there promoting that, Senator McLucas.

Senator McLUCAS—I will put it in my newsletter.

CHAIR—We will go out there and promote that now.

Senator Patterson—It requires all of us to do something. We should not just be expecting business to purchase from them.

CHAIR—Absolutely. Senator Moore, did you have a question in 3.1?

Senator MOORE—Yes. I have a couple in 3.1. They are a series of specific points, so I will run through them quickly, with your indulgence.

Mr Hunter—We had understood that we had finished 3.1. We do have one officer remaining who can cover that. We will do our best to cover that.

CHAIR—That is all right. Whatever information you can give is fine.

Senator MOORE—Whatever we can do we will do.

CHAIR—We understand. We have had to backtrack a bit.

Senator MOORE—The other question I have, which I asked Dr Harmer this morning, is where exactly crisis payment fits in. I have it here under 3. Do you want to do crisis payment first? It seems like such a groovy title. I was not quite sure which part of 3 it came under, so it is fortunate that I asked that question straightaway. These are follow-up questions about crisis payment. We have had questions on notice from Senator Evans in the past on this issue. We were advised at that stage that there was a review of the crisis payment taking place. We want to clarify the purpose of the review.

Mr Wallace—There has not been a FaCS policy review of crisis payment. There was a review, I understand, being conducted within Centrelink.

Senator MOORE—FaCs was not part of that review?

Mr Wallace—No. That was a Centrelink review that I understand was aimed at getting some views of customer understanding of the purpose of crisis payment.

Senator MOORE—My understanding was that Senator Evans asked FaCS about this payment in the additional estimates in February 2005.

Mr Wallace—I have a response to the question on notice in front of me, and it does refer to the Centrelink review, not a FaCS review.

Senator MOORE—Was FaCS involved in that review—just to clarify that? It is my understanding that historically FaCS was involved in the policy areas.

Mr Wallace—We have been made aware of the findings of that review, but the primary purpose of the review was to look at the administration rather than the policy relating to crisis payment.

Senator MOORE—So would it be your understanding that any questions about that review ought to be directed to Centrelink?

Mr Wallace—That is right.

Senator MOORE—You have been very diplomatic up to this stage. So, whilst the part of FaCS that looks at the issues to do with domestic violence was not immediately involved in the actions of the review, has it been involved in actions that have come out of it?

Mr Wallace—I understand you are referring to issues that have been raised relating to crisis payment being payable to victims of domestic violence, and in what circumstances that can happen. The department has considered options around the way in which that issue can be dealt with, but there have not been any conclusions to that.

Senator MOORE—Was the review stimulated by FaCS or stimulated by Centrelink?

Mr Wallace—It is my understanding it was by Centrelink. I will clarify that if it is any different, but I am confident that it was a Centrelink initiated review.

Senator MOORE—We would welcome getting that clarification, because it was our understanding that it was stimulated by FaCS, even though the focus was on the actual payment itself.

Dr Harmer—We will clarify that for you.

Senator MOORE—If you could get back to me that would be good.

Dr Harmer—My understanding is it was Centrelink, but we will confirm that. We may be able to do that quickly.

Senator MOORE—I just want to make it clear in my own mind: Mr Wallace, your area in FaCS had no role in the review itself?

Mr Wallace—We will clarify that as well, but I understand that we were not directly involved in the review, no.

Senator MOORE—My understanding is it is over. We are seeking a copy of it because it is pertinent to a lot of issues we were raising about lack of safety in the community and who gets support and so on. When something like that is done in an administrative area that you have the policy oversight of, what happens to the recommendation phase in terms of follow-up action? Whilst we have not seen the review, we expect that recommendations will come out of it. Does that come back and include your area?

Dr Harmer—It depends on the nature of the review. If it is a review about the way the program is administered, and the recommendations go to improving the efficiency or effectiveness of administration and does not impinge on eligibility or policy, then it is unlikely we would have an interest or that it would come back to us. If it was a review that had some implications for policy or eligibility or whatever, it would certainly come back to us. It is as simple as that. If it is about improvements in administration within the same policy context, it is likely that Centrelink would go ahead and do it, and they would not need to refer to us. They would come to us if it cut across policy or eligibility or something like that.

Senator MOORE—Mr Wallace, have they come back to you with anything that did have policy implications for FaCS?

Mr Wallace—I understand we have a copy of the report, but that it was directed at—

Senator MOORE—I am pleased. So they gave you a copy of it?

Mr Wallace—That is right. As Dr Harmer said, even where a Centrelink review related mostly to administration, as a rule they would generally provide us a copy.

Senator MOORE—I am really pleased to hear that because that is part of the communication process.

Mr Wallace—I understand we did receive a copy of the report, but the recommendations in the report do relate to the administration of the payment rather than to policy issues.

Senator MOORE—And to the best of your knowledge, you have no ongoing role?

Mr Wallace—No, I understand that we do not.

Senator MOORE—I do not know whether you can escape. My next lot of questions is to do with the revaluation of aged pension property holdings.

Dr Harmer—We still have someone here who may know that information.

Senator MOORE—I will give you the other two headings just so you know. There is the ABO, question No. 5, which is to do with detection and prevention of incorrect aged pension payments arising from overseas income and the provision of health care cards for self-funded retirees. They are all areas that we have covered in the past.

Dr Harmer—And Mr Kalisch will do his best with that.

Senator MOORE—If we can look at aged pensioners' property holdings first, can you tell us how the reviews of those holdings operate—how regularly are they undertaken and what actually occurs?

Mr Kalisch—Perhaps I can talk broadly about the review of income and assets that happens about every three or so years generally, but this was a specific initiative that

Centrelink undertook to look at real estate valuations. In late July 2005 Centrelink sent letters to around 43,000 people giving them advanced notice of a review of real estate assets. That covered not just people on the aged pension but people on other income support payments where it was suspected that there were significant real estate holdings.

Senator MOORE—I understand that the actual administration is done by Centrelink. The reason I am asking your area is that it is a general policy issue around the age pension, eligibility and so on, and I just want that clear.

Mr Kalisch—Yes, it certainly is part of a us wanting to see compliance with the asset rules around pensions in general. There are asset test thresholds that people need to meet to maintain eligibility. I am sure every senator would want the payments to be paid appropriately.

Senator Patterson—Senator Moore, there is another thing we try as far as possible to do. Some people choose to have additional assets in shares or a market linked stream or annuity where half of it does not count for the assets test. It would be unfair if somebody could have an investment in property where the gain or the increase in its value was not taken into account, yet those with shares or some other investment where that is clear because there is a regular reporting of the value are treated differently. That is one of the reasons for this, to try as far as possible to treat people in similar circumstances similarly.

Senator MOORE—So that is the background.

Senator Patterson—Yes, that is the background to it. A person may choose to have the same amount of money invested in shares as somebody who has it invested in a property. In one there is constant reporting and you see changes in the share price. I will not go into a little foray of policy in 1993 where unrealised capital gains were treated as shares for the purpose of assessing the pension—that is something that is well forgotten by everybody. I opposed it but it was brought in for a while caused a lot of grief. But in attempting to try and make sure that people in similar circumstances are treated the same you need regular reviews of property, otherwise people are being treated unfairly.

Mr Kalisch—As you would be aware, Senator, a person's principal residence is exempt from the asset test, so this is really looking at—

Senator MOORE—So this is not your principal residence.

Mr Kalisch—Not your principal resident.

Senator MOORE—Did you tell me in your first answer—I apologise, I cannot remember—how often the reviews were done?

Mr Kalisch—Generally, Centrelink does major reviews of income and assets about every two to three years. They have done a previous real estate review, in October 2004.

Senator Patterson—*Aged Pension News* very consistently reminds people that they need to advise of changes in the value of their assets or changes in their income.

Senator MOORE—Has there been a change in the use of AVO for doing this—has that been a change of policy direction?

Mr Kalisch—I am not aware of that. From what I can recall, we have consistently used AVO for a long period of time.

Senator MOORE—From your understanding, there has not been a major difference?

Mr Kalisch—No.

Senator MOORE—My understanding from the kind of information we have been increasingly receiving from some people is that in the past you were able to produce a valuation statement, your rent or the property value you had, yourself and that would meet the requirements of the Centrelink/FaCS policy process, but that now there seems to be a change in that the AVO is being brought in.

Mr Kalisch—From what I can recall, we have for at least the last 15 years used the AVO to test real estate values. There may have been a change in terms of the proportion of real estate where we have used the AVO for this purpose, but I know we have had longstanding contracts and arrangements with them to provide that service.

Senator MOORE—Are you aware whether there has been a change or not?

Mr Kalisch—I am not aware of any change in that but I can take that on notice.

Senator MOORE—I would like that. Has it not been a FaCS direction to change that process?

Mr Kalisch—Not that I am aware of, but this may well be a financial arrangement that we have with AVO.

Senator MOORE—That would be useful to know. I will just run through a couple more things. If you are going to take advice you may as well get advice across the board. Are you aware of whether or not AVO uses similar methodologies across the country, because my understanding is that this is a national process?

Mr Kalisch—Certainly, we would expect national consistency in the way that they approach their valuations.

Senator MOORE—Are you aware of any increase in review activity in 2004-05, whether there was more of a valuation process, particularly using AVO in that time?

Mr Kalisch—I am just aware that we did specifically, in association with Centrelink, have this special real estate valuation approach. More recently, as I said, 43,000 people were part of that process.

Senator MOORE—Is that over? Was that a special period or is it an ongoing policy?

Mr Kalisch—No. We know at this stage the broad results of that review process, although some customers have lodged appeals and questioned the outcomes. So there still some matters outstanding.

Senator MOORE—Is that through the standard appeals process?

Mr Kalisch—Yes.

Senator MOORE—In terms of the greater focus, you used the term ‘special valuation process’, is the expectation that what is currently happening will continue into the future, that it is going to be standard process in valuations?

Mr Kalisch—I would not be surprised if property remains a significant portion of people's financial assets.

Senator MOORE—But is there a FaCS policy decision on that?

Mr Kalisch—We will keep these matters under review in association with the minister and target a compliance strategy appropriately.

Senator MOORE—But, at the current time, you believe that the policy is continuing as it was?

Mr Kalisch—Yes.

Senator MOORE—In terms of the appeals, if someone does appeal and is successful, what happens to the process? Do they get money back?

Mr Kalisch—Yes. If we have reduced payments and they are successful in their appeal then they will have that reimbursed.

Senator MOORE—I take it that if you appeal you also have the opportunity of having the valuation lifted?

Mr Kalisch—That is the way that you would have that changed. You have to contest the valuation and produce evidence.

Senator MOORE—So once you take the decision to appeal, your understanding is that it can go either way? You can either win or lose.

Mr Kalisch—Yes. It could go the other way, of course.

Senator MOORE—You mentioned about 43,000 people have gone through.

Mr Kalisch—Yes.

Senator MOORE—Is that in 2004-05?

Mr Kalisch—That is just for the September 2005 review process, so the numbers are quite—

Senator MOORE—Large.

Mr Kalisch—up-to-date.

Senator MOORE—Do you know how many appeals have come through out of the 43,000?

Mr Kalisch—I am not aware of that.

Senator MOORE—Can you find that out?

Mr Kalisch—We could try and take that on notice. It would depend on what stage of the review process they were at, given that it is a relatively recently that the review was undertaken. Most of the appeals would probably be through the relatively early stages of the appeal processes, such as the authorised review officer or the SSAT process.

Dr Harmer—It might be quite hard for us to get that information given the recentness of that.

Mr Kalisch—We will see what we can get through Centrelink.

Senator MOORE—If we can find out what appeals you are aware of, that would be the first step and then we will follow up on notice down the track about what is happening. We regularly ask for that definition of what decisions are being appealed and so on, so we will follow that up. If you can give us the information you can, that would be good. In terms of the policy on valuation, is there a transitional period? Once a valuation has changed—for the sake of this discussion, I will look at it as though the valuation has gone up which, would mean a possible reduction in the form of welfare payment you are able to receive—is there any kind of transition payment from the time the process operates? I take it you would send a letter—

Mr Kalisch—Yes.

Senator MOORE—advising that you are now going to be subject to an appeal. The expectation, if somebody has questions, is that they will get back to you and say what is going to happen. The next step in this case is that AVO is caught up. Is that right?

Mr Kalisch—I suppose this is starting to get into—

Senator MOORE—The details?

Mr Kalisch—matters of process that are in the realm of Centrelink.

Senator MOORE—Payment access and the impact on payment is the responsibility of FaCS, isn't it? I know the details of how it is done is probably the responsibility of Centrelink. If this comes as a shock—and, as you have said you are not surprised that this continues—there must be some expectation that out of these valuations there have been some savings?

Mr Kalisch—Yes.

Senator MOORE—We would like to know about that as well. So I will throw that question in: what savings have been achieved since this has happened? How many of the valuations which have changed have led to savings? The impact on a payment to a client, would come under FaCS, wouldn't it?

Mr Kalisch—Yes, in terms of the payment outcomes. I do not have the information about the dollar savings.

Senator MOORE—I understand that. I am throwing the questions out there so you can see what I am after.

Mr Kalisch—The one aspect I would add is that we would expect that once the valuation is changed, it would operate from that date.

Senator MOORE—And that would be as a result of advice to the person?

Mr Kalisch—Yes, advice to the person and from the AVO.

Senator Patterson—And if shares go up, it operates from that date as well.

Senator MOORE—Absolutely. I am just trying to make it clear that in each aspect of the process there is this common practice.

Senator Patterson—The same thing applies if somebody's overseas pension goes up or if some other asset increases. As far as possible, given the differences in the types of investment and the way people hold their assets, we try to treat them as similarly as possible.

Senator MOORE—In this case the property is the asset.

Mr Kalisch—We would expect that people would not be overly surprised by increasing property values. That has been fairly largely publicised in the Australian media, and people have a fair idea of what their assets are worth.

Senator Patterson—Senator Moore, one of the issues that is difficult is that some people are familiar with systems in other countries where there are contributory schemes—irrespective of their assets and income they get a pension because they have contributed all their lives. Some people find it difficult to understand because their relatives or friends overseas can have a change in their assets but their pension does not change. But for a very long time we have had a means tested and assets tested pension. It is difficult because people feel that they have paid their taxes, but ours is not a contributory scheme as in other countries. Some of those countries are having a little difficulty paying their contributory pensions because they have not put the money away. We do not have a scheme like that.

This was the essence of a quite significant and long discussion at the OECD conference in Paris because countries are looking at what they do with an ageing population. That causes some confusion in people's minds because they think, 'I have my pension, why does it change?' Despite the fact that we tell them in *Aged Pension News* and despite the fact that they are told when they apply, some of them still have the view that they should get the full pension. Irrespective of the way they have their assets, when their assets change they need to be educated about why pensions may change. I write a lot of letters—even to my colleagues—saying that we have a means tested and assets tested pension scheme, carers' payment and other disability support payments. But particularly in relation to the aged pension people's views are sometimes influenced by other experiences or other systems.

Senator MOORE—Minister, have you had any letters about concern with this valuation process?

Senator Patterson—I haven't had letters about the valuation process, but there have been people saying, 'Why is my pension changing?' Again, they ask that for the reason I have mentioned: 'I have paid my taxes.' We have to explain, 'This is a means tested and assets tested pension. We try as far as possible to treat people with similar assets and income in the same way.'

Mr Kalisch—Certainly we have had indications that there have been fewer complaints about this current real estate valuation exercise than the one that was undertaken about 12 months earlier.

Senator MOORE—Was there any difference between the two of them?

Mr Kalisch—There was little bit of a difference in that the one previously focused more on multiple property holders and holders of very expensive real estate. This has been more across the board, which would probably suggest that we could have expected more complaints about the current process.

Senator MOORE—So the first round was more targeted.

Mr Kalisch—The first round was very targeted.

Senator MOORE—And now it is a general process.

Senator Patterson—From memory, I had a letter from somebody who had their own home, two properties and other assets. They were wondering why they were not getting the full pension. I think, Senator Moore you could explain as well as I could why.

Senator MOORE—I am sure you were able to respond to that, Minister.

Mr Kalisch—I think the minister gave an indication earlier as to the key reason that we think there has been fewer complaints this time: the advance notice in *Aged Pension News* and there was more of an introductory process to the review, so people were not surprised when they got a letter.

Senator Patterson—Sometimes they do not see their holiday home as an asset, because they do not make an income from it—but it is an asset.

Senator MOORE—On that one, Mr Kalisch, it would be good if you would get back to us with as much information as you can find out on those questions about where FaCS fits in and the numbers that were caught up in it and also on those questions that we put on record. The next item is some questions about the detection and prevention of incorrect aged pension payments arising from overseas income—another standard lot. We will see what you can get. There was a series of new arrangements with pension payments arising from overseas income, and we have talked about that in the past. What is the latest timetable for the introduction of the new arrangements?

Mr Kalisch—As you will recall, this was a budget measure announced in May. We are expecting that the automation of Australian pension rates with overseas pension rates will commence from around January 2006, after a clean-up of our existing customer records, and that the automation will start with the Netherlands and Malta in early 2006, followed later in 2006 by matching with Germany and Italy.

Senator MOORE—Is it essentially a data-matching exercise?

Mr Kalisch—Yes, it is. Discussions are still continuing with other countries including Spain, Ireland, Denmark and Austria. It is a data-matching exercise and the main thing we are really trying to achieve with this program is to prevent debts from occurring in the first place.

Senator Patterson—Plus it makes it easier because if there is a small change they do not have to notify Centrelink, so for the client and Centrelink it reduces their administrative load and it also reduces the likelihood of receiving an incorrect payment.

Senator MOORE—In terms of the budget projections, how many pensioners were expected to be caught up in this process?

Mr Kalisch—We expect, and I think this information may have been provided during the budget estimates hearings—

Senator MOORE—Yes, it was.

Mr Kalisch—that by the end of 2008 approximately 135,000 aged pensioner customers will have automatic reviews of their pension rates. It is hard to tell at this stage because there are still negotiations happening with individual countries, so we are not quite sure exactly when each country will come on line.

Dr Harmer—Senator, it was budget estimates question on notice 175.

Senator MOORE—I have got that in front of me, Dr Harmer. I think one of the reasons that we are running through these now is to confirm that it is still the same given what was in the May estimates. I am just checking as to when we received the answer. There is no date of receipt. When we talked with you earlier, it was very soon after the budget decision was made. We are just checking that everything is on track and that the figures that you gave us then are still the ones that you are working on.

Mr Kalisch—They are still the ones that we are working with. Perhaps we can continue the conversation at the next estimates hearings in February.

Senator MOORE—I am sure we will. In terms of decisions—I just want to clarify this as well—is it expected that decisions will be imposed retrospectively or that any decision as to change will happen from the time they are discovered?

Mr Kalisch—Certainly in this arrangement we would apply it from the time that it is imposed.

Senator MOORE—In that sense, what is the date of imposition?

Mr Kalisch—It would be the date on which we have the understanding with that country. My understanding is we would not be seeking past debts as a result of this data matching, but I will double-check that.

Senator MOORE—So it is a threshold policy issue?

Dr Harmer—We are looking to make the system fairer in the most administratively efficient way.

Mr Kalisch—It is essentially a data and prevention measure.

Senator MOORE—Has there been any modelling on what an average debt could be?

Mr Kalisch—We have certainly got some information on it from a data-matching pilot with the Netherlands, and that was used to progress this with understandings with other countries.

Senator Patterson—Although, with all due respect, the Netherlands may be a little different—

Senator MOORE—They were the last time we had a change, Minister.

Senator Patterson—No, but I will not go into that.

Senator MOORE—But there were particular issues about the Netherlands.

Senator Patterson—There have been, because of something that happened many years ago with people coming from the Netherlands giving advice in Dutch and us not having a Dutch interpreter, and the data not being as accurate. I have to say that, when *Aged Pension News* first started—it started under Labor—there were constant reminders to people that, if their aged pension from overseas changed, they needed to notify what was DSS in those days, so it has not really changed, but somehow the message got mixed with that particular group. We might find that it is not the same when we data match with others who were not given that advice that was not as accurate as it might otherwise have been.

Senator MOORE—There could well be some flexibility around that.

Mr Kalisch—Can I revise the answer to question on notice 177 from the May estimates?

Senator MOORE—Yes, I have it in front of me.

Mr Kalisch—It talks about debt raising and past adjustments.

Senator MOORE—That is where I got the figure of 780 from. I was trying to get clear in my mind how you actually have a debt, if the debt is being calculated at the time that the agreement is made.

Senator Patterson—It is because you have had a change and you have not advised Centrelink. Some people, who have their pension from Calathumpia, ring Centrelink and say, ‘My pension has changed; there has been a change in the amount that I get,’ for whatever reason. The problem is that there are other people who do not do that. To be fair to those who do, you have to take into account those who have not rung. With all due respect, there are some systems where we could not get the information from other countries, because they were not computerised to an extent, so you had to rely on people telling you that their pensions had changed. We have relied on that, and some people have been assiduous in telling us while others have not—not wilfully sometimes; sometimes just because they do not get around to it.

Mr Kalisch—In these instances we can get exact information from the countries involved as to what the overseas pension rates were on particular days.

Senator MOORE—I am loath to use a particular country, because as soon as I mention a country—

Senator Patterson—That is why I used Calathumpia.

Senator MOORE—We have an overseas pension arrangement with a country. Someone has been receiving a pension from that area. They are also getting some payment from Australia through our scheme. We are going to data match the changes in pension payments from this other country—for example, when they may have gone up—and then check how many people in Australia are continuing the payments in Australia without telling us about an increase in, say, their pension from wherever they came from. That is the basis. We look at the data match, and we are going to find people who did not tell us and then advise those people. When does the debt start? How far back do we go? For instance, someone may not have advised us over a series of changes of their overseas pension. I do not know; there may well be a person who has neglected to tell us of a number of changes. Is the expectation of the policy that you would go back through every time that they did not advise us? Is there a statute of limitations?

Mr Kalisch—Not that I am aware of. That would be my expectation on the basis of this information. A lot of the review activity has the potential—not just looking at this measure, but more broadly in terms of the compliance and integrity dimensions—to go back quite a number of years if people have wilfully or inadvertently failed to advise us of that information.

Senator Patterson—One of the things about having these agreements is that it will reduce the likelihood of that happening, because we will have the information. And it will make it

fairer, because you will not be relying on people who do tell you what happens and others who, for whatever reason, do not tell us when there has been a change.

Mr Kalisch—There is an understanding that the data linkage with these countries being first put in place will uncover some past arrangements, but from that point on it will largely operate just prospectively.

Senator Patterson—There is one country we do not have to worry about—we will talk about it right now—and that is Britain. When you come out from Britain with a pension it is frozen at the amount it is at when you leave. Despite the best intent of a series of ministers in this portfolio—it is a contributory scheme—we top up when they do not reach the basic age pension.

Senator MOORE—I felt sure, Minister, that you would draw that to our attention in this discussion.

Senator Patterson—And, every time you go to Britain, I hope you encourage all of your people—and I know you do—because it is a major issue. They have contributed to contributory a scheme but, when they get here, they find their pension has been frozen at a level. If you go to America or Jamaica it is not frozen. If you go to Canada, Australia or South Africa it is frozen. It beggars belief.

Senator MOORE—It is a longstanding beggaring of belief.

Senator Patterson—I hope that whichever minister is sent the *Hansard* of this committee will see that you and I are equally dismayed, that it is very bipartisan and that they should do something about it.

Senator MOORE—It is a longstanding issue.

Senator Patterson—It is. I have gone through both sides of politics over there. It seems very unfair that British migrants who have contributed to a contributory scheme—

Senator MOORE—We are fortunate that those people will not be caught up in this particular budget change.

Senator Patterson—They will not be because their pension does not change—although it might change with the exchange rate, which is high now.

Senator MOORE—That is another thing we have talked about at previous estimates.

Senator Patterson—But, with the information that is coming, that will be fixed as well. We will send a message, Senator Moore, jointly from this committee that we would like the British government to index British pensioners who have come to Australia. I hope I am not putting words into your mouth, but I am sure you will support me on that.

Senator MOORE—We are after fairness and equity.

Senator Patterson—Good. They can read *Hansard* and send it in a cable. I will make sure the British High Commission gets it.

Senator MOORE—Mr Kalisch, I hate to focus on figures but, in terms of debt, it is something people want to know. In the previous question on notice that we received from FaCS, there was an estimate of \$780. If the average is \$780 it means some debts will be

significantly larger than that. Is there any understanding within the department of the largest debt someone could be looking at in this process It must have been modelled. There is no way you would have this policy if you did not know that.

Mr Kalisch—You are probably putting greater sophistication on our modelling estimates than we do ourselves. We often use averages in our costings, and those averages are drawn from experience. As I mentioned, the Netherlands pilot was somewhat different but nonetheless provided us with some information on which we could draw an estimate which was then used and manipulated to come up with this estimate. I would be surprised if we had a full income distribution or distribution of debts that we had put together for this estimate. I would suspect that our modelling is good enough for us and for reliable budget estimates, but not at that level of detail. And we have not revised it since that time.

Senator MOORE—So we know it is retrospective now, because it is from the time when the data-matching information worked, and we find out that there have been people who have not told us. Have you actually looked at the process you will use for recovery of debt?

Mr Kalisch—That would be the normal Centrelink debt recovery arrangements. You would need to ask them about that.

Senator MOORE—You have alluded a couple of times to the processes that are now in place for educating people about their rights and responsibilities. Is there a new kind of education program linked to this budget change to reinforce the message about people's obligations?

Mr Kalisch—With the budget measures, pensioners would have been advised of this change. We would certainly hope that, from the time of the budget announcement until the measure is put in place—starting iteratively from January 2006—people will take the opportunity to revise their estimates of overseas pension income.

Senator MOORE—From January 2006?

Mr Kalisch—Hopefully, from budget night—from May-June.

Senator MOORE—But, with the way this particular program could operate, the debt could have been raised before June?

Mr Kalisch—That is quite possible, yes.

Senator MOORE—So the budget measure came in and data matching is happening, but any debt before that time would still be accruing—ticking over?

Mr Kalisch—Yes. But this would minimise that debt.

Senator Patterson—They would have been told through *Aged Pension News*, from the time when Labor was in government. Maybe the first editions of *Aged Pension News* talked about it.

Senator MOORE—They certainly were told about it. In terms of your knowledge of the current system, are you aware of whether anyone has been prosecuted for debts that have accrued from overseas pension non-advice?

Mr Kalisch—Certainly this budget measure operates only from January 2006, at the start. I would have to seek further information as to whether people have been prosecuted under

current arrangements. That information is more than likely to be held by Centrelink than us, so you could direct your question to them.

Senator MOORE—So, in terms of information about the numbers of pensioners who report their changes and that kind of data, that is all held by Centrelink?

Mr Kalisch—That would be held at Centrelink. We certainly monitor this—

Senator MOORE—You refer those kinds of administrative questions to Centrelink?

Mr Kalisch—Yes. We certainly monitor the budget measures, but normal administrative processes are done at Centrelink.

Senator MOORE—We have talked a little bit about the education process. Are you involved in working with Centrelink on the best ways to educate people and inform them?

Mr Kalisch—That is largely their responsibility, but we certainly discuss the program implementation issues with them quite regularly.

Senator MOORE—Do you have any feedback on which systems work best? Is it an individual letter, a phone call or reading the *Aged Pension News*?

Mr Kalisch—It really depends on the individuals involved and that is why I think Centrelink pursues a suite of approaches.

Dr Harmer—There are a range of measures.

Senator MOORE—In this particular budget initiative, is there a component to look at doing some kind of follow-up strategy individually with clients? Are you aware of that?

Mr Kalisch—I would need to ask you follow that up with Centrelink.

Senator MOORE—I thought that would be the answer. You have given me the data, in question 175, about your estimates on which countries and how many people.

Mr Kalisch—Yes.

Senator MOORE—We will follow up at the next round of estimates to see how that is going, which would be on 1 January 2006. By the next round of estimates it would have been in place for a couple of months and we should have our first feedback.

Mr Kalisch—There would be an indication that linkages had been made, hopefully with one or two countries. I would suspect that we will not have any—

Senator MOORE—You gave the first two to me. I wrote them down. There are the Netherlands and Malta to start with.

Mr Kalisch—Yes, Netherlands and Malta. I would expect that we will not have too much information on outcomes at that stage.

Dr Harmer—I think the next estimates are scheduled for February and it is unlikely that we would have very much information in February.

Senator MOORE—Could we have the first round? I take your point.

Dr Harmer—We are likely to have better information via budgets.

Senator MOORE—The major reason for these questions was to ensure that it is now in its formative stage and to see how the progress was going. Next I have a series of fairly straightforward questions about eligibility for health care cards for retirees and the threshold rates. Is that your area?

Mr Kalisch—Yes, we have some information.

Dr Harmer—Mr Kalisch may be able to help. The branch head who is more across this has gone, but we will try to answer.

Senator MOORE—I will give you the questions and if Mr Kalisch cannot handle them we will get information back later.

Dr Harmer—He is doing pretty well so far.

Senator MOORE—He is doing fine. Mr Kalisch, can you refresh my memory about how people get their health care cards? Do they get them automatically if they have given the information to their agency about their income and so on? Do they automatically get issued a card or do they have to fill out a special application form?

Mr Kalisch—If they are a recipient of income support payments or maximum rate family tax benefit, they receive either a health care card or a pensioner concession card. There are also separate processes where a health care card can be provided to low-income individuals and families. They need to separately apply for those if they are not in receipt of a social security income support payment.

Senator MOORE—Do you know how many health care cards are held by people going through the Centrelink system—mainly Centrelink, but there are also other payments—and how many have to have a separate process? I could not find that information. It may be that I was looking at the wrong bit.

Mr Kalisch—I am not sure. I will have a quick flick through the annual report to see if it is there. It may not be.

Senator MOORE—Are there any special checks for health care card applications?

Mr Kalisch—Yes. People would need to meet the eligibility criteria. Certainly for those who are on the special income tested arrangements, Centrelink seeks to verify that income.

Senator MOORE—And Centrelink is the agency that does the verification?

Mr Kalisch—They are involved in the administration and the process.

Senator MOORE—Is there access to the number of retirees who are currently on health care cards? Do you have the cost of that to government?

Mr Kalisch—I do not have that with me.

Senator MOORE—Can you take that on notice? I am sure that is your information—the number who have it and the cost of those to the Commonwealth. Is there any definition of that cost? Is it broken down into the actual payment, the amount of work involved in doing it and the card itself?

Mr Kalisch—I am confident that we do provide some resources to Centrelink to administer the cards process. There is also a cost to the Commonwealth government around

the Commonwealth concessions and some reimbursement to the states for a number of the concessions that they provide.

Senator MOORE—And we get into the extended saga of the other concessions, but I am concentrating on health care cards for this particular estimates. In terms of compliance checks with self-funded retirees—and there is an ongoing discussion about self-funded retirees and their access to the health care cards—are you aware of any ongoing checking that they have to do and whether they have to provide information regularly to maintain their health care card?

Mr Kalisch—Are you talking about the Commonwealth seniors health card or the health care card?

Senator MOORE—Health care cards.

Mr Kalisch—People would get health care cards largely as a result of being on a benefit at an older age—

Senator MOORE—Payment of some kind including part pension?

Mr Kalisch—If they are on a pension they are more than likely receiving a pensioner concession card.

Senator MOORE—Yes, that is true, and if you are on a payment you often get the health care card as well.

Mr Kalisch—You get either the pensioner concession card or the health care card depending on the nature of the benefit that you are receiving.

Senator MOORE—In terms of maintaining information for someone, do they have to be regularly checked to make sure that their income and assets information is maintained?

Mr Kalisch—I am confident that Centrelink would check that information regularly but you would need to ask them about the details.

Senator MOORE—If one of the threshold issues is that someone reaches a stage where their eligibility may no longer be there because of the income assets test, what happens then in terms of return of the card? Who is responsible to follow it up?

Mr Kalisch—It would be Centrelink's responsibility. The cards generally have an expiry date as well so it probably is a matter of judgment as to whether they pursue return of the cards.

Senator MOORE—There is no FaCS policy on that?

Mr Kalisch—We would prefer that people returned the cards if they were not eligible but we are not going to be bloody-minded about it in terms of people returning a card if they have a very short period and if it would be an excessive administration cost.

Senator MOORE—Have you done any work in looking at how many retirees holding a health care card may have an annual income higher than the eligibility rate?

Mr Kalisch—I am not aware of that.

Dr Harmer—The answers to question No. 1 and question No. 166 from the budget estimates provided some information along the lines that you are asking.

Senator MOORE—Could I have those figures again, Dr Harmer?

Dr Harmer—Question No. 1 from budget estimates in May this year and question No. 166.

Senator MOORE—They are probably much the same questions that I am asking now in terms of trying to suss out their use and their cost. Dr Harmer, earlier this morning I asked some general questions on welfare to work and you suggested that I ask them under child care. I am happy to do that but I should let you know I have some questions about carers and families and welfare to work. I am happy to ask all the welfare to work questions in the one batch but I think on that basis—

Dr Harmer—If you have got some questions on carers, Senator, I would suggest that you ask them now while I have got the relevant group manager—

Senator MOORE—It is the linkage with welfare to work and the policy changes that came in in terms of parents who are carers not being subject to the Welfare to Work process.

Dr Harmer—Why don't we try now and see if those are the sorts of questions that we can answer?

CHAIR—Before you ask, these are questions in 3.3, I assume. Are there any other questions in 3.1 or 3.2 before we leave that area? None? If there are any officers who only deal with those areas, they can go, Dr Harmer.

Dr Harmer—Thank you.

[3.50 pm]

CHAIR—We are now moving to outcome 3.3.

Senator MOORE—My questioning will be along the lines of policy development and the interagency involvement in the major policy changes in the Welfare to Work program. I will preface that by saying that we went through this at the previous estimates.

Dr Harmer—We did.

Senator MOORE—We understand that the primary responsibility that FaCS has for welfare to work is in the area of child care. What we want to work out is how FaCS is involved in other areas of policy development. With that preamble, has FaCS been involved in any consultation with any disability or parent lobby groups about the welfare reform processes since the budget announcement? I am talking about consultations and the ongoing role that FaCS has—

Dr Harmer—We would not be initiating those. Consultation with any of the groups affected by the welfare to work reforms—with the possible exception of child care, where we have very direct responsibility—would be undertaken by DEWR. We would see that as DEWR's responsibility. That is not to say that in our normal interaction with the various groups we deal with that they might not raise some of those issues. If they did, we would quickly tell them to talk to the Department of Employment and Workplace Relations rather than to us.

Senator MOORE—So the direct consultations about welfare to work is done through DEWR. Senator McLucas asked some of these questions, but can you refresh me as to what

ongoing consultation processes around disabilities FaCS does? There are a series of processes that FaCS are involved in with the ongoing community consultations around disabilities in Australia.

Mr Wallace—The department, through the national secretariat program, funds a range of peak bodies that we have regular formal and informal discussions with about the range of issues facing people with disabilities and carers. There have not been—as Dr Harmer suggests—any specific consultations with those groups relating to welfare to work, although it is fair to say that, in the general discussions we have with them, they raise the issues of the potential impact of welfare to work measures on their constituents. DEWR, having the primary responsibility for those measures, is responsible for the formal consultation with those groups.

Mr Kalisch—You would be aware that DEWR undertook some of those formal consultations just after the budget announcement. Some FaCS officials were involved with that process that they coordinated.

Senator MOORE—But they were from your perspective DEWR consultations with FaCS involvement?

Mr Kalisch—DEWR was leading the whole-of-government process.

Senator MOORE—So, as Mr Wallace has said, at the ongoing annual or six-monthly consultations with the various groups that you provide the national secretariat for, these issues may come up but they are referred to DEWR.

Mr Wallace—That is right. We are certainly in contact with these peak groups more frequently than annually—in fact, quite a lot more regularly than that. In the discussions they have with us about what the topical issues affecting people with disabilities and carers are, elements of the welfare to work reforms come up. If they have specific suggestions around that, we would refer them to DEWR and tell them to speak directly with that department about those suggestions.

Mr Kalisch—More recently, there has been a formal welfare reform consultative forum initiated by the Minister for Employment and Workplace Relations. That involves individuals with engagements across business and community organisations.

Senator MOORE—Are FaCS formally involved in that?

Mr Kalisch—We are involved as an observer with that process.

Senator MOORE—So your formal status is as an observer?

Mr Kalisch—As are a number of Commonwealth agencies.

Senator MOORE—Who goes from FaCS?

Mr Kalisch—An official from our child-care area went to the last one. It is certainly anticipated that the acting deputy secretary will attend next time. I think that is fairly soon; in November.

Senator MOORE—And that is the general consultative process for welfare to work, the community consultation?

Mr Kalisch—Yes, it is an ongoing process.

Senator MOORE—Minister, you announced changes to carer payment eligibility on 12 September—I know that you remember it—in a press release headed ‘Carer Payment extension to also assist parents otherwise affected by Welfare to Work reforms’. Can you let us know how that particular change came about? It is a free kick, Minister.

Senator Patterson—When we first came into government there was no carers’ payment for any children under 16 being cared for. Senator Newman, even at a time when there were constraints on the budget to reduce the debt, brought in a measure that if a family had a child with a profound disability—and I think there were seven conditions which they had to meet—then they would be entitled to a carers’ payment with all the means and assets tests. I had always thought that we ought to look to extending that, and I have been an advocate that we extend it. It was an appropriate time. With Welfare to Work, we were saying that we would not expect those people caring for a child that required sustained and ongoing care to participate in the work force.

But the distinction does more than just that. It does not just cover people who are on parenting payment or partnered parenting payment. For about another \$20-odd million over four years, it also captures people who are on lower incomes who qualify for the carers’ payment. There are more people on it than would otherwise have been affected by Welfare to Work. If you did not extend it to those people who were working and who were on low incomes, you could have had a couple on parenting payment partnered and Newstart having more income than a family who were working on a low incomes who would then would not be eligible for carers’ payment. I thought to be as fair as we possibly could, it should be extended.

I was pretty excited when I got that measure. It is building on the initiative of Senator Newman, but there was a view—and this is why we need more women in parliament, Senator Moore—that people would look after a child under 16 and they did not need any extra assistance. We all know that if a child can start to dress itself and do things and go and pick up a nappy, for a mother that is very different from looking after a profoundly disabled person under 16. It has been a measure that has been about 10 years in the coming, but I give credit to Senator Newman for initiating it in the first place. I am delighted to be the minister who has prevailed over it being extended. But I did argue hard for it, and also for the extension to those other people who were not going to be affected by Welfare to Work.

Senator MOORE—Would this be an element of the Welfare to Work program for which FaCS is responsible?

Senator Patterson—No, it is not an element of Welfare to Work. It is an extension of the carers’ payment, which we are responsible for.

Senator MOORE—But the linkage to the Welfare to Work program—

Senator Patterson—No, because these people will be on carers’ payment and they will not be required to participate. They will be our clients through the carers’ payment.

Senator MOORE—The 12 September media release that came out, which we read assiduously, says:

The Minister for Family and Community Services, Senator Kay Patterson, said eligibility for the Carer Payment will give more support to several thousand people, including many parents who may otherwise be affected by the Howard Government's Welfare-to-Work changes.

Senator Patterson—That is right, but it includes a group of people who would not have been impacted by the parenting payment. It is about another 2½ thousand additional parents and over \$20 million over four years—\$25 million. The measure will cost \$57 million in total over four years.

Senator MOORE—How has that been worked out, Minister?

Senator Patterson—We are going to be looking at that, in terms of how we identify those people. We have had some preliminary discussions about if the child is in special school and not able to go to school. We need to look at measures. One of the things that Senator Newman did—and she always admits at my suggestion—was that if people who had that profound disability had two children that added up to looking after one, we would take that into consideration. I think again we have to look at that.

Senator MOORE—I see what you mean.

Senator Patterson—Because, particularly if it is a genetic disorder, you sometimes find people with a degenerative disease or an inherited disease in one family. We have just had the measure through and we now are looking at how we are going to implement it. I was very thrilled by the fact that I was able to achieve that.

Senator MOORE—Is the department involved in looking at the numbers that would be caught up in this process?

Dr Harmer—Yes, we are. It comes into effect on 1 July 2006, and we are involved in looking at the numbers that will be affected by it.

Senator MOORE—Did the stimulation for this process come through the various consultative arrangements or through FaCS research? What led FaCS to determine that these people would need the help?

Dr Harmer—The minister's initiative. The opportunity was provided by discussion around these issues—

Senator Patterson—Rode a wave, Senator Moore.

Dr Harmer—round the Welfare to Work program. But the opportunity was provided, and the minister grabbed the opportunity and got the change.

Senator MOORE—Minister, do you see this as a carers payment initiative rather than something for the Welfare to Work initiative?

Senator Patterson—It was something I was hoping I would be able to look at and do. I was pleased that Senator Newman was able to achieve, in a fairly stringent budget situation, what she achieved, but I had always thought that I would like to be able to go further—but in this portfolio there are always lots of things you would love to do more of. It seemed appropriate when we had Welfare to Work that, if we were going to exempt those people, it was an opportunity to have them on carers payment where they were appropriately located.

But also there was this group of people on low incomes who would not have qualified, and I argued strongly that they should be included—and won that argument.

Senator MOORE—FaCS may be involved but this is through the ministerial process. Minister, you announced this change to the extension of the carers payment for families that had families with disabilities on 12 September; then Minister Andrews announced under his logo on 21 September exemptions for parents with special family circumstance within the Welfare to Work box. Can you clarify for me how those things link together? Would people be caught up in both those things? How is the policy affected? Where does the information come from? Both you and Dr Harmer have explained before that there is this whole of government, with EWR being the key agency in Welfare to Work, but these are two things that particularly are looking at families with disabilities—

Senator Patterson—Because in the one that we have, with the carers payment, the child would require sustained ongoing care. There may be other children for whom there are challenges but not at the point where you would require the person to dedicate all the time that the child is with them or not in a special school or in a school with one-on-one aid. This is about children who require sustained and ongoing care, but not at the level we had before, which was quite difficult for people to achieve. The child had to be profoundly disabled—I think it was something like doubly incontinent, unable to stand alone, needed gastronasal tube feeding—

Senator MOORE—These were the eligibility criteria.

Senator Patterson—These were the eligibility criteria, and I always thought that, at some point, I would argue that we could extend that. I did. It happened to coincide. Because we would be looking at people who had a child with a profound disability not being able to and not being required to participate in the work force, it also opened up that that other group of low-income people, where one parent is not working because they are in a caring role, would have been excluded if we had not extended it to them. It really served a double purpose.

Senator MOORE—In the budget initiative that comes under or is owned by FaCS, which is the carers one, have you done any—

Senator Patterson—It will cost us \$57 million dollars over four years.

Senator MOORE—That is the anticipated expenditure. In terms of that \$57 million, do you have any idea about how many of those people would have been—

Senator Patterson—About 5,000 people.

Senator MOORE—How many of those 5,000 people would have been subject to Welfare to Work changes, as opposed to that other group that you have identified consistently, which was low-income people—

Senator Patterson—The difference was about \$35 million to \$57 million. I think it was about that. Slightly fewer were on the low income versus those on partnered or parenting payment single.

Mr Wallace—The estimates that the department is involved in producing show that there is roughly double the amount of new carer payment recipients as compared to those transferring from other income support payments. About one-third of the people who will now

be eligible for carer payment child will be transferring from another income support payment. Roughly two-thirds will be new income support recipients—the low-income recipients that the minister referred to.

Senator MOORE—So the two-thirds to whom you refer would be people who are not currently receiving a payment through Centrelink, and would be subject to the new changes?

Mr Wallace—That is right.

Senator MOORE—These people will be low-income earners. They may have got family payment—

Senator Patterson—They qualify for the carers payment on assets and income.

Senator MOORE—And they may well have received family allowance payments as opposed to being sole parents. Each bit has to be looked at. They may well have some form of Centrelink payment but they would not be of the ones that are—

Mr Wallace—But not a primary income support payment.

Senator Patterson—I can say categorically they would have a Centrelink payment. If the child is under 16 and they are on a low income they would be eligible for FBT, at least for one child.

Senator MOORE—I would have hoped so. So the differentiation is that the people who are being considered as part of the Welfare to Work group would constitute about one-third. About how many is that from the figure of 5,000? I cannot do that in my head.

Mr Wallace—In the first year, there were around 1,200 people transferring from another payment, and 2,500 moved—

Senator MOORE—When you say another payment, do you mean a Welfare to Work thing?

Mr Wallace—Another primary income support payment.

Senator MOORE—Okay. And is 5,000 the total in a year?

Mr Wallace—And 2,500 not on another primary income support payment.

Senator Patterson—How many are currently on carers payment?

Mr Wallace—Around 1,900.

Senator MOORE—On what payment?

Mr Wallace—On the carers payment for the family with a disabled child.

Senator McLUCAS—Carer payment child.

Mr Wallace—That is right.

Senator MOORE—And we are expecting 1,200 new people to have access to this payment?

Mr Wallace—In the first year, 1,200 people transferring from another primary income support payment, and 2,500 recipients not on a primary income support payment, making a total of 3,700 in the first year.

Senator MOORE—And that is on top of the current 1,900?

Mr Wallace—That is right.

Senator MOORE—To give a total of around 5,000, being the expectation the first year that this change comes in. When does that kick in?

Mr Wallace—By the end of the first year.

Senator MOORE—From 1 July 2006. What kind of information is happening now to let people know about this change?

Senator Patterson—We have to first of all decide the criteria and that has to go to legislation or regulation—

Mr Wallace—We are in the process of establishing an advisory group and the legislation needs to be introduced.

Senator MOORE—I am not surprised about that. What kind of advisory group?

Mr Wallace—We will be getting an expert advisory group together to provide some advice on the way which we construct the eligibility tool for access to the revised payment. That will include medical experts, primarily—a range of medical experts—as well as—

Senator Patterson—I will be making sure there is a paediatric occupational therapist on it.

Senator MOORE—Is there a current advisory group for the current carers payment?

Mr Wallace—There is not a standing advisory group for the current carers payment, no.

Senator MOORE—So it will be a new group looking particularly at this area of change?

Mr Wallace—It will be specifically set up to advise us on ensuring that the implementation of this measure meets its policy objective.

Senator MOORE—Is that a standard project process?

Mr Wallace—Where there is a new measure being announced which requires an element of technical expertise in determining definitions and measurements it is not unusual to have some external advice on implementation.

Senator MOORE—And that would work to your unit?

Mr Wallace—That is right.

Senator MOORE—What is the time frame? If we are hoping to kick this payment off in July next year, what is the project plan?

Mr Wallace—We are in the process of developing a list of experts who we think cover the relevant areas of expertise that we require. We will be writing to them very shortly, possibly this week, and looking to have an initial meeting with them by early December.

Senator MOORE—Is there any expectation that there will be wider consultation with organisations, or is that going to be something up to this advisory group to determine?

Mr Wallace—The advisory group may include some representatives of some peak organisations.

Senator MOORE—Have you worked out which disabilities will be looked at? The minister has given some idea about the current range. Has there been any consideration of the disabilities that will be picked up?

Mr Wallace—We will be taking advice from the group. The intention is that the criteria, which currently focus largely on profound physical disabilities, will be broadened to include intellectual, psychiatric and behavioural disorders. The advice we will be seeking will be around how precisely we define that to make sure that the implementation captures those groups appropriately.

Senator MOORE—You have been able to give me detailed projections of how many people will be caught up in the first year. Have you got those for the out years? Do you have an expectation of the growth of this payment?

Mr Wallace—I do not have those to hand.

Senator MOORE—Can you provide those? Has that been done? I would hope that if you have got to the \$50-something million figure—I know these things are subject to change—you would have some expectation at this stage of the project.

Mr Wallace—We will take that on notice.

Senator MOORE—FaCS is involved in the interdepartmental group that is looking at Welfare to Work. Was information provided by FaCS about the group of parents or families who could be affected by the Welfare to Work changes? Is that some information that you have fed through?

Mr Wallace—To the Welfare to Work consultative forum?

Senator MOORE—Dr Harmer referred to the welfare to work group involving—

Mr Kalisch—To the steering committee of officials?

Senator MOORE—Yes.

Mr Kalisch—Yes. This was a matter that was considered amongst other issues.

Senator MOORE—And that came from FaCS?

Mr Kalisch—Yes.

Senator MOORE—Minister Andrews made an announcement on the 21st about the exemptions for parents with special family circumstances. The minister has already said that these people were caught up in the same process. Was FaCS involved in feeding through information about that group to the steering committee?

Mr Kalisch—Yes. There was also a briefing that DEWR officials held with Minister Patterson about those very issues, and gave her an opportunity to give them an indication of the sorts of areas she would like to see.

Senator MOORE—Was that after the consultation process you described earlier where DEWR went out into the community?

Mr Kalisch—Yes, this was an extension of that consultation process, and it has been ongoing.

Senator MOORE—Minister, have there been many of those joint information briefing sessions?

Senator Patterson—That one was a particular one on that issue. I have had discussions with Minister Andrews on an informal basis and also on a formal basis about this issue. I have emphasised from my portfolio point of view and demonstrated with the extension of the carers payment how involved I have been in the process, particularly in that area where the policy was going to affect our portfolio as well, in terms of delivering—

Senator MOORE—Within the portfolio of FaCS and the various groups there.

Senator Patterson—As I said, it extended beyond just those people who would be affected by parenting payment. I took the opportunity, Senator Moore; I do not miss opportunities.

Senator MOORE—To extend the benefit to other families who may not—

Senator Patterson—I took the opportunity.

Senator MOORE—In terms of the announcement by Minister Andrews on the work test for those who are caring for people, particularly children, with disabilities, was FaCS involved in decisions about work test arrangements?

Mr Kalisch—We are involved in a range of things that have implications for our broad portfolio interests; but, at the end of the day, this issue is also within the portfolio responsibility of the Department of Employment and Workplace Relations.

Senator MOORE—Was that involvement before the announcement of the budget initiative?

Mr Kalisch—Yes. We had engagement, as I think I mentioned at the last budget hearings.

Senator MOORE—In the preparation?

Mr Kalisch—We had a FaCS official, Mr Wallace—who is here—involved in the task force that Prime Minister and Cabinet had convened.

Senator MOORE—Was the issue of people with disabilities and their carers and FaCS's knowledge about those groups raised in the development of the budget initiative?

Mr Kalisch—Yes. That was quite extensive.

Dr Harmer—Mr Wallace was involved in a group, as Mr Kalisch said, convened by PM&C. You can imagine there was a lot of discussion around a range of payments et cetera. So it is quite difficult for us to—

Senator MOORE—Dr Harmer, specifically on the work test—because that is the threshold in welfare to work—does FaCS have any role in working on how that operates and who is involved?

Mr Kalisch—We do not have a direct role in terms of responsibilities but we certainly have an interest. We put a view, as we have in the past, that parents with other caring responsibilities need to be catered for within that work test.

Senator MOORE—How do you see the role of FaCS in any future changes to the Welfare to Work package?

Mr Kalisch—We are still part of that.

Dr Harmer—What changes?

Senator MOORE—Future refinements: no program remains unchanged.

Dr Harmer—To the extent that the government want to change anything, I guess they would set up another process.

Senator MOORE—Policy advice. The final decision is of course with the government, Dr Harmer, but I am asking about FaCS's role in the policy development.

Senator Patterson—Let us take what has already happened. I was involved in formal discussions with the relevant officers in DEWR. I have been involved in informal discussions with the minister. My department has been involved at various levels and in various committee meetings. I presume that, if there were to be any change, we would be similarly consulted and involved with our area of expertise. I am not saying that there are, but I am saying that given what has occurred.

Senator MOORE—We will probably come back to this kind of general question later with the child-care people. If I were to ask you exactly what role FaCS has in the policy process in welfare to work, what would the answer be?

Dr Harmer—We are a department with an interest and some expertise in some of these issues and, like DEST, PM&C and a range of others, we would be consulted and involved. When PM&C set up an IDC, FaCS would be there because of our expertise and background.

Senator MOORE—What expertise does FaCS bring? In what we have been told is a whole-of-government activity, what particular expertise does FaCS bring?

Dr Harmer—In the case that we have just been talking about, it is a FaCS payment. That is why we are involved. It is a carers payment; that is ours. When policy is being discussed which, for example, as it did in this case, leads to an extension of a FaCS payment, we would clearly be involved and we would be the ones developing it—as we are. Where it is a change to something that is a DEWR payment, such as a parenting payment, a disability support pension or Newstart payment, DEWR would have the main carriage. We might be consulted but they have the carriage of those payments.

Senator MOORE—I want to confirm the degree and value of FaCS's policy knowledge. What are those areas of policy?

Mr Kalisch—Perhaps I could bring you back to one of the answers that I provided a bit earlier—that is, that FaCS is still involved with the ongoing Welfare to Work steering committee, which is chaired by Dr Peter Boxall, the Secretary of the Department of Employment and Workplace Relations, and has high-level representation across a range of the policy and program implementation departments in Canberra and which discusses the whole range of issues that are being considered as part of the implementation of the Welfare to Work package. So FaCS is involved in those conversations. As those conversations go, there are many areas of policy change and implementation that do impact upon our program responsibilities in one way or another.

Senator MOORE—So it is significantly more than just child care?

Mr Kalisch—Yes. As we have just been discussing, particularly around the carers and carers' issues, we also have some expertise in disability that we have been providing around the comprehensive work capacity assessments. A number of these areas are not our direct responsibility, but we have been providing input and advice to assist those who do have those responsibilities.

Senator MOORE—And using things like your advisory networks to point out policy issues?

Mr Kalisch—Yes, and past experience of officers and understanding that officials have within FaCS.

Senator MOORE—Would there be an expectation, Mr Kalisch and Dr Harmer, that, in areas such as disabilities, children or various areas on which FaCS develop policy, if people had some concerns about how a program would operate, one option would be that they would come through FaCS, through the various advisory groups?

Dr Harmer—If it were about the Welfare to Work measures, through the process that Mr Kalisch has just described, it is likely that FaCS expertise would be sought. But, if it were a community organisation or a particular group of people looking to impact on the policy, they would do it through DEWR because they are running the policy.

Senator MOORE—Is it your expectation, Dr Harmer, that if there were these kinds of issues DEWR would turn to you?

Dr Harmer—It is quite likely that, if something were raised by DEWR in an area where DEWR believed that we could add value because of our knowledge, experience or whatever, it would come up in the mechanism that Mr Kalisch has just talked about.

Senator MOORE—What I am trying to get clear in my own mind is why, when you have a department like FaCS that has built up a reputation over many years, it would not just be an expectation—a given—that, on any of these decisions, you would be automatically involved.

Dr Harmer—We would be in lots of things. But I need to point out that, before the last election, we had people who were involved in and ran the disability support pension, parenting payment and the Newstart payment who had great expertise in income support. All of those people are now in DEWR. So DEWR have their own expertise in much of this because they have taken over the people who were running those programs in FaCS before the last election. We are still involved, but they do not need to rely on us in those areas because they have the people who were running those programs in FaCS prior to the last election.

Senator Patterson—Let me assure you, Senator Moore, that, if I think we have the expertise and we should be making a contribution, I will make sure we do.

Senator MOORE—And you offer that, Minister?

Senator Patterson—Yes, that happens.

Mr Kalisch—The steering committee that I mentioned also reviews the entire implementation package.

Senator MOORE—How often does that meet?

Mr Kalisch—It is about monthly. It is not a piecemeal approach and there are opportunities to make comments and input across the whole range of the elements of the package.

Senator Patterson—We will not hide our light under a bushel, Senator Moore.

Senator McLUCAS—I have quite a few questions on carer payment. Going back to the eligibility criteria for assessment for the various carer payments, can you just run through what the assessment tool is for carer payment adult?

Mr Wallace—The adult disability assessment tool is used to determine eligibility for carer payment adult.

Senator McLUCAS—And is carer allowance adult the same?

Mr Wallace—That is right.

Senator McLUCAS—What about for carer payment child?

Senator Patterson—We have just been through that.

Mr Wallace—There are the seven criteria that the minister referred to—four of which one needs to fulfil to be eligible.

Senator Patterson—At the moment.

Mr Wallace—As well as being means-tested.

Senator McLUCAS—I want to get to that. Where do you get those seven criteria from, Mr Wallace?

Mr Wallace—The criteria are assessed with the assistance of a medical professional.

Senator McLUCAS—They are in the Social Security Act—is that right? They are in the legislation?

Mr Wallace—That is right.

Senator McLUCAS—And carer allowance child?

Mr Wallace—Eligibility for carer allowance child is assessed using the child disability assessment tool, which is a measure of functional disability.

Senator McLUCAS—I will go to the carer payment adult provisions. How many applications for carer payment adult would you receive every year?

Mr Wallace—It may take me a minute to get that precise number.

Senator McLUCAS—Thank you. I just want the figure for the last reporting period.

Mr Wallace—In total around 95,000 customers are currently on carer payment. I do not have in front of me the proportion of those who came on in the last year.

Senator McLUCAS—So there are 95,000 currently on carer payment. Is that carer payment adult?

Mr Wallace—It is the one special appropriation, so across the entire carer payment appropriation there is a total of 95,000 recipients.

Senator McLUCAS—And about 1,900 of those are carer payment child recipients?

Mr Wallace—Mr Knapp has just pointed out to me that the number of claims granted in 2004-05 was nearly 34,000.

Senator McLUCAS—And that is carer payment—that is not disaggregated?

Mr Wallace—That is carer payment in total—that is right.

Senator McLUCAS—What was the number granted?

Mr Knapp—It was 33,925.

Senator McLUCAS—Is it possible to disaggregate that into care payment adult and care payment child?

Senator Patterson—In terms of the applications each year?

Senator McLUCAS—No, these are the grantees in 2003-04.

Mr Wallace—We can get you that information. It is fair to say that the number of grants for care payment child would be very small given that the total number of recipients currently is a little under 2,000.

Senator McLUCAS—I would actually like disaggregated figures for each of them if you could. Do you have the figure for number of applications with you?

Mr Wallace—Yes.

Senator McLUCAS—Mr Knapp, was that figure for 2003-04 or 2004-05?

Mr Knapp—It was for 2004-05. The number of claims registered for carer payment in 2004-05 was 82,929.

Senator McLUCAS—And you do not have in front of you the number of those that were for carer payment adult and care payment child?

Mr Wallace—We do not have those numbers with us, but we should be able to get that data.

Senator McLUCAS—So about one-third of the applications are accepted or are successful. Is that right?

Mr Wallace—It is a little over one-third.

Senator McLUCAS—As to the adult disability tool, how are the criteria for carer payment adult regarding terminal illness applied?

Mr Wallace—My understanding is that, where a person has a diagnosed terminal illness and it is within a certain period in terms of the assessment of that person's longevity, carer payment adult can be granted without the full adult disability assessment tool process being entered into. I think it is a period of three months.

Senator McLUCAS—It would be a very hard thing, I daresay, to ask of an applicant for carer payment whether the person they are caring for is terminal within three months, but we will put that to one side. Can you disaggregate from the others successful applications for carer payment adult that fall into the three-month group?

Mr Wallace—I am not sure if we have that data. We will have to check with our colleagues in Centrelink as to whether the data collected indicates whether the adult disability

assessment tool has been used or not. We will check whether that data is available. I am not sure if we can disaggregate—

Senator McLUCAS—So if you take out the people caring for a person with a terminal illness who will be deceased in three months then you move onto the ADAT?

Mr Wallace—That is right. They are the two ways in which you could be eligible for carer payment adult—via either the standard assessment process, the ADAT, or qualifying through the special provision for terminal illness.

Senator McLUCAS—I understand that there is going to be an assessment of both the child disability assessment tool and the adult disability assessment tool. Are you going to look at that provision that identifies three months as an appropriate time for people to get into the system?

Mr Wallace—We have not yet established a specific set of terms of reference for the review, but it is reasonable to say that we are likely to look at that provision in the process of looking at the way in which the adult disability assessment tool and child disability assessment tool operate. We do not yet have specific terms of reference for the review.

Senator McLUCAS—Minister, you are aware, I imagine, of a letter from Mr Philip Grimes of Elizabeth Bay in New South Wales, who applied for the carer payment after his mother was diagnosed with pancreatic cancer. He wrote to you. He was refused carer payment because his mother's doctor would not say that she would die within three months. So he spent the next 10, 12 or 15 months caring for her. He went onto Newstart, which is a pretty difficult thing to do, then, on advice from Centrelink, was asked to reapply for carer payment. On that occasion he was successful, but, unfortunately, his success came the day after his mother died. This three-month terminal illness trigger seems to move a lot of people onto carer payment very quickly. I worry about the group who are left behind, because of their ability to score on the adult disability assessment. If the person they are caring for is very ill, it is very hard to get onto the payment through that method. That is why I asked the question, Mr Wallace, about the number of people who get through because of the three-month terminal illness trigger, as opposed to getting through on the ADAT trigger.

Senator Patterson—I think I remember that letter. In fact, I am sure I remember that letter. I think you wrote to me about it, didn't you?

Senator McLUCAS—I did not; he did.

Senator Patterson—I can't remember. One of the problems is that it is very difficult for someone to make a prediction. I had a relative who was told that they had three months to live and who lived for a year and a half. How you get a measure that legitimately provides someone with assistance when they are caring for someone who is terminally ill is difficult. It is always in this portfolio and these policy areas that you have to draw a line. It is a matter of how you draw it and say, 'You're in and you're out.' We were discussing people caring for a child with an ongoing disability who requires sustained care. There are challenges in that. There are some things where it is a binary decision of yes or no, but in this case it was not a binary decision of yes or no. It is always difficult to make the decision about how you define whether somebody is eligible or not. I cannot remember whether I wrote on the bottom of that

letter. Often when a letter like that comes in it triggers an idea of how you might look at something for policy, and I cannot remember whether I said we needed to look at that.

Senator McLUCAS—It was answered by a staff member of yours. It was answered by the department.

Senator Patterson—But I have a recollection that somebody else wrote to me on that person's behalf. When you were talking about it, it rang a bell. If the department had answered, it would not have rung a bell. I am not going to make policy here on the run, but it is always very difficult to define 'eligibility', especially in an area like this where you have to make a decision, which is as fair as possible, to include someone in a carer's payment. We have also extended the amount of time that someone on a carer's payment can work from 10 hours in 1996 to 25 hours now, which gives people who get a carer's payment the ability to do some work if the person for whom they are caring is not as sick early on. But if you can think of some other way to cut the cake or define the line, I am happy to have a discussion with you about it.

Senator McLUCAS—I think we actually need the data about it.

Senator Patterson—You can see the challenge. It is not an easy binary: 'You have three months to live.' If you could say that, you would be right, but you cannot make that judgment.

Senator McLUCAS—What are the provisions for backdating carer payment adult?

Mr Wallace—For carer payments, the backdating provisions are the same as they are for other primary income support payments. That is, backdating can occur up to 12 weeks prior to the claim being lodged if it can be proven, or it is likely, that the person would have been eligible for that previous 12-week period or part thereof.

Senator McLUCAS—So up to 12 weeks prior to the claim being lodged?

Mr Wallace—I have just sought some clarification. I was referring to the provisions relating to carer allowance. A carer payment can be granted only from the date of claim or from the date of intent to lodge a claim for carer payment.

Senator McLUCAS—From the date of claim? Mr Grimes was backdated to the date of his second claim. What does intention to lodge a claim mean?

Mr Wallace—I imagine it would be in circumstances where a person has made contact with Centrelink to discuss the possibility of a claim but where, for example, a person's caring responsibility makes it difficult for them then to get to an office to lodge the claim. It might be in that sort of circumstance where a person had declared their intention to Centrelink but was unable to make the lodgment itself.

Senator McLUCAS—So we could not get it backdated to the first claim for Mr Grimes?

Mr Wallace—Not if he was deemed not to be eligible at the time.

Senator McLUCAS—Moving on to carer payment child—and I know that Senator Moore has asked some questions—my first question was how many carer payment child recipients were there in 2003-04, and you gave me the figure of 1,900.

Mr Wallace—Approximately 1,900.

Senator McLUCAS—We do not have an exact figure?

Mr Wallace—The figure I have in my briefing is approximately 1,900. We expect that to be fairly accurate. They vary from time to time. When I was provided this briefing, the number was approximately 1,900. That is the figure we were given by Centrelink.

Senator McLUCAS—This goes back to my earlier question: I am looking to get the number of carer payment child applications. I know there are joint applications. It involves one application for carer payment allowance and carer payment child? It involves one form. Is that right?

Mr Wallace—No, carer payment child involves the seven criteria that the minister referred to before, which is a separate process from both the adult disability assessment tool and the carer allowance child process.

Senator McLUCAS—Does it involve one form, though? Do you fill in one form and apply for carer payment and allowance in the same form?

Mr Wallace—I am told that the assessment tools are provided in the same pack, but they are separate forms. The carer payment child criteria are the seven criteria that the minister referred to before and, to receive the carer allowance, the child disability assessment tool is used and they are different forms.

Senator McLUCAS—I was going to the application process rather than the assessment tool, but that is fine. What I would like is the number of applications that have been received in the last reporting period for carer payment child? Can you also give me an analysis of the grounds where those applications were refused? There would be a range of reasons, I imagine, as to why those applications were refused for carer payment child. Can you interrogate the data to that level?

Mr Wallace—I am not sure whether that data would be available or whether what Centrelink collects on that would be just whether or not the person was eligible. I will find that out, but I am not confident that we will have data to a level of detail that will allow us to determine for what reasons a person was not eligible, if they were not. We will see what we can find.

Senator McLUCAS—Thank you. The other thing that I am looking for is the number of reviews of carer payment child for last year.

Mr Wallace—Again that is a number that I do not have in front of me, but we can track that down.

Senator McLUCAS—Out of that, I would also like to know how many of those reviews were successful and how many were unsuccessful. So how many decisions were changed?

Mr Wallace—Are you referring here to appeals of decisions regarding carer payment child?

Senator McLUCAS—Not necessarily through the SSAT process, but there must be a review mechanism. Is there?

Mr Wallace—There is an appeal process. When you refer to reviews, to me that indicates a payment accuracy dimension, whereas an appeal would be something that a person might put

forward where they feel the original decision was incorrect or they would like that relooked at. So I think it is probably appeals that you are referring to.

Senator McLUCAS—Yes, I am referring to appeals. Are they the regular Centrelink type appeals where you have to appeal the decision of the decision-maker? Is that the process you have to go through with carer payment child?

Mr Wallace—I understand that the process is the same as for other income support payments where there is the authorised review officer process followed by the SSAT and then the AAT.

Senator McLUCAS—And that is a fairly long process. Can we get the number of those people who go through that process and get their decision either overturned or confirmed?

Mr Wallace—We should have that information.

Senator Patterson—We have not had a comfort stop. It is okay for us because we can wander out but other people cannot. Are we going to have a five-minute break before the dinner break?

CHAIR—That is a very good suggestion and I think we will do so.

Senator Patterson—I thought we could wait until a logical break.

Senator McLUCAS—That is okay. It is logical enough now.

Proceedings suspended from 4.43 pm to 5.04 pm

CHAIR—We will resume the hearings. We are still on output group 3.3. Senator Mc Lucas has further questions.

Senator McLUCAS—Mr Wallace, something else you might be able to get Centrelink to provide for us is the number of people who were refused carer payment—I keep saying ‘last year’ but I am actually look for the data for 2003-04 and 2004-05 for all the data I am looking for. How many people who were refused carer payment in those two years ended up on parenting payment single?

Mr Wallace—I am not sure we will have that data available; I will find that out. I am not sure that, having been refused a claim for carer payment, we would necessarily have an identifier that allowed us to see whether or not they ended up on another payment.

Dr Harmer—It is quite unlikely we would be able to track that.

Senator McLUCAS—I thought you might need to know that sort of information in order to come to the policy that has been developed.

Mr Wallace—I think it is unlikely we would have data on that, unfortunately.

Senator McLUCAS—I then want to go to the case of a woman by the name of Karen Schuler. She applied for carer payment and was unsuccessful. Her child has a very significant disability. He was born with a chromosomal anomaly called Trisomy 13, or Edwards Syndrome. It goes to the issue we were talking about before, the issue about being able to qualify because of the medical conditions of the child. She has applied on two occasions for carer payment and been unsuccessful. She contends that, as a result of her caring for him, her child does not have to be gastro fed all of the time, just some of the time, and does not have to

have a ventilator all of the time, overnight, because she works very hard with him and it is in his interests not to. There is an anomaly there where she simply cannot get on to the carer payment and it goes to the question of eligibility. So in terms of the tool we referred to earlier, in what areas do you intend to change that?

Mr Wallace—The intention of the measure is to expand it beyond the relatively narrow focus currently in the way that criteria operate on profound physical disabilities. The intention of the measure is to look at extending eligibility to people with severe intellectual, psychiatric and behavioural disorders. As I mentioned before, we will be taking some advice from a group of experts on the way we can give best effect to that policy intent in terms of the way in which either alterations to the current tool or a revised tool would operate. But I cannot provide any detail on that.

Senator McLUCAS—Broadening the criteria to include intellectual, psychiatric or behavioural issues would not have picked up Karen's son, at all.

Mr Wallace—No, it is unlikely. Without knowing the details of the specific case, it is difficult to comment, but no—the intention of the measure is not to broaden access to people with profound physical disabilities. That is right.

Senator McLUCAS—This mother compares her child, and the organisation for people with cerebral palsy compares her child, with a child with severe cerebral palsy. The organisation that provides respite for children with cerebral palsy has refused to take her son because they simply cannot cope. They do not have the facilities. He is more disabled than a child with severe cerebral palsy. There is an absolute anomaly there, and there are hundreds of people who are missing out on carer payment. Wherever you draw the line, the line has to be fair. There is no equity at the moment in the way this test can be applied. It is a failing in the test.

Dr Harmer—In many of these areas, you have to define eligibility at some point.

Senator McLUCAS—I understand that.

Dr Harmer—Wherever you define it, the truth is that there are people who are just the other side of the line who miss out, and that is unfortunate. But that is unavoidable.

Senator McLUCAS—The point I am making is that the line is not clear. It is not a straight line. People who are, in your words, 'just the other side of the line'—that is, not recipients—have children who are far more disabled than children whose parents do get carer payments. Anyway, we will move along. Mr Wallace, we talked earlier about how the appeals process works. Can I bring to your attention the case of a family by the name of Heynatz, who have a child who had both his legs amputated after having meningococcal disease. Mrs Heynatz applied for carer payments and was refused. The child has not only lost his legs but also he has lost all of the flesh from his bottom and part of his arm. He would probably be around two years old now. He initially did not qualify, essentially along the lines of the test that says that if you cannot walk you might be able to walk if you were old enough to do so. That was the reason that he missed out. As his mother, Carmen, said to me, 'He's never going to walk; he does not have any legs.' I found that quite strange. But the appeal process for this family was a little bit different to everyone else's because Mrs Heynatz went to the media. What happened as a result of that is an interesting comparison to the appeal process that many other

people have to go through. The story appeared in the *Courier-Mail* and then the *Sunday Mail* and then she received a visit from the Centrelink doctor. That just happened out of the blue. How would that have happened?

Dr Harmer—You would need to ask Centrelink that. I was going to say a little earlier that we are now getting into territory which is dealing with individual cases and specifics. We design the policy, and the implementation is done by Centrelink. We do not deal with individual cases. We do not deal with the appeals. We are now pretty centrally in areas where we will not be able to deal with your questions. They are questions—and that one fits exactly—that would need to be directed to Centrelink.

Senator McLUCAS—So FaCS know nothing about the case of Carmen Heynatz?

Mr Wallace—I understand that we are aware of the case.

Dr Harmer—We are aware of the case but we—

Senator McLUCAS—Was there any discussion between FaCS and Centrelink about how to deal with this case?

Mr Wallace—Not that I am aware of.

Senator McLUCAS—There was no correspondence between you, any phone calls or discussion?

Mr Knapp—We were aware of the case and there was some interaction between Centrelink and us, but it was more just making sure that they were interpreting the policy correctly. Someone can correct me if I am wrong, but we certainly did not offer a view as to how to make the decision; it was more just clarifying the intent of the legislation.

Senator McLUCAS—In your view, Mr Knapp, were they—

Mr Knapp—In the end, as I recall, they finally got a doctor's report which allowed their child to pass the three criteria out of the seven that are necessary in order to be eligible. The policy was implemented correctly. One doctor had not been able to make the decision on the basis of his interpretation of the criteria, but another doctor was able to. That is my understanding of the matter.

Senator McLUCAS—And the second doctor was employed by Centrelink; is that right?

Mr Knapp—We are not aware of who the doctor was employed by, but it was a different doctor to the initial doctor.

Senator McLUCAS—How regularly does that anomaly occur?

Mr Knapp—I cannot answer that question. You mentioned this particular case. I am aware of that particular case and that is my understanding of what happened.

Senator McLUCAS—So the interaction between FaCS and Centrelink was to ensure that Centrelink were interpreting the policy correctly?

Dr Harmer—From time to time on specific cases and I guess on a case that attracted media attention it is quite likely that Centrelink would just confirm with us about the policy understanding. We do not get involved in the decisions on individual cases, because they have got an appeals mechanism, a process they go through. Apart from them checking with us

about the policy intent, that would be the limit of our involvement. So we would not be able to answer questions, for example, that you have just asked about whether the doctor was a Centrelink doctor or a doctor that they had employed. You would need to direct that to the Ombudsman.

Senator McLUCAS—But, Mr Knapp, you said you were talking to Centrelink about whether the policy was interpreted correctly.

Mr Knapp—That is right, but that is as far as it went.

Senator McLUCAS—And was it?

Mr Knapp—Yes. As I understand, they had submitted a form that only had two ticks—two of the seven boxes that were able to be ticked—by the doctor. They were just seeking some advice about interpretation. We provided that advice back, but the actual decision-making process was with Centrelink and the test that applies to that carer payment was properly followed. There was no change to the use of the test.

Senator McLUCAS—In the first application?

Mr Knapp—While I do not know the details, another doctor got involved who was satisfied that there were three conditions that were met and therefore that family was entitled. We did not get involved in the decision making. We did not advise about doctors or anything like that. As Dr Harmer has indicated, we were just there to make sure that the policy was implemented correctly but not to interfere or intervene in the actual case itself.

Senator McLUCAS—I suppose the point I am making is that if you want a review of your case without going through an appeals process it is best to go to *A Current Affair*.

Dr Harmer—We could not comment on something like that.

Senator McLUCAS—It seems to be a successful way of getting it changed.

Dr Harmer—I do not think that would be something that you could expect us to agree with.

Senator McLUCAS—I understand that. Coming now to the eligibility for the changed carer payment that has been recently announced and that Senator Moore canvassed earlier, you said that a third of the new recipients will come from another payment—I imagine that might be parenting payment partnered or single; I cannot imagine any other payment they would come from—

Mr Wallace—Possibly Newstart.

Senator McLUCAS—and that two-thirds will be new carer payment recipients, so they are people not currently receiving income support. Thinking now of the design of the instrument that is going to deliver that policy outcome, can you explain the generality of the design of the instrument?

Mr Wallace—We have not yet received the advice from the advisory group I referred to about quite how the assessment process will be altered to achieve that result. But the way in which the estimates were derived involved us looking at the current carer allowance recipient population, so you can be in receipt of a parenting payment or Newstart and carer allowance. That gives you some sense of the distribution of people on those other payments who also

have a caring role in respect of a child. We also looked at a range of data around income distributions, some of which I think was family tax benefit data, to give us a sense of what we could estimate were the number of people in an income range that may be drawn onto an extended carer payment child where they would not have been eligible for another income support payment beforehand. That, in a general sense, is the way in which the estimates were derived. The detail of the assessment process has not yet been finalised.

Senator McLUCAS—So the assessment process will not only assess the level of disability of the child, it will also assess the family circumstances of that family?

Mr Wallace—The income and assets test will be applied to it, as it is to other pensions.

Senator McLUCAS—But the means test applies to the current carer payment now?

Mr Wallace—That is right.

Senator McLUCAS—How will you design the instrument so that it delivers the two-thirds of that group who are not currently in the split, as you have described it?

Mr Wallace—Those are estimates we have developed around the population that we expect will be eligible, given the intent of the policy, around an extension to people with children with severe psychiatric, intellectual and behavioural disorders. The way in which the precise assessment tool will operate has not yet been determined.

Senator Patterson—We actually went through all this with Senator Moore.

Senator McLUCAS—It is a slightly different point, Minister. I accept that you have had a long conversation about that, but it goes to how you delineate between people's personal family situations—a point that you yourself made.

Senator Patterson—As I said, that is always difficult but we discussed that with Senator Moore. I do not mind if you spend your whole time on this, but we discussed with Senator Moore that we are going to have a group of people with expertise—and, as I indicated, I think we should have a paediatric OT in that group as well—looking at how we assess people. It is always difficult. Whenever you draw a line between people who are going to get a benefit or not get a benefit, there are people on the cusp. That is always a difficulty whenever there is a benefit. We have been through this in detail.

Senator McLUCAS—Not quite.

Senator Patterson—I disagree with you but, if you want to spend your time asking questions about it all over again, I suppose that is up to you.

Senator McLUCAS—Mr Wallace, all I am trying to ascertain is whether it will be an instrument that simply assesses the level of disability of the child or an instrument that has two elements—that is, one that assesses, other than through simple means testing, the family circumstances of the parents of that child.

Mr Wallace—The current tool, which you are familiar with, is the seven-criterion process. In consultation with the group of experts we discussed earlier, we will be looking at whether that remains the appropriate tool to determine eligibility—

Senator Patterson—It will not remain the appropriate tool.

Mr Wallace—or whether it will be supplemented or redesigned more significantly. So I cannot give you an answer as to exactly how the assessment process will work. I can tell you that we have a reasonable level of confidence about the division between the number of people moving from another income support payment and those not coming from income support through looking at the data we have, in particular around carer allowance child recipients, and our understanding of which disabilities children have, in respect of whom a carer allowance is being paid, across the distribution of target groups we have talked about—the psychiatric, intellectual and behavioural disorders. And that, combined with our understanding of income distributions, will give us a reasonable estimate of the number of people transferring from another payment and the number of new entrants. The detail of the assessment process is still to be finalised in consultation with the expert advice, so I cannot really give you more detail at this stage.

Senator McLUCAS—So it may have two elements?

Mr Wallace—We have not determined exactly how the process will work at this stage.

Senator McLUCAS—Will there have to be an amendment to the Social Security Act for this to occur?

Mr Wallace—Yes.

Senator McLUCAS—Will the new tool cover the current carer payment? Will we end up with one type of carer payment, or will we have the current system and another system?

Senator Patterson—That is to be decided, and that is what we will be discussing with you.

Senator McLUCAS—That is why I asked the question. It is a straightforward question.

Senator Patterson—We have discussed this.

Senator McLUCAS—We have not asked that question.

Senator Patterson—We said we will be determining it. All I am saying is that people who currently get carer payment on the assessment now—and listen to me carefully—will, I guarantee, be included. There will be nobody on the carer payment now, on that assessment, who would not be included. It will be more inclusive.

Senator McLUCAS—I could not imagine it anyway.

Senator Patterson—I just wanted to make sure, because we have had episodes before. Clearly, those people who are currently getting carer payment for a child who is profoundly disabled will qualify under the new arrangements.

Senator McLUCAS—I will go to issue of the National Family Carers Voice. The National Family Carers Voice was established in—

Mr Wallace—It was 1998, I think.

Senator Patterson—For two years.

Mr Wallace—I am sorry; I am referring to the wrong body.

Senator Patterson—It was set up by Senator Vanstone. It was an advisory committee for I think a two-year period.

Mr Wallace—That is right.

Senator McLUCAS—In the letters of appointment to people, did it actually say that it would operate for a set period of time?

Mr Wallace—It was established, as I understand it, for a two-year term.

Senator McLUCAS—I have the press release and it does not actually say that. I am wondering if you could go back to letters that were sent to people and send me a copy of that information.

Mr Wallace—I am told that people were informed that it was a set two-year term when they were appointed.

Senator McLUCAS—I think there is a bit of a dispute about that. I just want to clarify it. What was the total allocation of funds to the National Family Carers Voice over that period of time?

Mr Wallace—I do not have those details to hand, but we can find them for you.

Senator McLUCAS—Were there any consultancies as part of the project?

Mr Wallace—Not that I am aware of but, again, I can check that for you.

Senator McLUCAS—If there were any, can you advise us what they were for and how much was allocated? Were meeting fees paid to the members of the committee?

Mr Wallace—I understand that sitting fees were paid.

Senator McLUCAS—And their travel was covered?

Mr Wallace—That is right.

Senator McLUCAS—The original membership of the National Family Carers Voice did not include a departmental representative. How did the department support the group?

Mr Wallace—The department provided secretariat support to the group in terms of arranging meetings, travel and venues as well as attending the meetings to provide information and updates on issues of interest to them, take minutes, prepare and circulate minutes and papers and assist in developing some of the papers that the consultative body was working on.

Senator McLUCAS—So it was a fairly close working relationship even though there was not a membership on the group? It was side by side?

Mr Wallace—That is right. It was not unlike a range of other advisory groups where the department provides a level of support but is not a member of the group.

Senator McLUCAS—When did the process to formally disband the National Family Carers Voice start?

Mr Wallace—I do not have the precise details to hand, but I understand that the decision was taken some months ago that the National Family Carers Voice would not continue beyond the two-year term it was initially appointed for. I do not have the date for when that was—

Mr Knapp—August 2005 was the formal date.

Senator Patterson—This group was formed and appointed by Senator Vanstone. I was of the opinion that a lot of issues that were discussed by the advisory council were also discussed by the National Family Carers Voice.

Senator McLUCAS—The Disability Advisory Council?

Senator Patterson—Yes. What I decided to do was have a joint committee. The advisory council meets on two days. The groups—People with Disability and the carers—would meet separately on one day and then jointly. A lot of issues they cover are the same. Because of the way the National Family Carers Voice was structured, they did not get a chance to have input with People with Disability.

The carers voice was chaired by Judy Brewer Fischer. When they had completed their time, I arranged for Judy Brewer Fischer to meet with the Prime Minister to speak one on one with him—I was not there—about the issues that Family Carers Voice had raised. One of the results of that meeting was that the Prime Minister gave me a lot of support for my proposition for extending carers payment to children who need constant care and supervision and also for the measure, which we will discuss later because I believe someone is going to ask questions about the trust issue which parents have raised with me and which the carers voice had also raised.

Judy met with a number of people, but she was unable to continue in that role. I want to put on the public record my appreciation for the time she gave up in chairing the meeting and for the time that the carers gave up too. If you want to know what the impact was, it did inform quite a significant number of the changes that I have been able to bring about in the last 18 months, including the additional funding for respite care for older carers, for sons and daughters, which I think all the states have now signed up to.

Mr Knapp—There are two outstanding.

Senator Patterson—Two outstanding still? I thought they had crawled over the line?

Mr Knapp—At officials level, it is getting closer.

Senator McLUCAS—Mr Wallace, was there a formal evaluation of the National Family Carers Voice?

Mr Wallace—No, there was not.

Senator McLUCAS—Is there intended to be?

Senator Patterson—It was an advisory committee to Senator Vanstone which flowed over into my period.

Senator McLUCAS—Just answer the question: yes or no?

Senator Patterson—What I am saying is the evaluation had a profound effect in enabling me and supporting me to drive some of the biggest changes and the biggest things that have happened for carers in a long time.

Senator McLUCAS—So why wasn't the report released?

Senator Patterson—Because it was a report to me; they were an advisory committee to me. I looked at and read the material. They undertook a survey of members. I used that

information to strengthen my argument for measures that we have introduced, and I will still use some of that material to strengthen my argument for other things that I—

Senator McLUCAS—Do you intend to release the report?

Senator Patterson—I will make a decision, but it was a report to me. We set up advisory committees to advise the minister—to give me, or give Senator Vanstone at that stage, information and assistance. We do not release every single bit of advice they give us. People who are on advisory committees write me letters, suggest things to me, and it is a way of informing policy.

Senator McLUCAS—So you do not know whether you will release the report?

Senator Patterson—I have used the report in driving some of the policy changes. It was an advisory committee to Senator Vanstone, which I used the information from. It was a committee that was set up for two years, and I value very much the leadership of Judy Brewer Fischer and the contribution of the members. But I think there is another way now to move forward with merging those two roles with the Disability Advisory Council.

Senator McLUCAS—The National Family Carers Voice had an issues paper. I understand that was the first task that they completed.

Mr Wallace—I understand there was an issues paper.

Senator McLUCAS—Was it published? Was it made public?

Mr Wallace—I understand it was not made public, no. It was an interim report, I think. I am not sure whether that was with the previous minister or not.

Dr Harmer—We suspect it may have been to Senator Vanstone. We are not sure about that. Do you have any dates?

Senator McLUCAS—I am working from a newsletter from March-April 2004 where they say that there is going to be an issues paper, preparation of preliminary recommendations for the minister by May or June, and the writing of a final report addressing structural and strategic issues. I am trying to find out if any of those documents were released publicly.

Mr Wallace—My understanding is that the National Family Carers Voice produced an interim report, which was intended to flow through then to a final report to which the minister has referred. That was also a report to the minister rather than a report intended for the public.

Dr Harmer—The earlier documents were intended to be and were in fact the draft of the final report which was sent to the minister, by the sounds of it, or earlier versions of it.

Senator McLUCAS—A *Sydney Morning Herald* article in March of this year says:

The *Herald* has been told the Government had originally promised to release the issues paper but had given no guarantee it would release the final report.

I wonder if you could find out whether that issues paper was actually ever published.

Mr Knapp—If you are referring to the March 2005 one, that is the paper that we have been discussing.

Senator McLUCAS—That is this one?

Mr Knapp—Yes. That was provided to the minister.

Senator McLUCAS—So that is called the final report?

Mr Knapp—That was the interim report that was provided to the minister.

Senator McLUCAS—So there is no final report?

Mr Wallace—There has been a final report of the National Family Carers Voice provided—that is right—but not made public.

Senator McLUCAS—Inadvertently or advertently? I am just trying to find out which document we are talking about.

Dr Harmer—As the minister has indicated, it was a report to her. As I understand it—and I stand to be corrected because I am relatively new to the portfolio—it has not been made public. The version you have got sounds as if it is an earlier version.

Mr Wallace—My understanding is that there were two reports—an interim report and a final report intended—and that both of those reports have been produced but neither of them has been formally made public although it may be that the interim report has been distributed via other means.

Senator McLUCAS—Thank you, Mr Wallace, as I am now clear on that. Minister, I understand you were provided with 50 copies of the survey and subsequently you said, in response to people asking for the report to be released, that you had asked to be provided with the copies of the remaining 1,150. Did you read all of those surveys?

Senator Patterson—I went through them. I cannot say I read every single one of them in absolute detail, but I did go through them, because there were some issues there, both for the Commonwealth and for the states, in terms of people not being able to get respite care and people who were concerned about what was going to happen to their children when they were older. There was a range of concerns. There are people, and I see this every day, in their eighties looking after someone in their fifties and they want accommodation for their son or daughter. I have to say that, although the states have responsibility for accommodation through the CSTDA, there are a lot of people who want accommodation who are not getting it. I know, from discussion with some of the ministers, that they see a way through with the recent announcement that we had to actually have some people who have assets or who may be able to leave assets to their family—

Senator McLUCAS—We will get on to that in a moment.

Senator Patterson—hang on—who would then see some space that the state might provide being freed up. I went through the responses in considerable detail. That is what I wanted to do to get feedback directly and then, as I said, Judy Brewer Fischer went and had a meeting with the Prime Minister to explain her assessment of what carers wanted and then she went around talking to people as well. It was a very important meeting.

Senator McLUCAS—Were you concerned that the report did not capture the essence of the surveys, and that is why you called for the rest of them to be provided to you?

Senator Patterson—No, I wanted to see what people were saying. I cannot go out and speak to everyone. I do as much as I can. I wanted to see what they were saying. I had time—although not to read them all in detail—to go through them. Some of them wrote quite

lengthy comments; others wrote short comments on the bottom of them. It was an advisory committee to the minister—originally to Amanda Vanstone—and I thought it was appropriate for me to ask for them and to read them as far as I possibly could.

Senator McLUCAS—So you wrote comments back to the people who had done them?

Senator Patterson—No. Some of them wrote quite long things. Some people just wrote, ‘I need more money’ or ‘I want respite’; other people said, ‘I’ve got two children and one’s in care and one’s not in care.’ Some people wrote quite a lot of detailed comments—‘This would help me’ or ‘I don’t think this is sufficient.’

Senator McLUCAS—I do not understand the comment you make about—

Senator Patterson—No, I just read them. It was advice to me.

Senator McLUCAS—I thought you wrote to them.

Senator Patterson—They gathered the information. Rather than just getting the National Family Carers Voice summary, I asked them for the originals so I could look at them, which I think is quite reasonable.

Senator McLUCAS—Moving now to carer payment and the fact that, once a person turns 65, they are no longer eligible—

Senator Patterson—That is not right.

Mr Knapp—That is not correct, Senator.

Senator Patterson—People are eligible for carer payment. Many of them move to the age pension because there are similar benefits, you do not have to have the person for whom you are caring assessed on a regular basis and it also has portability that carer payment does not have. Carer payment is designed more for people of working age. I think there are about 2½ thousand people of age pension age who are on carer payment.

Mr Wallace—That number sounds in the ballpark.

Senator McLUCAS—You learn something every day.

Senator Patterson—With all due respect, I have probably been paddling around this area slightly longer than most of you.

Senator McLUCAS—For people who do not move automatically off carer payment to age pension at 65, can you ask Centrelink to find out the number of people in 2003-04 and 2004-05—

Senator Patterson—You can ask Centrelink that on notice. We are limited in how much we can keep asking Centrelink.

Senator McLUCAS—That is a problem with the structure, but, if I am on a train of thought, surely I can put those questions here.

Senator Patterson—No, they should go to Centrelink.

Senator McLUCAS—I will ask again, and if you cannot do it you can tell me that. How many carer payment adult recipients moved to the age pension in 2003-04 and 2004-05 and how many people stayed on carer payment?

Senator Patterson—That is a question for Centrelink.

Senator McLUCAS—I have this discussion in Health all the time about the difficulty of working across organisations. It is not a criticism of you.

Senator Patterson—I can remember once going to four estimates to find out about corporate impacts when someone got a tender when they were balance sheet insolvent. Nobody helped me and I ran between four, though I am not doing this because of that. You can put those questions on notice and I will ask that Centrelink take those as part of this estimates. I think that is appropriate.

Dr Harmer—Centrelink was here for estimates on Tuesday. If the minister is happy to do it, it is quite reasonable for a series of questions on notice to go directly to them, perhaps from this committee.

Senator Patterson—We will pass them over, but it is up to them to answer them. We cannot keep answering Centrelink questions.

Senator McLUCAS—Regarding the private trust for people with disabilities that we referred to earlier, Mr Wallace, you said it sits in 3.3. In what section of 3.3 is it?

Mr Wallace—You will not find that in any of the documentation currently.

Senator McLUCAS—I understand that, but where would it go—under ‘Assistance for carers’?

Mr Wallace—I imagine so, yes.

Senator McLUCAS—That is all I need to know. I think we have probably canvassed the background to the development of the policy fairly substantially. I understand that Mr Ian Spicer is going to chair the expert advisory group. Who else is going to be on that group?

Mr Wallace—The further membership of that advisory group is not yet determined.

Senator McLUCAS—I dare say you will put those details in a press release, Minister, otherwise I will ask to be advised.

Senator Patterson—I have asked Ian Spicer to chair it because he has just completed a significant period as Chairman of the Disability Advisory Council but also because he is involved in the industry and has a personal interest in this issue. It was also because of his business background and his ability to contact people. There are a range of things: (a) how do you prescribe the people who fit into the issue that we have just been through and some further other areas, and (b) how do you define ‘care’? For example, if income from the trust is spent, income on care will not be counted as income for the pension. We need to decide what that care means. Does it mean the adaptation of a vehicle for someone who is disabled or the support for a carer that is not covered by the state? We need to discuss all that. It also involves how the trust will be structured, what sort of trust it is and in what form we will accept the trust, so we need some people with a background in that. I have discussed with a number of senior banking people whether they would give us the assistance of some of their people who are experts in trusts to advise the committee.

It may be that Mr Spicer, when we have a discussion—he has been away on leave—may wish to have a task force with a reference group. He may want to have some meetings with

people just on financial issues, some meetings with other people on how you prescribe the group of people, and separate meetings on other issues. I have been in discussion with my staff and have not quite got to the department on how we might do that, because there are different problems. Some of the financial people will not have any interest in how you prescribe the group and others will not have knowledge or expertise in trusts and how the trust should be set up. It is quite complex. That is why it cannot start until September.

The reason I wanted to announce it is that already some groups have told me that they have had meetings about how they might use it. One group in Western Australia indicated to me that they want to use it in retirement villages—having the parents downsizing their houses and moving into a retirement village with their sons and daughters co-located. There are all sorts of—

Senator McLUCAS—The time frame brings us to September next year.

Senator Patterson—But people can have some of that in place by then. Some of the organisations are working on it to hit the ground running in September. There is a group in the eastern suburbs of Melbourne who want to do group homes. With all due respect, there is some difficulty with some ideology in the states about what constitutes an institution and what does not. That is an issue we have to address. It is an issue in Victoria and in New South Wales. There is another group in Adelaide that has an interest in doing things. People have already taken it up and they are running, because they wanted to do it anyway.

Senator McLUCAS—I will get to that in a moment. Will it require legislative change?

Senator Patterson—It will.

Senator McLUCAS—In determining the quantum of the measure, \$1.2 million will be spent on research. Will Mr Spicer's group direct some of that research?

Senator Patterson—No. There is range of measures. I think there is \$5½ million—I am trying to do this in my head—over four years for mediation.

Senator McLUCAS—I will get to that. Could we just go to the research?

Senator Patterson—Let me just go through it. Carers Voice and some other people I have talked to have indicated that when some people—not everyone—leave their wills disproportionately to disabled sons or daughters, sometimes there is friction in the family. We wanted that money to enable them to be able to seek mediation while they were discussing it with their family. One woman told me that she wanted to discuss leaving half her house to her disabled son and the other half to her two daughters, and they started arguing about the pianola. She said she felt like cutting the pianola in half and giving all the money to the son. However caring families are, when they start to discuss money some old thorny issues come out. It was there for them to seek advice.

Senator McLUCAS—I would like to ask a question on mediation and how it would work. Do you imagine that it will happen through a grant to a family in need?

Senator Patterson—No, I imagine it will be on a tender basis for organisations to use for mediation. I will not use a name because it pre-empt's it.

Senator McLUCAS—Sure.

Senator Patterson—It is about giving them a service. There may not be the same demand, but senior people were saying that. If you can reduce the stress for these people—

Senator McLUCAS—Sure, I understand the intent.

Senator Patterson—I would imagine that it would be a tender situation.

Senator McLUCAS—What about the research component?

Senator Patterson—There is another component, which is about using people with expertise to do some models of how a trust might look. Instead of somebody having to go to a solicitor and pay a full fee, there would be some pro forma structures. I will give you an example. You might find someone who bought a house in Fitzroy for £20,000 in 1945—

Senator McLUCAS—I am a bit worried about the time—

Senator Patterson—I am just trying to explain to you—

Senator McLUCAS—I actually do understand the intent.

Senator Patterson—They have a high-risk asset. If they split the house up to buy themselves a place in a retirement village and their child a place in some sort of accommodation, both would lose the pension, but they do not have any resources to go to a solicitor. It is not just about wealthy people; sometimes it is people whose only asset is their house and who need assistance in setting up a trust. The research covers a range of issues, and the officers might like to go through some of the things we will see in the research or other issues that families are facing.

Senator McLUCAS—Thank you. How will the research moneys be applied?

Mr Wallace—The research moneys are not just for looking specifically at the mechanism of a trust or gifting but are providing some funding to look more broadly at the issues faced by older parents of people with disabilities around transition planning and providing for the future care and accommodation needs of that person with a disability. There is not a particular research program agreed yet, but that is something we will be looking to do between now and next financial year, when the money becomes available.

Senator McLUCAS—And that research work will be directed by FaCS personnel?

Mr Wallace—That is right.

Senator Patterson—That might also go to evaluating how this measure is working. It might even, for example, go to looking at best practice and using that to inform other groups about best practice—where it works best and how states have been able to use it. I made a commitment to the relevant ministers that I was going to look at issues, and I have asked them to look at those issues too, because constantly people keep wondering, ‘What am I going to do when I cannot care for my child or I die?’

Senator McLUCAS—The great proportion of the \$200 million is essentially forgone revenue; is that correct?

Senator Patterson—Yes.

Senator McLUCAS—It is about \$195 million over four years?

Mr Wallace—The costing has been done over four years.

Senator Patterson—It is forgone revenue of DSP and of those who are gifting, because neither of them would have got the pension in many cases.

Senator McLUCAS—Is there a document that describes how you get to the figure of approximately \$195 million over four years and identifies where the forgone revenue out of DSP—

Mr Wallace—We do not have a public document with the detail of the workings of the costings. The large proportions of that would appear in both the age pension budget line and the disability support pension budget line. The person providing the gift would have the deprivation rules not apply and, therefore having a potentially increased rate of age pension or receiving an age pension where they would not have otherwise. The person for whom the trust has been established would likely be receiving a higher rate of disability support pension, as the asset in the trust and the income generated from the trust does not count in the means test, as it normally would.

Senator McLUCAS—So there is a cost as well, because those people who gifted will still not have their eligibility for the age pension affected—

Senator Patterson—A double cost.

Mr Wallace—That is right—both on the age pension side and the disability support pension side.

Senator Patterson—As I say, that is the assessment; it is both parts. It may be that, for a couple of people, a sibling leaves some money and the parent leaves some money up to a total of \$500,000. Not everyone will have that, but there will be some who will, when they divide a house, and they will still maintain the pension. One of the other things is that people were staying on in their houses caring for their child when they were not up to it, because of that gifting issue.

Senator McLUCAS—So how many families are we talking about? What is the predicted number of people who will be able to access this measure?

Mr Wallace—The estimate is that around 10,000 parents or immediate family members will contribute to trusts and that that will be in relation to approximately 5,000 people with disabilities. Those numbers are different because more than one person could contribute to a trust.

Senator McLUCAS—How did you come to that figure of 10,000?

Mr Wallace—On the basis of the data we have available about the current income support recipient population and their levels of income and assets, we made some estimates about the number of people who we think may contribute to a trust. There is obviously some behavioural element in this that makes it difficult to be precise in the estimate, and that is something that we will need to revisit over time. We have also used a range of data collected by the Australian Bureau of Statistics in their survey of disability, ageing and carers in 2003. That provided data about the number of people in receipt of the disability support pension who were being cared for by their parents, who had high care needs and would be unlikely to be able to manage their own affairs. We have used the best data we have available.

Senator McLUCAS—Did the ABS survey also identify the income of the parents of the recipients?

Mr Wallace—I understand that the ABS survey did collect income information. This is a measure that we do not have a precedent for. We will need to continue to look at what the uptake is and what the behavioural effects of the measure are.

Senator McLUCAS—All in all, you think 5,000 trusts will be established for the \$200 million.

Mr Wallace—That is our estimate.

Senator McLUCAS—I am looking now at the motivation for the measure. Are you aware of people who have attempted in the past to establish a trust for their child with a disability and who have then been caught up in the Centrelink ineligibility criteria and in gifting issues as well?

Mr Wallace—I am not aware of specific examples, but I am aware of people in the circumstance of being an older parent of a person with a disability who are concerned about how they are going to provide for the ongoing needs of their child, particularly when they die, and being concerned that trying to make provisions for that child may affect both their age pension and their child's disability support pension. If you provided money to a trust prior to this measure, that would still be counted as an asset for you and you would be deemed to be deriving income from it. It is an issue that has been raised over a period of time as a concern. As to whether there have been a large number of people who have established trusts and then been caught by that, I am not sure.

Senator McLUCAS—I know of one, and not in my capacity as a shadow minister. They are a constituent of mine who I dealt with who ended up with a \$10,000 debt doing exactly what you are doing. What I am wondering—and I was going to ask the minister, but she is not here—is if there would be an opportunity to invite those people who have done exactly what the government think is a good thing to discuss the debts that they have received from Centrelink and the tax implications. This one case has been quite demoralising for this family. In doing exactly what the minister was describing before—trying to set up a system such that their child was cared for into the future—they got caught up with both the tax office and Centrelink as a result.

Dr Harmer—I understand your point. It is unlikely we would be able to do that, because it would involve retrospectivity.

Senator McLUCAS—I thought you might say that. It is worth having a look at.

Dr Harmer—I have enormous sympathy for the family in that case—and I am sure the minister would, too—but it would introduce retrospectivity into the legislation, and I do not think that is available to us.

Senator McLUCAS—Finally on this issue, there has been some misunderstanding particularly in the Riverina area where people would certainly have the view that there is basically going to be a sharing of the \$200 million. Are you aware of that problem?

Mr Wallace—I have not been aware of that, Senator. I am not quite sure what you mean by 'sharing'.

Senator McLUCAS—There is a view that people think that they are going to share the \$200 million—those people who are caring for children with disabilities. I think that there has been a lack of understanding on that issue, especially in the Riverina area. That brings me to the end of the issues that I have to canvass under outcome 3.3.

[6.01 pm]

CHAIR—We will move on now to 3.4, Support for youth.

Senator JOYCE—Are you aware of two groups that are referred to as Open Doors, one in Queensland and one in Victoria?

Ms Loveday—Do you know in which program those might be?

Senator JOYCE—These are under the Reconnect program. Could you just clarify that there are, first of all, two groups? There is one in Victoria and there is one in Queensland and they are separate organisations. I am referring in this instance, being a senator from Queensland, to Open Doors in Queensland. What is your knowledge of this group and what are its terms of reference?

Ms Loveday—They would be required to deliver services under the Reconnect program and would be required to meet the terms of that program, which is to assist youth who are at risk of homelessness and reconnect them in terms of keeping a connection with their families and the community.

Senator JOYCE—Have you ever been onto the Open Doors web site and seen what they do?

Ms Loveday—No, Senator, I have not.

Senator JOYCE—They are actually a gay lobby group. Are you aware of how much was given to them last year or this year?

Ms Loveday—Yes, their funding level proposed for 2005-06 is \$190,367.

Senator JOYCE—I understand the principles of your funding and I have no problems with the principles of helping homeless people. I do have an issue with the other operations of this group. They have an expansive role beyond the specifics of your funding. Is there a stringent audit of your funding in such a form that it really ensures that the funding goes towards the provision of shelter for those who are homeless and makes sure that it is not siphoned off into other causes?

Ms Loveday—All our organisations have to acquit the funds that they receive under the Reconnect program and they have to prove that the funds have been used for the purposes for which they were given the funding under Reconnect. I understand that the organisation you refer to has met all the requirements of the funding for Reconnect and has acquitted accordingly.

Dr Harmer—A number of the organisations we fund for these specific programs have other sources of funds through other bodies or other avenues.

Senator JOYCE—Not so much this one: this one has received \$191,443 from the department of community services and \$4,145 from another grant. This is in their tabled

financial statements. Then they received some minor funding from Brisbane City Council—\$3,000—and a few others. But the vast source of funding is—

Dr Harmer—Reconnect.

Senator JOYCE—The Reconnect program.

Ms Loveday—They would be required to report what they have spent the money on.

Senator JOYCE—Is it possible that they could use this funding for other projects such as going to schools and promoting other types of lifestyles?

Ms Loveday—We have received their normal acquittals, which they are required to do on a yearly basis. The information they have given to us is that the funds have been used for the Reconnect program.

Senator JOYCE—And, as you said, the Reconnect program is first and foremost—or exclusively—for the shelter of homeless—

Ms Loveday—It is not for the shelter of homeless. That is crisis intervention. This is a program for children who are at risk of disengagement from their families and at risk of homelessness. This program seeks to keep them connected with their families and avoid homelessness. That is the point of the program.

Dr Harmer—It is an early intervention program.

Senator JOYCE—It is early intervention to stop them from disconnecting from their families?

Ms Loveday—Sometimes, at the point when they come to notice, they may fall into homelessness, but the program basically looks at the risk of homelessness and offers things like counselling, mediation and support to the young person and their family.

Senator JOYCE—And Open Doors are doing that?

Ms Loveday—Yes, as far as I am aware, they are doing that. They have met all our requirements.

Senator JOYCE—Are you aware that Open Doors are currently involved in a vilification case against a gentleman by the name of Max Lynch, a World War II returned serviceman who fought in Papua New Guinea and is in his mid-80s, by reason that he has been informing schools of their wider agenda?

Ms Loveday—I am aware that there is a case being heard by the Queensland Ombudsman. I do not know if that is the same case that you are referring to.

Senator JOYCE—Obviously, that is an issue that has been brought to our attention, and we feel that it is intrinsically unfair that one person who has served the country so well is targeted for special attention by a group that is receiving federal funding. I have no problem with the purpose of the Reconnect program, but I do think that we need a stronger connection between the Reconnect program and what the people in receipt of these funds are doing with them. I have had a quick perusal of their audited financial statements, and they show very limited funding except for what they get from the department of community services. In a sources and application of funds statement, I would hate to think that we are somehow

financing a legal case against a returned serviceman or, alternatively, using federal funds to promote a personal lifestyle choice in schools, where people are in their formative years.

Ms Loveday—We have no evidence that federal funding has been used to fund any legal action by this organisation.

Senator JOYCE—Would it be fair to say that nor would you want any of your Reconnect funding to go towards promotion of a personal lifestyle decision at a high school?

Ms Loveday—Promotion of a lifestyle is not part of the Reconnect funding; it is about connecting the young people at risk of homelessness with their families. Some of our services have particular focuses on young people in certain circumstances, so there are some that would focus on Indigenous young people and there are others that would focus on young people with disabilities and, yes, this organisation was seen to meet a need for young people who have identified themselves as having a certain sexual orientation. However, they are not funded under the Reconnect program to do any promotion of any sort. They are there to offer strategies to help address that risk of homelessness and disconnection from families.

Senator FIELDING—How much federal funding has gone towards their web site?

Ms Loveday—We rely on their financial reporting and our assessment of the use of their funds, as we require of all organisations under the program.

Senator FIELDING—Because it certainly appears to me to be more into promoting a certain lifestyle than counselling. I would like to know the answer to that question. I think it is a reasonable question. It is taxpayers' money. Has any money been used to fund their web site?

Ms Loveday—We have not had evidence of that, Senator. They have been able to meet all the requirements of the program: the reporting requirements, the participation in action research and other forums. They have met all the requirements under their funding agreement contract.

Dr Harmer—If you would like, we will have another careful look at their acquittals to make sure that they have met the specific requirements which we are funding them under. If they have, there is not much we can do unless we have information or evidence that we can then act on through investigation. We would do that if we had evidence that they were misusing Commonwealth funds. We will go back and have a look at this particular case. As you can imagine, we have a lot of organisations we fund under these programs that furnish us with acquittals for the money we allocate to them. As Ms Loveday has said, we are satisfied that they have spent it for the purposes intended but, given the issues raised by the other two senators, we will go back and have another careful look at it and, if we uncover anything that is untoward, we will investigate it.

[6.12 pm]

CHAIR—There being no further questions on 3.4, we will move to output group 3.5, Support for women.

Senator MOORE—I am putting some questions on notice for the Office of Youth Affairs, but I have some questions on women and the transition of the office to FaCS. The annual

report indicates that the transition has fully taken place, that your office is now in place in FaCS. How many staff have you got there now?

Ms Flanagan—As of last week, we have 47 staff currently on our books and we are still undertaking further recruitment action.

Senator MOORE—What is the intended full staffing plan?

Ms Flanagan—We are looking to probably staff at around 50 on an ongoing basis.

Senator MOORE—Have you got a structural map you can give us?

Ms Flanagan—I have one here, I think.

Senator MOORE—And that is purely in your area, or is it in the joint branch over which you are in control?

Ms Flanagan—This is the whole Office for Women, so we have two branches and we have 50 people across the two branches.

Senator MOORE—Okay, that will be good. I turn to the Violence Against Women—Australia Says No campaign, which you alluded to in the last round of estimates, and now the funding has been allocated. How much has been spent so far, and what is the expenditure plan that you have in place for that particular program?

Ms Flanagan—Under the total allocation we have for the Women's Safety Agenda, which is the program that includes the campaign, we have \$17.55 million to spend this year. As of this week we have spent nearly \$5 million of that—\$4.96 million.

Senator MOORE—Is that on track? Is that your expended expectation?

Ms Flanagan—That is expended.

Senator MOORE—So more than that is probably already in plan. The money just hasn't taken.

Ms Flanagan—We have a whole lot of other action in train, as you might imagine. There are a number of tenders out at the moment in various stages. So for example, we have had to go out for tender on the Australian Domestic and Family Violence Clearinghouse, the Australian Centre for the Study of Sexual Assault, etcetera. They are all currently in process, but we haven't yet signed a contract and have not yet expended any money on those.

Senator MOORE—Can you provide us with a current snapshot of where the various components are at this stage?

Ms Flanagan—Yes, in terms of the expenditure that we have already done—yes, we can do that.

Senator MOORE—Rather than wade through it, if you can give us that snapshot, then if we have any questions we can come back to you on that.

Ms Flanagan—So I will take that on notice?

Senator MOORE—Yes. What is the broad based plan for the women's safety agenda? It is a four-year funding project, isn't it?

Ms Flanagan—It is four years. A number of budget initiatives that were announced in the women's budget statement that were election commitments will form the basis of taking the Women's Safety Agenda forward. So there are a number of components. As you know, we are going to continue to run the campaign.

Senator MOORE—This is the media awareness campaign?

Ms Flanagan—This is the community awareness raising campaign about the unacceptability of violence against women. There are a number of training initiatives. Again, I think we talked about these last time in terms of practice incentive, nurses to provide services in rural and regional areas for women, looking at training in the justice system for people to deal better with women who might present in the justice system and also training for Men's Line Australia because we see a need for perpetrators, or those wanting assistance, to change their behaviour, and Men's Line is an important part of that. There is also research and information that will continue—the domestic violence clearinghouse, and the Centre for the Study of Sexual Assault. We also have money for community projects, including Indigenous projects, which are more about innovation. It is a continuation of what we used to do under Partnerships Against Domestic Violence, where we look at trying to do best practice sort of project work.

Senator MOORE—None of the ones you have mentioned are still not known in the public because they are—

Ms Flanagan—They are current—

Senator MOORE—You will be able to give us a matrix of those, about what is happening.

Ms Flanagan—Yes.

Senator MOORE—In terms of the community awareness campaign, the first round advertisements have gone out. Is that right?

Ms Flanagan—We conducted a round of advertisements in July on television, and we did magazine and cinema.

Senator MOORE—And you will be able to provide us with how much that has cost and so on?

Ms Flanagan—We can do that. Senator Faulkner has asked a question about that which goes into that detail, and we can give that to you. We are intending to run another burst of TV ads and more media around November, around White Ribbon Day.

Senator MOORE—Your involvement with White Ribbon Day—how exactly is the department involved in the support, funding and programs around that one?

Ms Flanagan—Last year we gave UNIFEM \$50,000 to come up with a self-sustaining strategy and to involve men in White Ribbon Day. So they are doing quite a lot of activity. Many of the women—

Senator MOORE—Was that funding in 2004-05?

Ms Flanagan—That was last financial year: 2004-05. It was only a one-off. It was then basically up and running. It was like a seeding grant. They are doing a lot of work around White Ribbon Day because it is an international day. Many of the women's offices around the

states and territories are also doing work. The minister is hosting a breakfast in Melbourne on the day to raise awareness about the issue.

Senator MOORE—Is there any funding out of the 2005-06 budget going to the White Ribbon Day?

Ms Flanagan—The Office for Women are holding an event, which the minister will be at, as a way of raising awareness and because we are running the ads over that period. They would be the two big commitments that we are making this financial year.

Senator MOORE—Do you see the White Ribbon Day promotion as complementary to the program that the department is running—the ‘Say No to Violence Against Women’ campaign?

Ms Flanagan—Yes, we do.

Senator MOORE—Is there a conflict there? Are they competing for the same audience?

Ms Flanagan—No, we do not believe so. The White Ribbon Day is focused on encouraging men to say no to violence and to not condone it. It has a slightly different pitch and it is an international day. The ads themselves also say to men in the community, ‘You should not condone violence nor should you commit it.’ The messages are complementary.

Senator MOORE—Have you had any complaints about the advertising campaign? If there is a complaint does it come to you or does it go somewhere else?

Ms Flanagan—There have been a number of complaints to, I think, the Advertising Standards Board. They have mainly been from men complaining about the way they have been portrayed in the ads. The Advertising Standards Board have dismissed the complaints. They do not see anything wrong with the ads. We have had a very low level of similar sorts of complaints about the campaign itself. We have had, I think, less than 20 pieces of correspondence and a number of emails to the office complaining, again, about the ads’ content and saying, perhaps, that they are targeting men or that they are not delivering the right message. But we have also had Elliott and Shanahan do an evaluation of it; they came back with very positive—

Senator MOORE—Is that evaluation public?

Ms Flanagan—No. It is part of GCU. It is not made public.

Senator MOORE—Can you tell us of the content of it?

Ms Flanagan—Yes. I think that in former estimates we have indicated that—

Senator MOORE—We have talked about it. Is there just that one evaluation? Has there been any further—

Ms Flanagan—No. It was done after the first of the ads.

Senator MOORE—Is there a plan to have more evaluation as the program continues?

Ms Flanagan—We would take it that, because the ads were so successful the first time, there would not be much point continuing to evaluate them.

Senator MOORE—We had quite a discussion at previous estimates about the help line.

Ms Flanagan—We did.

Senator MOORE—Since that time, have there been any further issues raised about the operation of the help line?

Ms Flanagan—In those estimates we indicated that we were doing an evaluation.

Senator MOORE—Yes, you did.

Ms Flanagan—There were some questions raised by Senator Crossin about inappropriate calls that had been made. We spoke to, or have been in correspondence with, the New South Wales women's refuge centre, which had raised the issue. It has come to our notice in discussing the calls with them that, in fact, they were dummy calls that they themselves were making to the help line. They were not coming from individuals that had rung the help line. But, even though they were dummy calls, they raised legitimate issues, and we have been speaking to Lifeline about those. Lifeline have put in place remedial action, where it was required. We are very satisfied that they have taken the right response to those.

Senator MOORE—So in terms of the discussion we have had, there is now a process? We were very concerned in the last round—and we have not had much feedback supplementary to that—about how the performance of the helpline is evaluated. Whilst, even in the estimates process, it was acknowledged that perhaps some of those calls were testing—in the way I think a few people have tested the IR call centre in Hobart just to see what kind of information is coming through—there was a commitment made by the department that there would be follow-up and that, if someone had an issue about the treatment that they had received or the information they got, there would be a clear understanding of the process to follow that through. How has that developed?

Ms Flanagan—As I said, we contacted the New South Wales women's refuge centre and asked them to give them the actual cases, which meant that Lifeline—

Senator MOORE—Did you meet with them?

Ms Flanagan—We certainly rang them and contacted them. They have now sent through all of the cases. Because they were able to give us times and dates of when the calls were made, we passed those on to Lifeline. Lifeline were able to go back to the actual counsellors. Many of the counsellors keep records of the calls that came in. So we went through a process. They have quality controllers. In some cases, the counsellors themselves had picked up that they thought they were being tested and that it was a strange phone call. But, where it has shown that the advice that was provided to, say, go to a homelessness organisation rather than a crisis intervention centre, they have changed their scripts or actually spoken to the individual counsellor and given them some further development and training.

Senator MOORE—And that is under review, is it?

Ms Flanagan—That is under review and continues to happen.

Senator MOORE—There was considerable discussion this morning with Senator Carr about the whole issue of SAAP funding and homelessness. The dynamic that we want to talk to your area about is the dynamic between the education and awareness campaign encouraging people to get support if they are in a situation of domestic violence and the legitimate concerns that were raised about the availability of refuge support across the whole country. I do not think there is any place that can say, 'We have more than enough.' In terms

of the planning around the education campaign, what role did FaCS have in looking at the dynamic between giving information and encouraging people to take action and then the knowledge that there was not going to be adequate SAAP support?

Ms Flanagan—The campaign was to raise awareness. Campaigns are conducted all the time. This was a national one, and they are conducted at a state level. I do not have the information with me, but we have actually looked at the campaigns that are run. It is part of the background noise of community awareness raising that goes on in this area. So you would expect that there is some level of community awareness raising that really goes on all the time. This was a particular campaign, because it was a national one and with national TV ads, that we knew might have more of an impact on the sector.

The other point I would make, though, is that the helpline was set up to be a generalist counselling line. So only about a quarter of the calls that have come into the helpline go to some sort of referral process. It might be into the domestic violence sector but it might also go to legal aid, relationship counselling or whatever. So three-quarters of the calls are really generalist counselling discussions and mens services. We thought it was important to provide a service which helped people discuss the issues rather than having to go to the services. We do not provide services. That is not what the Office for Women is in the business of.

Senator MOORE—We spent a lot of time on this in previous estimates. When you have a program such as this domestic violence awareness campaign is there a formal way within the FaCS department that the different elements of the department can pull together their expertise to focus on a program initiative? As you have explained, there is this education process going on which is not a referral process, but I would still expect there to be the knowledge about the link with homelessness and the domestic violence shelter issue. Is there a program within FaCS that stimulates the two areas to meet to work through these issues so that, when you are planning the campaign, all the issues can be taken into account, you know who has the knowledge and that knowledge is able to be used?

Ms Flanagan—We started this campaign when we were in PM&C, not FaCS. There was a great deal of consultation in the lead up to developing this campaign, not only across Australian government but also with the states. There were regular meetings held with women's officials, letting them know that the campaign was going to be launched. We also put out regular newsletters to the sector to try and explain when the ads were coming on and, therefore, when they might see a change. We advised state police. There was a very wide distribution lists to let people know. I think we have put out eight newsletters, as the campaign has been running, just to explain things like when the ads were going to be put on. One of the recent newsletters we put out was on how to update the Just Look database, because one of the issues that had been raised was that, if the database did not have the address of the shelter in your local area, it was very hard to make the referral. So we have been trying to encourage people to update those sorts of details as well.

Senator MOORE—Is your unit involved in giving policy advice and information to the area that looks after homelessness?

Ms Flanagan—We do a lot of liaison with that area, yes.

Senator MOORE—Senator Carr was this morning discussing with that unit the statistics about one in three being turned away and the number of children affected by these programs. Do you keep that kind of information? Is that part of your program?

Ms Flanagan—We keep a watching brief on what is happening in the area and we liaise with the SAAP people in FaCS as well as those looking at homelessness generally. But it is their major policy area to think about how the services are being delivered on the ground. We are into community awareness raising, innovation, best practice et cetera, but we do liaise.

Senator Patterson—Senator Moore, I think this confirms the importance of the Office for Women being in a program department rather than in PM&C—and particularly FaCS, because it overlaps a lot. The Office for Women now has much more direct contact with those people and we have the opportunity of rotating staff through different programs. So it is a perfect example where you get that closer interaction. It is easier when you are within the same department.

Senator MOORE—I am looking for the same kind of focus in terms of the use of the policy areas of FaCS to inform government actions and programs, which is what the annual report says it is all about. I want to touch on the welfare to work areas and the kinds of information we talked about at the last estimates about how the knowledge and awareness concerns about women's lives that your area has, and which the various secretariats that come out of your particular program have, can be effectively used to develop policy such as, in particular, welfare to work.

Ms Flanagan—On welfare to work, I think you heard earlier on that there was a representative from FaCS and we used to discuss internally what the departmental position would be, including input from the Office for Women, to the position that might be taken in the various discussions. So we have input to the policy process in that way. The other way we have done is to facilitate discussions between women's secretariats and government in terms of raising their concerns about welfare to work. For example, women's secretariats met with Mr Andrews about a month or two ago. Minister Patterson was able to be there for a while, but I think a division was called—

Senator Patterson—Divisions.

Ms Flanagan—and she had to leave. So we are facilitating dialogue between the women's groups and government.

Senator MOORE—The What Women Want program received a degree of media comment. There was a focus on their concerns about the welfare to work proposal, because the legislation is not there. They were responding to how they think it might happen. Was the Office for Women involved in that?

Ms Flanagan—We were certainly invited to come along to some of those meetings with them, which we did. We also ensured that people from other offices—the Department of the Prime Minister and Cabinet and DEWR, which is the department implementing the Welfare to Work program—were present. I think they held a workshop and they are holding another one on 11 November and we will attend that.

Dr Harmer—There have been two impacts of the Office for Women. One is through Mr Wallace, who was our FaCS person on the task force running out of PM&C. As Ms Flanagan said, we would prepare Mr Wallace for his FaCS input into that by having meetings in the department. Ms Flanagan's group was represented there. The second impact was through the funding of the secretariats and the facilitation of the secretariat's access to ministers. They are two quite significant roles.

Senator MOORE—Has this kind of concern raised any specialist research projects within the Office for Women to look at the kinds of issues that have been raised?

Ms Flanagan—As you know, the What Women Want project has done some research through NATSEM. We have done some internal research generally across the package. Government has been doing research, as you might imagine, to understand the impacts. We are aware of that. We have not commissioned anything independently.

Senator MOORE—There is no specially commissioned research from your area?

Ms Flanagan—No.

Senator MOORE—Were you involved in any of the funding for the What Women Want project?

Ms Flanagan—No, we were not. There was, unfortunately, a newspaper report that claimed that we had gagged the secretariats and that we were not going to be willing to provide them with any research funding. Sue Conde, who is the President of the Australian Women's Coalition, wrote a letter to Tanya Plibersek after a press release had come out, saying that that was not the case.

Senator MOORE—Did that media comment get wide coverage?

Ms Flanagan—It was certainly brought to our attention.

Senator MOORE—I know the departments have very extensive media cuttings.

Ms Flanagan—We got some very quick emails from the women's secretariat saying they had been surprised by that story.

Senator MOORE—On the allegations of threats to funding? Were they responded to?

Ms Flanagan—That is what I am saying: Sue Conde immediately wrote a letter saying that this was patently untrue.

Senator MOORE—At the last round of estimates you, Dr Harmer, and Ms Flanagan, talked about the way the office would operate as a coordination point across key government agencies and as a linkage so that issues to do with women would be highlighted. That was, at that stage, one of the ways you saw it would develop. Do you have any plans in place now, six months down the track, as to how that is going to operate? Exactly how will your interaction with other government agencies work? That is a general question. In particular, how has the Office for Women worked on gender mainstreaming? What have the outcomes been in terms of department guidelines on such things as gender mainstreaming, reporting and accountability mechanisms—things we identified as possibilities last time?

Ms Flanagan—In the office we have set up a desk officer role. There are a number of officers who have responsibility for groups of departments—for example, small business.

There is also responsibility for working on Indigenous issues with Indigenous women. That has been set up and we are trying to value add to departments and make contact in that way. We have also spoken recently to the Department of the Prime Minister and Cabinet and asked what we can do, as we have moved, to continue to see cabinet submissions that might come through and that might have an impact on women. The Cabinet Office have been very kind to offer that if we can give them more of a filter they will continue to ensure that those sorts of cabinet submissions that might have an impact on women are referred through to us. With the desk officer role we are hoping we will be able to see that early on—we will not need to wait until it comes to PM&C.

The other thing that the minister has been charged with doing is to report, on an annual basis, on the election commitments that the government has delivered for women. So we have recently written out to all departments asking for input on that. In terms of gender mainstreaming—

Senator MOORE—That is coming through your segment?

Ms Flanagan—Yes. We are drawing it together and the minister will submit it to the Prime Minister in her capacity as Minister Assisting the Prime Minister for Women's Issues. In terms of gender mainstreaming, we were doing that four or five years ago and it is not really what we are on about at the moment. It is really about wanting to make departments gender sensitive, I suppose, but it is not gender mainstreaming. That is, if they are thinking about implementing programs that have a major impact on women they think about it from that perspective.

Senator MOORE—On the whole issue of the role in the Welfare to Work aspect, because it is such a major cross-agency initiative, has there been any particular request from DEWR to meet with the Office of Women specifically to look at the issues of women? I ask this in the environment that the Sex Discrimination Commissioner has been very public with widespread media comment and so have various other women's groups, including the various secretariats. I am just wondering about the role of the unit within government that has the title Office for Women: has there been a direct stream between your office, as opposed to the other consultative groups, and Minister Andrew or the Prime Minister? All this stuff is being said about the impact on women; it is out there. Can you tell us what is happening?

Ms Flanagan—We believe that by going through the FaCS representative our views are well put and well represented. We do have some bilateral interaction with DEWR on these issues, but the main consultation has occurred through the FaCS representative.

Senator Patterson—And, as I said, I met with them as well.

Senator MOORE—Would you meet regularly with them, Minister, or was this a special meeting?

Senator Patterson—No, this was a special meeting with DEWR on this particular issue. I am sure if there are other issues I would meet with them. But on this particular issue they sought a meeting with me.

Senator MOORE—Who were they?

Senator Patterson—DWER, when they were doing their consultation.

Senator MOORE—DEWR sought that meeting. I am sorry, I had lost track of which days we were talking about there. So DEWR sought a meeting with you?

Senator Patterson—DEWR were doing consultations, and part of the consultations was to meet with relevant ministers to discuss with them a range of issues. I discussed with them a range of issues that impact on my portfolio responsibilities.

Senator MOORE—So that was about people with disabilities, parents, and women as a separate group.

Senator Patterson—I talked about all the range of people. We have got fathers, we have got mothers, we have got parents of disabled kids, we have got parents with large numbers of children, we have got parents with disabilities—all those people I discussed. It was very detailed, about the impact of the various groups. As I say sometimes, my portfolio goes from the womb to the tomb, from maternity payments to funeral payments. We discussed a range of people—almost everybody in some way or other comes into this portfolio. We went through, group by group.

Senator MOORE—Minister, I just wanted to clarify for this particular segment. My question was whether there was a particular meeting on the issues to do with women. You met and it was on the whole range of your portfolio responsibilities, one of which was women. So when you said there was a particular meeting on women that was a bit generous, really. Women were part of the overall meeting.

Senator Patterson—No, I said there was a meeting on the areas that impact on my portfolio, and it was quite a long meeting.

Senator MOORE—Minister, have you received particular requests or things from women with their concerns about the Welfare to Work program? Have they written to you as minister for women to raise their concerns about the Welfare to Work program, return to work, impact on families—all those things that have been said in the community? That is no secret. So have people used you to put their views forward?

Senator Patterson—Some people have written letters to me, some people have emailed me. I am just trying to think of other ways in which—

Senator MOORE—So yes, they have. Many?

Senator Patterson—Not many, no.

Senator MOORE—I will put the rest of my questions on notice, Chair.

CHAIR—Thank you.

Senator Patterson—Just to go back to Senator Moore's question, with emails I would not know—I do not add them up. Sometimes they come in their hundreds, as you know. As for letters, when people actually put a stamp on them, I would say there are not many, but I am not sure. Proportional to other issues in the emails, I do not think it has been, but I would need to check with my staff.

Senator MOORE—I would be interested if you could follow up on that.

Senator Patterson—You know how you get a whole whack of emails in one day.

Senator MOORE—Yes.

CHAIR—We have four output groups yet to cover. Dr Harmer, do you want to know whether we have questions in each of those groups?

Dr Harmer—If possible, yes. It would help me to know in which areas in the output groups there are questions.

CHAIR—In output 4.1, support for families, I have a question about family tax benefit.

Senator FIELDING—I want to cover a couple of areas, really all in 4.1, such as family relationship centres and family impact statements.

CHAIR—Are there any specific areas within 4.2 that senators want to cover?

Senator CHRIS EVANS—I was going to ask the minister about the development of a response to the report, but I do not think it will require lots of staff.

CHAIR—What about 4.3, child-care support?

Senator MOORE—There is a fair bit on child care.

Senator CHRIS EVANS—For child care you will need officers here.

CHAIR—In 5.1 I want to ask about gambling.

Senator CHRIS EVANS—I want to ask about Vivian Solon, COAG trials and the supporting communities and delivering local solutions programs.

Senator FIELDING—I will put a question on notice; it may already have been documented. I was after a break-up of where the grants have gone in the local community by electorate across Victoria.

Senator MOORE—I had a question that I tried to ask under output 1 and when you took advice you said it was better asked under output 5.

Dr Harmer—Yes, that is right.

CHAIR—Are there any other areas within those outputs that people want to cover?

Senator Patterson—We would be expecting any questions on notice by close of business tomorrow afternoon, so we have a cut-off point.

CHAIR—Yes, that is the usual arrangement.

Dr Harmer—For Senator McLucas, for whom we volunteered to pass on some questions to Centrelink, the Senate estimates rules are that we need those by COB tomorrow to pass them on.

CHAIR—I am sure Senator McLucas is aware of that rule. I do not know if there are any other areas that Senator McLucas wanted to cover that she has not flagged.

Senator MOORE—No.

Senator CHRIS EVANS—We will take the wild step of committing on her behalf.

CHAIR—The committee will now suspend for dinner.

Proceedings suspended from 6.50 pm to 7.53 pm

CHAIR—We will now commence interrogating the department on output group 4.1, Support for families.

Senator Patterson—Senator Humphries, I do not think Senator Siewert was here when we went through the items. Some people have been sent home.

Senator SIEWERT—Yes.

Senator Patterson—Are you aware of that?

Senator SIEWERT—Yes. I was here before and I have caught up to where you are now.

Senator Patterson—We have to try and get through the whole lot in the next three hours. We will get through it, because I am leaving at 11.

CHAIR—We are at 4.1, Support for families. Do you have any questions of the department on 4.1, Senator Fielding?

Senator FIELDING—I have questions regarding the Family Relationship Services Program. Who do I direct those to? Obviously, the increased funding across the board for that program has been well received by service providers and the general community, which is great. There has been an unintended consequence of there apparently being increased availability of services in the metropolitan areas as opposed to no increase in the regional and rural areas. I do not know whether that is true and I wanted to get your thoughts on that. In other words, the increases seem to be more in the metropolitan area than in the rural and regional areas.

Ms McKay—I do not think that is proportionately a consequence, Senator Fielding. There was a 30 per cent increase in the FRSP overall as part of the announcements that were made earlier in the year, and that applied across the board.

Senator FIELDING—We can probably short-circuit this. Under the new funding of services, can you provide a breakdown of the projected numbers of counselling sessions and clients serviced by FRSP providers, separated into metropolitan and regional and rural areas.

Ms McKay—Not right at this minute, Senator. We will take that on notice.

Senator FIELDING—That would be great. The current FRSP funding is earmarked for the period 2005 to 2008. Does the department envisage that the FRSP funding will continue as a separate line item post this period or will FRSP services be subsumed into the FRC budget allocation structure?

Ms McKay—The FRCs are one kind of service, as part of the FRSP. It is a service in addition to the half dozen different kinds of services that we provide. There is no question of other service types being incorporated into FRCs. There is a range of service types which the FRCs have simply added to.

Senator FIELDING—Do you see it as being separate going forward at this stage? That is not a trick question.

Ms McKay—No. I am just a bit puzzled by the question. The FRSP is a long-running program. It has had some growth in different kinds of service types in the last few years, and family relationships are part of that. FRC is an addition to that. It is an ongoing program but

lapses after three years, so it will have to be evaluated at the 18-month point in order to have government consideration of ongoing funding for it.

Senator FIELDING—So one is not continued on the other? FRC is separate to the FRSP.

Ms McKay—The FRCs will be part of the Family Relationship Services Program, so the package as a whole—the new family law system budget measure—will need to be reviewed; not just the FRC component but the other component also. But the large majority of the existing service infrastructure is ongoing funding.

Dr Harmer—Senator, the way most programs work these days is that there is a four-year forward estimates period and an evaluation, particularly for new programs. There is no sense that they will not continue, it is just that there is a breakdown of which the government wants an evaluation.

Senator FIELDING—Thank you. Why have the departments chosen to undertake a request for application for funding process for the new family relationships centres rather than a tender process in line with the Australian government procurement policies?

Ms Winkler—The reason is that this is a funding agreement program. Although a lot of the principles of the procurement guidelines apply, it is an open, competitive selection process rather than a tender.

Senator FIELDING—Is that normal?

Ms Winkler—It is normal for this program.

Senator FIELDING—Is it normal for other programs?

Ms Winkler—And for a range of other FaCS programs.

Senator FIELDING—The request for application for funding documentation, from what I have seen, does not include projected figures, such as the number of clients each FRC will have to service. This is a bit of a concern, as one of the proposed key performance indicators is described as the average waiting time for separating parents to attend advice and dispute resolution sessions. It states:

In the community sector, waiting times typically align inversely to the level of resourcing.

So there is a bit of an issue, if you do not know what the parameters are, in working out how you can stick within those parameters.

There is significant variation in the amounts that have been proposed for each of the FRCs in the documentation.

That is on the web site. It talks about the location, service types, ongoing funding for 2006-07 and establishment costs for 2006-07. How have the figures in that table been calculated if the number of clients is unknown?

Ms Winkler—The funding for that part of the program—the family relationship centres—is part of the Attorney-General's portfolio, so the decisions in relation to the details that are in the documentation are based on decisions made by that department.

Senator FIELDING—So I could not request through your department to put those questions on notice?

Ms McKay—No.

Senator FIELDING—So you would not know what methodology was used to calculate those figures there either?

Ms Winkler—That is for the Attorney-General's Department to provide advice on.

Senator FIELDING—Your department does not know those calculations? I know the Attorney-General's Department may have calculated them, but do you know those formulas?

Ms Winkler—We were involved in some discussions with the Attorney-General's Department at various stages throughout the process, but they would need to provide the final determination to you.

Senator FIELDING—Who is responsible for the key performance indicators for each department?

Ms Winkler—The Attorney-General's Department.

Senator FIELDING—That would make sense. The role of the FRSP industry representative bodies is described in the request for application for funding. I have a feeling you may again say this is part of another department but I will continue on for the moment. The role is different to that set out in the current contract between the IRBs and the Australian government. What is the future role and the funding arrangements for the IRBs under the new family law system?

Ms Winkler—The industry representative bodies are funded through FaCS. Their current funding agreements were developed in line with our National Secretariat Program to bring a whole range of peak and industry representative bodies into alignment in terms of similar requirements as part of their funding agreement arrangements. Obviously there is currently a lot of growth in the sector. The program will grow substantially over the next period of time and we have been looking at what should be the consultative mechanisms in the future. Currently there remain three industry representative bodies that are funded through FaCS.

Senator FIELDING—There is a separate issue related to those as well. Organisations that win a FRC contract and have not traditionally provided FRSP services will be given 12 months to ensure their quality assurance processes are in place in order to meet contractual requirements. That makes a bit of sense to a certain extent. What plan does the department have for setting and evaluating the required quality assurance processes, particularly with regards to service provision and staffing qualifications and levels?

Ms Winkler—In terms of quality assurance and the existing approval requirements for the program, as new programs came on line we would put into place a timetable of when organisations would be assessed in relation to those requirements. Obviously we would give organisations some period of time to set themselves up. We would not be assessing them all at the same time. That would be staggered over the duration. What has happened with previous services in the program is that they have been assessed over a number of years against those approval requirements. With 15 family relationship centres coming online in the first 12 months, 2006-07, we would expect that towards the end of that financial year we would be looking to assess those organisations and any other new organisations against the approval requirements.

Senator FIELDING—Has the funding for that occurred?

Ms Winkler—Yes. There was funding costed into the package as part of our ongoing quality assurance process.

Senator FIELDING—Can you break that down into funding by task and process?

Ms Winkler—Not at this moment.

Senator FIELDING—Could you take that—

Ms Winkler—We could give you an indication of how the costs were calculated. They were calculated on an average cost per assessment.

Senator FIELDING—There was a statement made that following the initial three free sessions, parents who cannot afford it will continue to get free services while others will be charged according to what they can afford. I think that quote was made somewhere. Am I right?

Ms Winkler—Certainly the three free hours has been noted in all the documentation. The Family Relationship Services Program has a requirement for all existing organisations to have a fees policy in place. That fees policy is meant to ensure that those who cannot afford to pay are able to continue to access service.

Senator FIELDING—Is the funding for the providers to see non-paying clients included in the initial ongoing funding allocations? In other words, if a provider is seeing non-fee-paying clients, who is paying for those? Is it the provider or is it the government?

Ms Winkler—What happens with any service now is that in terms of their funding agreement we generally have a target population, so they are meant to see x number of clients during that period. What that would mean is if you had a large number of non-fee-paying clients then your capacity to see a large number would be restricted.

Senator FIELDING—I am thinking that in some areas there may be a high proportion of people that may not be able to pay. What would happen there? Would the providers need to say, 'Look, I can't afford to service you'? I am just trying to work out what would happen. It obviously depends on the area and the location, of course.

Ms Winkler—Obviously each service is only funded to service x number of clients. Every year we would need to review if they have been meeting their targets or not meeting their targets and what the issues are. We would expect organisations, as part of their regular status reporting to us every 12 months, to be advising of issues and trends in terms of their client population. Plus we would review the data that we collect currently from each of the organisations.

Senator FIELDING—I would not like to see people closing their doors and saying they cannot see anyone because they cannot afford to pay. There has to be a balance struck there. In different areas the rules may need to be different. It depends on the area of need. How does the department assess who can afford to pay and who cannot?

Ms Winkler—Each organisation is required to have a fees policy in place. We have never dictated the requirements of that fees policy. However, we have identified the need to look at

all the fees policies that are in place and determine whether we need to put some more standards in place around those issues.

Senator FIELDING—Would they be different from provider to provider?

Ms Winkler—They would be different from provider to provider. There are some networks of providers that would have similar fee policy guidelines. Then there is a whole range of other organisations.

Senator FIELDING—Are those guidelines well known to the applicants?

Ms Winkler—Each organisation is meant to have their fees policy somewhere visible to the client population. At the time a client is seeking service that would be negotiated with the client.

Senator FIELDING—I am a little concerned about how people actually apply for these things if they are not sure about some of the parameters and some of the numbers. Obviously I need to go to a different department to find out how those numbers are actually calculated in that chart, just to try and work out how many people they are recommending that people see in those areas.

Ms Winkler—Certainly the early intervention services are funded by our appropriation. Those targets have been calculated on average costs for different service types.

Senator FIELDING—Thank you. Can I move to a different area?

CHAIR—Senator Siewert still has a question.

Senator SIEWERT—You may tell me that I have to ask the Attorney-General's Department these ones. What selection criteria are being applied for tenders for the family relationship centres?

Ms Winkler—We can provide the documentation about that. There was a question on notice in the previous estimates and we were asked to provide copies of the documentation, which we did send through.

Senator SIEWERT—My office has been trying to get copies of the criteria for a little while. Last time we asked we were told they were not available—which was not that long ago.

Ms Winkler—They became available from 22 October.

Senator SIEWERT—Okay. How were those criteria developed?

Ms Winkler—Those criteria were developed in consultation between the Attorney-General's Department and FaCS. We looked at a range of previous processes we had undertaken for the program and looked to try and capture all the relevant issues that needed to be identified, so they are quite broad selection criteria.

Senator SIEWERT—Who determines the successful tenderers? What process is being used?

Ms Winkler—When you see the competitive selection documentation, we have all services going out for competitive selection at the same time, so that organisations have the opportunity if they want to apply for a range of different service types in particular locations.

They can do that basically within the same application. There are some criteria they have to complete for different locations and different service types. Some of the early criteria they will only need to complete once because it is standard across all of them.

There will be three panels that will convene: one for the family relationship centres that the Attorney-General's Department will obviously chair; a post-separation panel the Attorney-General's would chair because the funding comes from their portfolio; and a panel in relation to the early intervention services that FaCS will chair because that is part of the FaCS portfolio.

Senator SIEWERT—Who determines who is on the panel?

Ms Winkler—The departments will nominate relevant people to be on those panels.

Senator SIEWERT—How is the location of the family relationship centres determined?

Ms Winkler—The family relationship centres are part of the Attorney-General's portfolio and the Attorney made the final decisions in relation to the family relationship centres.

Ms McKay—There was quite a detailed process of needs analysis that informed the locations of where the FRCs and the early intervention services would be located, because it is a very large expansion of the program over the levels that it has historically had. We undertook a needs analysis, which was quite a long and relatively sophisticated process to determine where they would be located.

Senator SIEWERT—This may be covered in the selection criteria but, because I have not seen it, I apologise if it is. Is it a requirement that the services are provided—in particular, I am thinking of the counselling services—by professionally qualified counsellors?

Ms Winkler—Currently it is a requirement in relation to the approval requirements, and there are requirements under the Family Law Act. There has been a new bill proposed in relation to family law and some of the proposals around that make some amendments to counselling and mediation requirements.

Senator SIEWERT—Is there a proposal that the current requirements will be changed to not require professional qualifications and counsellors?

Ms Winkler—There is a project that the Attorney-General's Department is leading currently in relation to competency standards, particularly for counselling and mediation. At the outcome of that process there will be some review to determine what the ongoing standards should be for the program.

Senator SIEWERT—If a faith based tenderer wins a tender, will there be a requirement for full disclosure that it is a faith based centre that you will be attending? There won't be full disclosure requirements?

Ms McKay—That is a question for the Attorney-General's Department.

Senator SIEWERT—Is that part of the selection criteria? Do you know?

Ms Winkler—The selection criteria are quite broad. Once you have had a look at the documentation, you will see it quite clearly states the parameters for organisations. That issue is not flagged. Obviously, if organisations are providing services, they have to meet the

approval requirements for the program. For the family relationship centres, there is an operational framework and other documents that support that.

Senator SIEWERT—But it does not cover disclosure.

Dr Harmer—We are trying to be as helpful as possible.

Senator SIEWERT—Yes. I am not trying to give you a hard time. I am trying to find out.

Dr Harmer—That is not in our portfolio. At that point you probably need to ask either the A-G's or consult the papers.

Senator SIEWERT—Thanks.

CHAIR—Thanks, Senator Siewert. Any further questions on output group 4.1?

Senator FIELDING—Yes, I have other areas.

CHAIR—All right, we will move to those areas now then, Senator Fielding.

Senator FIELDING—Who would I direct questions on family impact statements to? Is there a department that works on family impacts statements?

Mr Popple—Department of Family and Community Services has responsibility for managing the family impact statement process.

Senator FIELDING—There is no unit?

Mr Popple—There is a unit within my branch that is responsible for it.

Senator FIELDING—Is the unit called something?

Mr Popple—No. It consists of a couple of people within the section.

Senator FIELDING—What section is that?

Mr Popple—It is in the strategic advisory section.

Senator FIELDING—How many family impact statements have you done?

Mr Popple—It is part of cabinet process. I cannot comment.

Senator FIELDING—Not even on how many you have done?

Mr Popple—No.

Senator FIELDING—That is cabinet-in-confidence?

Mr Popple—Yes.

Senator CHRIS EVANS—Are you required to provide one for every cabinet submission?

Mr Popple—The requirements are set out in the drafter's guide and they indicate that all submissions should have a family impact statement attached to them.

Senator Patterson—Sometimes it would be inapplicable. For a fishing licence you might say, 'Yes, that does require a family impact statement,' but something else has absolutely no impact on families. The process takes into account an indication that there is no regional and rural impact, for example.

Mr Popple—That is right. My branch will make an assessment on each one and decide whether it requires a family impact statement or not.

Senator FIELDING—What process do you follow when preparing the family impact statements?

Mr Popple—We do not prepare the family impact statements. We assess them—whether they need to be prepared or not—and then we assist the originating department doing the preparation. The department that puts forward the cabinet submission is obviously in the best place to make an assessment on the family impacts. They understand the subject matter. We advise them on the sorts of things that they need to take into account.

Senator FIELDING—What role do you play in that?

Mr Popple—A department will come to us about when they are putting forward a cabinet submission. We make a judgment on whether it requires a family impact statement. If it does require a family impact statement, we provide them with advice on the sorts of areas that they need to look at. They then do the impact statement and we assess it and advise them whether it requires more information or different types of information in it.

Senator FIELDING—The department that would be proposing—let us just say it is a policy that does impact on a family, so it is not questionable from that point of view.

Mr Popple—Sure.

Senator Patterson—Senator Fielding, the department then would make its own comments on legislation, as well, if it is relevant. The department would also put comments that may embellish or add to what the department who is putting forward the legislation would do. This is only for your own information. What happens is that a cabinet submission goes in and then there are coordination comments from departments. Some departments will not have a comment because it is about space or something. I am trying to think of something that would not be relevant to immigration, for example. They would not make a co-ord comment, but we would make a coordination comment on any submission that affected our portfolio, which would include families or women or children or youth or seniors or disabled. I will not go through all the people. So you get almost a double go at it because the department, as Mr Popple has already told you, discusses and advises the department making the submission. But we also have a second bite at the cherry. That has always been the case.

Senator FIELDING—The department that is proposing the policy would prepare a family impact statement, with some input or on their own. There was a statement made, I think, on the ABC, *AM*, with Alexandra Kirk. Kay Patterson responded well:

I think being the minister responsible for family impact statements ...

I am trying to work out who is responsible for developing the family impact statement.

Senator Patterson—Our department is responsible for indicating whether we think a family impact statement is required, and why. Then the relevant department making the submission puts its point of view forward. But we have a chance with the coordination comments for us to put our tuppence worth in again.

Senator CHRIS EVANS—Is it true most of them are only a page?

Senator Patterson—No, sometimes coordination comments can be a couple of lines, sometimes they can be quite extensive.

Senator CHRIS EVANS—But is it true that most of the family impact statements are less than a page?

Senator Patterson—I am not going to say whether they are less than a page or a page. It depends on the submission.

Senator FIELDING—Under the performance highlights and policy outlook, from page 48 of the annual report of FaCS: so I am really clear on this, when it says ‘implementing and managing family impact statements as part of the cabinet’, what does that entail?

Senator Patterson—We have just said twice, Senator Fielding. I am not going to ask the officers to repeat it. I have said it twice. Mr Popple has said it. That is the third time. It is very clear. That apart, I am not going through it again. I have told you clearly the steps.

Senator FIELDING—I am not clear. I will get the transcript and see how clear I am when I get the transcript of this. So what criteria are there if you are providing input on these family impact statements?

Mr Popple—We look at impacts upon families in other ways: in terms of economic factors, access to services and infrastructure, impact upon affordability, access provision and quality of major services for families and family functioning. They are the broad areas we look at and then we break that down into a bit more detail, depending upon the submission.

Senator FIELDING—Do you consult with family groups or other sorts of experts out in the industry at all?

Mr Popple—We consult with experts on different aspects of families within FaCS as necessary. Obviously, given it is a government process, it is pretty closely done.

Senator FIELDING—You cannot reveal how many have been done?

Mr Popple—No, Senator.

CHAIR—Further questions on 4.1?

Senator CHRIS EVANS—Family tax benefits: the 2005 budget had an increased capacity for reconciliation of FTB and the links with income tax. I want to be clear I understand how that is going to work now. The \$600 per child supplement can be used to offset debts incurred in FTB payments. Is that right, Mr Kalisch?

Mr Kalisch—You are talking about a measure that comes into place from July 2006. These are budget measures that have just been announced in May this year.

Senator CHRIS EVANS—The original ones were done in 2004. Is there any change this financial year from the 2004 arrangements?

Mr Kalisch—Not in terms of the process, except it does take account of the FTBA supplement for all of the tax returns that have been lodged since 1 July 2005.

Senator CHRIS EVANS—What does that mean?

Mr Kalisch—In the first year of operation of the supplement, we only took into account from September. You will remember there was a special process because of the time that we needed to put in place that new system. Now it has been totally automated.

Senator Patterson—You are only aiming to do them?

Mr Kalisch—Yes.

Senator CHRIS EVANS—So you reconcile the \$600 against family tax A and B debts?

Mr Kalisch—Yes.

Senator CHRIS EVANS—So this year you reconcile against FTBB and FTBA.

Mr Kalisch—The one other to mention is that we have this year had the FTBB supplement, the half-year impact, the \$150 that was available from January 2005.

Senator CHRIS EVANS—From July 2006 what will that \$600 per child supplement be able to be offset against in the way of debts?

Mr Kalisch—It will be able to be offset against past year family assistance debts.

Senator CHRIS EVANS—Past year as in the 2005-06 year or previous as well?

Mr Kalisch—2000-01, 2001-02 and upwards.

Senator CHRIS EVANS—So you effectively have six financial years worth you can offset against this?

Mr Kalisch—Yes.

Senator CHRIS EVANS—When does the statute of limitations run out on those?

Mr Kalisch—With tax measures, you can have a considerable number of years in that.

Senator CHRIS EVANS—Obviously it is family tax benefit debts, and we have been through all that. What about other debts such as Newstart, disability support pension, rent assistance, other payments by you?

Mr Kalisch—Most of the payments that you mentioned are income support payments paid by DEWR, but this is also in separate legislation. This is in the family assistance legislation, so it is treated quite separately. I think I mentioned even at the last hearings there were some special rules around tax and tax related debts where there is a particular order of recovery of debts. In terms of debts for other income support payments, that is dealt with quite separately in their separate withholding arrangements.

Senator CHRIS EVANS—I am trying to check what you can offset the payment against.

Mr Kalisch—We will not use any top-ups around family tax benefit to pay off automatically income support debts.

Senator CHRIS EVANS—What does the qualification ‘automatically’ mean?

Mr Kalisch—Clients could come to some arrangement with Centrelink, if they have a large unexpected gain, to pay off those debts if they choose to do so, but there are normal withholding arrangements in place.

Senator CHRIS EVANS—So they could negotiate with DEWR that, if they had some overpayment of Newstart or disability support and they had three kids, they might not get the 1,800 bucks; you would withhold that.

Mr Kalisch—No, they would get the \$1,800 and they could negotiate with Centrelink to pay off an outstanding debt on the income support side. That would be something that they would freely do with the money that they had received. We would not do it automatically.

Senator CHRIS EVANS—That is what I am saying. Whatever their intention, you are going to give them the dough basically? Is that right?

Mr Kalisch—Yes.

Senator CHRIS EVANS—What about other debts to the tax department? This is part of their whole income assessment for the year now, isn't it?

Mr Kalisch—Yes, and as I mentioned to you I think at the last estimates, there is an ordering in which certain debts are dealt with first. The tax commissioner generally has first dibs.

Senator CHRIS EVANS—So if I have not paid my \$300 tax request from the tax commissioner after doing my tax return, would it work that way? Or will I not get a request from the tax commissioner for 300 bucks if I have a child, because you will just credit me with \$300 which is 600 less 300. Is that the way it works?

Mr Kalisch—It really does depend on—I am skating on thin ice here because there are some special rules around the time in which this is all processed, but generally the tax debts are taken into account first.

Senator CHRIS EVANS—The theoretical basis is this: that combination of taxation liability to the Commonwealth and family tax liability or credit to the Commonwealth will be rolled into one and an assessment issued plus or minus to the taxpayer, family tax recipient. Is that a fair summation?

Mr Kalisch—Yes, that is a fair summation.

Senator CHRIS EVANS—That is the theory.

Senator MOORE—Where does HECS fit in?

Mr Kalisch—This does cover aspects such as HECS debts and also child care generally.

Senator CHRIS EVANS—You have just undershot me completely! That is what you wanted to know—the HECS debts. Go on then, ask about the HECS debts.

Senator MOORE—That was my question.

Mr Kalisch—HECS debts come before us!

Senator CHRIS EVANS—So the order is tax, HECS—

Mr Kalisch—FTB, CCB, child support and then other debts.

Senator CHRIS EVANS—Other debts to whom?

Mr Kalisch—That is not explained in this. It would be surprising if you got down that far.

Senator CHRIS EVANS—Yes. Once the tax man has finished with me, I am skint. Say you have a complicated life—you have CCB, child support and complicated tax arrangements—how do you know how all this works? I have three kids. I am waiting for my 1800 bucks. I am going to use that to make the mortgage payment, because I am doing it a bit tough. When do you tell me I am not getting my 1800 bucks because you have taken my child support? How do people know how all this is working, and what they are going to get and what they are not going to get, and when do they know?

Mr Kalisch—This is all done in your tax notice of assessment. That is the way in which it is all accumulated. For example, you lodge your tax return on time; you are expecting some money back for your family tax benefit, but if you have a prior year tax debt—you might have current year's tax owing and a HECS debt—that will be taken into account first. If you still have some refund owing to you, that will be taken into account and offset against your FTB debt.

Senator CHRIS EVANS—So this will all show up?

Mr Kalisch—It will all show up, and then you get the net amount.

Senator CHRIS EVANS—Say the net figure is a problem for me, do I pay you off in the same order?

Mr Kalisch—You would meet those debts in that order of payment that I referred to.

Senator CHRIS EVANS—Do I have one debt? Do I get a notice saying I owe the tax department \$300, I owe you \$200, I owe Child Support \$400, or do I get a bill saying I owe \$900, 'Make it out to John Howard.'

Mr Kalisch—If we use the example where you have paid off your debt to the tax commissioner—

Senator CHRIS EVANS—Where I have?

Mr Kalisch—Yes, and there is some money left over where you need to offset some of your FTB supplement. Then you would get the net amount back to you. If, for example, you did not have sufficient in your refund to pay off fully an FTB debt, you would get an overpayment notice for the net amount.

Senator CHRIS EVANS—Potentially, I could end up owing the tax department, FaCS and Child Support money. That is a worst case scenario but I am sure it is a reality for a number of people. Do I write one cheque or do I have to pay you all separately? If so, do I have an instruction as to who I pay off first?

Mr Kalisch—In the unfortunate situation that you owe money to everyone, there are separate arrangements for the repayment. There would be separate repayment arrangements for Child Support and the tax commissioner and we of course have separate withholding arrangements for family tax benefit.

Senator CHRIS EVANS—Say I had a net debt of \$300. If I owe you, the tax department and Child Support \$100 each, I would either have to make three separate payments to three different authorities or I would have to enter into negotiations with each of you about how I manage to repay the debt. Is that right?

Mr Kalisch—Yes. It would be Centrelink for the family tax benefit, the tax commissioner and then the Child Support Agency.

Senator CHRIS EVANS—You are at arm's length from all this mucky stuff, I know.

Mr Kalisch—We are just telling you how we understand it works.

Senator CHRIS EVANS—You are the good news department, yes! 2006 will be the first time people will be faced with that sort of situation.

Mr Kalisch—No. That situation operates now. What will be different about 2006 is that we will be able to use any tax refund to automatically reduce FTB debts from prior years. That is the one significant change.

Senator CHRIS EVANS—Did people get it reconciled against their tax last year?

Mr Kalisch—Certainly FTB was reconciled against their tax for that current year, and people would have had ordinary withholding arrangements and other repayment arrangements. From July 2006 will be the first time that we can use tax refunds to automatically reduce those debts.

Senator CHRIS EVANS—So it is the first year this system will apply?

Mr Kalisch—Yes.

Senator CHRIS EVANS—Your tax advice will be much more complicated, effectively, won't it?

Mr Kalisch—It might be slightly more complicated.

Senator CHRIS EVANS—Potentially, it has arrangements for you to reach with five different departments.

Mr Kalisch—Yes. I can complicate it slightly more if you wish me to.

Senator CHRIS EVANS—I know you qualified your earlier remarks and my general descriptions. I thought we had established what the 'general' was before we went to the exceptions. Potentially, that is quite a complex arrangement and, obviously, people with large debts will have to negotiate payments.

Mr Kalisch—Yes.

Senator CHRIS EVANS—The rules for those are not consistent across departments, I presume.

Mr Kalisch—There are different rules for the family tax benefit overpayments, as there are for income support. In fact, the arrangements for the withholding of family tax benefit are, on the whole, more generous and families are required to repay at a much lower rate than is the case for income support debts.

Senator CHRIS EVANS—And a different set of arrangements for child support as well, of course.

Mr Kalisch—I am not familiar with the child support arrangements.

Senator CHRIS EVANS—I will now complicate matters for you, Mr Kalisch. Tell me why the general rule does not apply.

Mr Kalisch—No, the general rule applies but the one complication is in the unusual situation now where someone has a number of FTB and CCB debts. The arrangement is that we pay off the oldest FTB debt first, then the oldest CCB debt, then the next oldest FTB and then the next oldest CCB. There is a sequencing.

Senator CHRIS EVANS—I have the numbers with FTB debts. You had them going back quite a way, didn't you?

Mr Kalisch—Yes.

Senator CHRIS EVANS—The CCB debt is more recent, isn't it?

Mr Kalisch—I do not have the CCB debts with me. That is not my area either.

Senator CHRIS EVANS—I might put the question of what CCB debts are outstanding each year on notice, to get a sense of the scale of that. Effectively, from this year you will go: the oldest FTB debt, then the oldest CCB debt and work your way through. Some people may flee the country! Have you been working with the tax department on how this taxation advice would look?

Mr Kalisch—We have been working with Centrelink and the tax office around the implementation of that measure.

Senator CHRIS EVANS—Are you able to give us anything that shows how that form will now look?

Ms Phillips—Not at this point. We are still working out the details.

Senator CHRIS EVANS—Will that be market tested?

Mr Kalisch—I imagine that the tax office would want to be sure that people could understand what the tax notice of assessment said, and similarly Centrelink with any advice that they provide to customers.

Senator CHRIS EVANS—Effectively, that is a question for the tax office.

Mr Kalisch—And for Centrelink as well.

Senator CHRIS EVANS—But Tax have designed—

Mr Kalisch—Certainly, for the overall—

Senator Patterson—They have already done it once in the sense that there has been a reconciliation with one year's overpayment, in the sense that you are giving them the right amount in that 12-month period, including their \$600. There has been one round, but this is going back.

Senator CHRIS EVANS—Yes, but now we have five different payments. I do not know how the form will be affected by the five, but obviously—

Senator Patterson—But you have always had that. You have had sometimes a CSA debt, sometimes a CCB debt, sometimes a tax credit or debit and then you have had FTB overpayments, so it is no different. People have had to negotiate with Taxation, with Centrelink and with CSA.

Senator CHRIS EVANS—But any other income support payments are not considered?

Mr Kalisch—No, because that is a separate income test. What is significant about these payments is that they are generally annualised income tests around taxable income.

Senator CHRIS EVANS—How are people advised about their review rights under these measures?

Mr Kalisch—It is really a matter for Centrelink, but their general premise is that, with every bit of information they provide to the customers, those review and appeal rights are well placed within the notification.

Senator CHRIS EVANS—That leads me into the question about appeal decisions on family tax benefit. It struck me when I looked at the figures there have been a substantial number of successful appeals against family tax benefit decisions. Is that a fair conclusion?

Mr Kalisch—It is hard to draw those conclusions from the way in which this is specified.

Senator CHRIS EVANS—The figures I have in front of me are that 28 per cent of the 2,500 decisions about family tax benefit that were reviewed were overturned and that at SSAT a further 25 per cent were overturned.

Mr Kalisch—Yes.

Senator MOORE—They are pretty high, Mr Kalisch, in the history of appeals.

Mr Kalisch—Yes, it is a reasonably high figure, but on page 97 of the annual report, looking at the family tax benefit line—the coordinated line where we have got family tax benefit A and B together and a figure of 28 per cent where the ARO decision has been changed—of those cases that go to the SSAT 36 per cent are changed. What you may well be seeing is that the ARO changes the decision in favour of the customer and then, when it goes to the SSAT, the SSAT reverses the ARO decision, which is what we have been seeing.

Senator MOORE—We might be looking at the same case?

Mr Kalisch—Yes.

Senator MOORE—Is that common?

Mr Kalisch—We have seen a reasonable spate of decisions where the SSAT basically understands the nature of the decision that should be made and rules in our favour, if I may be so bold.

Senator CHRIS EVANS—In your view, Mr Kalisch.

Senator MOORE—A totally unbiased statement, Mr Kalisch!

Mr Kalisch—Certainly in our interpretation of the government legislation. We just want to see the legislation upheld.

Senator CHRIS EVANS—That anecdotal evidence is respected, but your bias is also noted.

Mr Kalisch—We can see if we can get for you—

Senator CHRIS EVANS—A bit of analysis of what this means. On the face of it, it seems very high, and I would like to understand that. If you are right and the SSAT is overturning the successful applications at a lower level, I would like to understand that, too. I am trying to find out whether you have done any analysis and, if you have, could you provide it.

Mr Kalisch—Senator Evans, it is probably reasonable for us to say this is not just about reconciliation outcomes either. This is about a range of decisions around eligibility and even, say, shared care arrangements in family tax benefit. There are a range of decisions that are taken in the family tax benefit area that would be reflected in these cases.

Senator CHRIS EVANS—Maybe you could take on notice what further light you can shed on what all of that means. I am not asking you to do work you have not already done but to just give us anything that provides a better indication of what this means.

Mr Kalisch—Yes. The other thing I will point out at this stage is that the number of cases that have been dealt with by the authorised review officers and SSAT has gone down quite considerably compared to past years. We have seen the new system bed down quite significantly as the level of overpayments has gone down.

Senator CHRIS EVANS—Is it a lower proportion or is it just that the debt issue is getting more under control?

Mr Kalisch—More people are getting overpayments. To give you a couple of figures at this stage, in 2003-04, in our corresponding annual report, the number of ARO reviews was 3,486 compared to the 2,423 for this past financial year; and at the SSAT there were 759 cases in 2003-04 compared to just under 500 for this past financial year.

Senator CHRIS EVANS—But that is matched by the number of people now underestimating, their income having risen significantly as well.

Mr Kalisch—And people receiving the benefit and the supplement, principally.

Senator Patterson—A 70 per cent reduction in people with an overpayment—over a 70 per cent reduction.

Senator CHRIS EVANS—Yes, but a corresponding increase in the numbers who underestimate their income in order to prevent getting into debt.

Senator Patterson—Some people choose to do that.

Senator CHRIS EVANS—They are directly proportionate, aren't they? It is the other side of the coin.

Senator Patterson—No.

Senator CHRIS EVANS—If you underestimate, you do not get a debt; if you overestimate, you get a debt.

Senator Patterson—No, because the 600 real dollars each child was a measure I proposed would create that buffer for those people who may have a change in their income during the year. They have not underestimated but they get a change in their income and it buffers it for that. Not everyone who has had a reduced payment has underestimated their income. For some of them their income has stabilised.

Senator CHRIS EVANS—There is a range of reasons why. I am just saying the number of people who have a refund at the end of the year has increased quite significantly and what I am saying is that it seems to me to be the other side of the coin.

Senator Patterson—They have not just had an increase in the refund; they have actually got the 600 real dollars per child.

Senator CHRIS EVANS—They may have, depending on their other tax obligations.

Senator Patterson—They have the benefit of that.

Senator CHRIS EVANS—That is what we were discussing. That is all rolled into one now, isn't it?

Senator Patterson—Yes.

Senator CHRIS EVANS—Unlike in the previous year. Can I move on to a question about health care cards. I have a couple of queries about how this works. Is it true that people who are on the maximum FTBA rate automatically get a card for a set period of time?

Mr Kalisch—Yes.

Senator CHRIS EVANS—How long do they get that for?

Mr Kalisch—It would be for 12 months.

Senator CHRIS EVANS—Is that a change or was it always 12 months?

Mr Kalisch—Not that I am aware of, for that group. I think it is that extended period.

Senator CHRIS EVANS—I had in my mind that it was only six months.

Mr Kalisch—Because the health care card can be made available for people in other circumstances, such as income support allowances, as well as low-income individuals and families where there are separate income-testing arrangements, I would not be surprised if that was a shorter period.

Senator CHRIS EVANS—Just explain to me how that works with FTBA and the issue of the health care card. Is it when you make an assessment or when they make a claim?

Mr Kalisch—Generally, it is around when they provide an income estimate that indicates they are eligible for that level of support through FTB, or they are income support customers and are therefore automatically entitled to the maximum rate.

Senator CHRIS EVANS—Yes. If they are on income support that automatically turns up.

Mr Kalisch—Yes.

Senator CHRIS EVANS—What happens if someone comes in the door on a low income and makes an application?

Mr Kalisch—They would be automatically linked into the health care card system.

Senator CHRIS EVANS—They can walk into Centrelink, discuss it with an officer, and then they get it.

Mr Kalisch—Yes.

Senator CHRIS EVANS—Who issues the health care card?

Mr Kalisch—It is issued by Centrelink.

Senator CHRIS EVANS—What happens when their circumstances change during the year?

Mr Kalisch—They advise Centrelink of the change.

Senator CHRIS EVANS—Say they pick up another job or their partner gets a job and their financial position improves.

Mr Kalisch—Their financial position improves, they advise Centrelink accordingly and they may not have eligibility for the health care card in a theoretical sense. As to what processes Centrelink then goes through for that customer, I suggest that you ask Centrelink about that.

Senator CHRIS EVANS—My understanding is they do not recover the card. Is that right?

Mr Kalisch—I do not know one way or the other.

Senator CHRIS EVANS—Mr Kalisch, you are usually pretty well informed on these sorts of things.

Mr Kalisch—I am not going to surmise.

Senator CHRIS EVANS—My understanding is they can keep the card for the year. If I want to talk about how much that costs and whether or not they are planning on recovery of the card, do I need to talk to Centrelink about that?

Mr Kalisch—Yes.

Senator CHRIS EVANS—Aren't you the policy people?

Mr Kalisch—Yes, but they are involved in the processes and they make judgments about the administrative efficiency of their processes.

Senator CHRIS EVANS—I am reluctant to let you go that easily because when I get to Centrelink they always say, 'You ought to talk to FaCS, Senator.'

CHAIR—You are getting soft in your old age.

Senator CHRIS EVANS—Yes, and Senator Fielding is still learning.

Mr Kalisch—I am sure we will be back again next time.

Senator CHRIS EVANS—Yes, but I do not like to wait that long. You are telling me the policy decision relating to the issuing and recovery of health care cards is a policy decision for Centrelink?

Mr Kalisch—Yes.

Senator CHRIS EVANS—Okay, I will cut that bit of *Hansard* out.

Senator Patterson—It is an administrative process.

Dr Harmer—Probably the correct description of that would be an implementation process, rather than a policy decision in relation to recovery of health care cards.

Mr Kalisch—We have certainly given you some advice what the policy rules are about eligibility. The actual process for Centrelink in dealing with that is really a question for them.

Senator CHRIS EVANS—But there is a policy decision to be taken as to whether someone who stops being eligible for FTBA therefore loses their health care card. That is the policy question. I wanted to be clear who is responsible for that policy.

Mr Kalisch—Yes.

Senator Patterson—Centrelink is responsible for administering that.

Senator CHRIS EVANS—I know Centrelink administer it. I want to be sure I understand who is responsible for the policy. I have never yet mastered the FaCS/Centrelink/Human Services divide. When you all used to appear together we all agreed it worked better. Okay, I will ask them about that. That is all I have in the families section, Mr Chairman.

CHAIR—That is the end of questions on 4.1. We will move to outcome group 4.2, Child support. Do we have any questions in that group?

Senator CHRIS EVANS—I want to get on the record a comment from the minister or the secretary on how the response to the report is proceeding, whether there are any difficulties in implementation and when legislation is likely to be introduced to give force to the government response—really an overview of where you are at basically.

Dr Harmer—The government is still in the process of considering its response to the report, so I do not think there is really much more we can say about that.

Senator CHRIS EVANS—There have been no drafting instructions issued?

Dr Harmer—No.

Senator CHRIS EVANS—You are responsible for then implementing the government decision?

Dr Harmer—We would be the policy department responsible.

Senator Patterson—That does impact across human services.

Senator CHRIS EVANS—Sure, but you will provide the drafting instructions when the decision is taken. Is that right? I am not trying to put words in your mouth.

Senator Patterson—No. I am just trying to think.

Mr Hazlehurst—Yes, FaCS will be the department responsible for the drafting instructions in relation to the legislation.

Senator CHRIS EVANS—But because the government has not formally determined its position, there have been no drafting instructions given?

Mr Hazlehurst—That is correct.

Senator CHRIS EVANS—Minister, do you have any idea what a possible time frame is for the development of the government response?

Senator Patterson—We have had a private discussion about this but, for the record, it does now require input from Human Services, Tax, the Attorney-General's Department, DEWR and us. I have indicated publicly that the government accepts the general thrust of the Parkinson report and now are working across all those departments, as they are all implicated in some way. We have an IDC. Then the legislation will need to be drafted. The Attorney-General's advice to us was that they are going full bore on drafting at the moment. I would have liked to have had it drafted as quickly as we possibly could and I have asked for that.

Also systems changes are required in Centrelink and CSA which are quite extensive. There are only so many times in the year—I think it is three times a year—that there are changes in Centrelink and we have to fit in with that. One of the other things I mentioned at a public meeting where we were discussing the family relationship centres is that you need to start in

the beginning of a financial year because that is how family tax benefit is calculated. That is implicated in the recommendations of Parkinson.

We have to get the legislation through, then we have to do the systems changes, so it is a very big task. As I indicated to you, I will keep you informed along the way because I appreciate you have indicated you are prepared to work in a cooperative way. I will keep you informed, as far as I possibly can, as we progress.

Senator CHRIS EVANS—I appreciate that. Does that mean really, though, that implementation for 2006-07 is looking unlikely? Those steps are fairly complicated.

Senator Patterson—You would have to have the legislation in. Then you have got to have the systems changes. We are not up to the point of having the legislation drafted.

Senator CHRIS EVANS—Having spent some time dealing with Defence, I know systems changes are easily said but rarely achieved.

Dr Harmer—And it is often unwise to rush if it is complicated.

Senator CHRIS EVANS—Customs just found that out.

Dr Harmer—They did.

Senator Patterson—I would like it to go as fast as possible. It is frustrating when you cannot get things done as fast as possible, but you understand you have to have legislation in and then you have to have the systems changes.

Senator CHRIS EVANS—What are the particular challenges of the systems changes, in broad terms? Any technical description would be wasted on me!

Senator Patterson—One of the challenges is that the changes only happen every quarter.

Dr Harmer—Senator, we would be unwise to try to describe some of the systems changes. They are not our systems. They are Child Support Agency systems.

Senator CHRIS EVANS—Is it pretty well focused on the Child Support Agency systems?

Senator Patterson—And Centrelink.

Dr Harmer—It is to do with FTB.

Senator CHRIS EVANS—They will have to be able to talk to each other.

Dr Harmer—Yes.

Senator Patterson—And incorporate a new formula, if that is the final thing which—

Senator CHRIS EVANS—Yes. All right, thanks for that. That is all I had, Mr Chairman, on child support.

CHAIR—As there are no further questions on 4.2, we will move to 4.3, Child care support, and questions from Senator McLucas.

Senator McLUCAS—Thank you. I have two areas that I want to canvass. The first issue I wanted to look at was the in-home care program. Can you tell me how many children with disabilities are currently supported under that program?

Ms Carroll—There are currently 4,325 in-home care places.

Senator McLUCAS—I have read the criteria by which people can access the program. Is there any way of desegregating that 4,325 into the group of children who become seriously or chronically ill or may have a disability?

Ms Carroll—We would not have that information directly at hand. That information would be held by the in-home care providers themselves. There are probably some confidentiality issues about accessing that information.

Senator McLUCAS—So the in-home care provider does the assessment?

Ms Carroll—That is right. They would work with the criteria that the department has provided and they would then look at allocation, because they have a particular number of places per in-home care provider that they are able to utilise.

Senator McLUCAS—How do they report back to the department?

Ms Carroll—The in-home care providers now are moving to a data reporting system, just as all of our community support payments are, so they will be regularly reporting about the utilisation of their places and the number of children they have. However, we are not asking for that detailed information.

Senator McLUCAS—How do you monitor their assessment process?

Ms Carroll—We would do that on a random basis, where we would, through our state and territory offices, go out and talk to or visit an in-home care provider from time to time.

Senator McLUCAS—So you would not be able to tell me whether applications for support for in-home care were unsuccessful for parents of children with disabilities? You do not have that level of detail, do you?

Ms Carroll—I would have to check if we are able to access any of that information through our state and territory offices, but those decisions are made at the in-home carer provider level and we monitor those decisions.

Senator McLUCAS—If you could provide the answer on notice, that would be helpful. Is it possible for a child who is funded under the in-home care program to also be eligible for DSUPS funding?

Ms Carroll—Yes.

Senator McLUCAS—The review is under way. It was to be completed by May of this year. Is that right?

Ms Carroll—Yes, that is right. The review was to be completed by May and was completed. I think it was provided to the department in around June or July this year. The department is still considering that report. It is quite a comprehensive report, with lots of detailed information in it. At the moment we are looking at the issues that have been raised in the recommendations and preparing advice for the minister.

Senator McLUCAS—That was a review of the full extent of the in-home care program, which traversed across a whole range of services that were being provided.

Ms Carroll—That is correct.

Senator McLUCAS—Leaving aside the issue of large families and the inability to access regularised day care, in whatever form that might be, and just looking at children who are ill or who have disabilities, did the reviewers—and it was a private contract, wasn't it?

Ms Carroll—Yes.

Senator McLUCAS—Who did the review?

Ms Carroll—There were two elements to the review, with two different consultancy companies. Amity Management and Consulting undertook a client feedback project. That was where they went out and got feedback from clients. Then RPR Consulting undertook the broader evaluation project relating to the broad parameters of the program and how they were being met.

Senator McLUCAS—How did those two reports come together?

Ms Carroll—They came together into the final report that was provided to the department.

Senator McLUCAS—Looking at what is probably the Amity part of the document, did the review receive evidence that any of the children with disabilities currently cared for at home had disabilities which would make care at a child-care centre, or family day care for that matter, inappropriate?

Ms Carroll—As I said earlier, the findings of that review are still under consideration by the department and have not yet been provided to the minister.

Senator McLUCAS—That is not the question I asked. This was the client consultation. Did people express that concern to the reviewers?

Senator Patterson—Just repeat the answer you already gave.

Ms Carroll—We are still going through that process. Once that has been completed, we will be in more of a position to discuss what the review found.

Senator McLUCAS—I was not going to the issue of the findings, but you have been directed by your minister and that is all very well.

Senator Patterson—With all due respect, Senator McLucas, I have not had the information. I do not see why you should have it ahead of me. The department has only recently received it. When they have processed the information, they will send a brief to me. Let me reiterate very clearly, in monosyllabic words, that children who currently receive in-home care who are disabled will not lose that care, unlike the awful press release you put out last time. I want to say it clearly. Whatever happens, I will guarantee—

Senator McLUCAS—I have done my job and I am quite happy.

Senator Patterson—that children who are currently—

Senator McLUCAS—I have protected those kids.

Senator Patterson—Rubbish! Absolute rubbish! You went out and frightened people who had children with disabilities. You were unconscionable in the way you did that, and I will never forgive you. I do not anger quickly or easily, but I was dismayed, disturbed and could not believe what you did. I am making it very clear, whatever the results of this review are, that if a child is receiving assistance under the program, they will continue to receive it.

Senator McLUCAS—The review had, as one of its terms of reference, a clear indication that inclusion was an important part of child care. As a person who was very much involved in child care in another life, I believe that inclusion is very important, especially for children with disabilities. For some children, inclusion is not an option, as I am sure you would be aware from many of the children who currently receive services from the in-home care program, probably with the support DSUPS. Did you receive evidence in the client consultations about the feasibility of inclusion as a principle for some children?

Ms Carroll—As I said to start with, the review covered a wide range of things. There is a whole lot of information in that review that we are considering and there is a range of feedback that happened in the actual client consultations. Once that has been considered, we will be able to provide more detail.

Senator McLUCAS—Can you tell me what the time frame for that will be.

Ms Carroll—We anticipate that within the next couple of weeks advice will be provided to the minister.

Senator McLUCAS—You lose control from then on, don't you?

Senator Patterson—It is not in the department's hands.

Senator McLUCAS—Sorry, I was not trying to be cheeky. You just lose control. It is not yours. Has there been any indication about what would happen after that?

Ms Carroll—Obviously that will be a decision for the minister.

Senator McLUCAS—There has been no indication?

Ms Carroll—No.

Senator McLUCAS—The other one is the issue of DSUPS funding. DSUPS is a program that works in conjunction with something called Special Needs Subsidy Scheme.

Ms Carroll—Yes.

Senator McLUCAS—It used to be all DSUPS then they broke them apart, as I recall. That would have been about 10 years ago. I understand that DSUPS and SNSS is to be abolished and replaced by the inclusion support subsidy. Can you explain to the committee how that is going to work?

Ms Carroll—The detail of the micropolicy around the inclusion support subsidy is being finalised at the moment over the next couple of months. Essentially, what we are looking at is how you would come up with a more standard rate for providing support, through the inclusion support subsidy, to families that are utilising either centre based care, family day care or in-home care. There are ranges of options around that but we are working on the detail of that policy at the moment. That actually has not been finalised. The inclusion support subsidy is due to come into place on 1 July 2006.

Senator McLUCAS—That is a direct subsidy that will be paid to the parent?

Ms Carroll—The way that SNSS or DSUPS works at the moment is that it is actually paid to either the carer or to the child-care service. It is to look at what might be needed to include those children in that particular environment. For SNSS in a child-care service, it might be

that equipment is needed or an additional staff member for a certain period of time a week. For family day care or in-home care it might be that some additional support is required to take a child to playgroup, to assist in the carer's home. DSUPS is available in family day care and in-home care for the fact that in family day care, for example, that carer may not be able to take as many children because they have that child as part of their numbers.

Senator McLUCAS—I understand that. Sometimes it is in-service or in-centre support.

Ms Carroll—Yes.

Senator McLUCAS—So the subsidy is a payment that runs with the child. Is that correct?

Ms Carroll—It is for the child in a particular service. Depending on the particular service environment, a child might need more or less support. For example, if a child is going into a child-care service which already has another child with a disability and that has a worker who has already been paid for that child, in that service, in that environment they may not need as many additional hours of an additional worker because they already have that. In another service where they are perhaps larger groups and the service does not have the same level of support, then some other arrangements might be required.

So while it is associated with the needs of the child, it is also associated with the setting that that child is going into. That is the intention of the new policy as well: for it to be associated not only with what the needs of the child are but, including the child in a particular setting, what is then required?

Senator McLUCAS—Sorry, Ms Carroll, I must have misunderstood your earlier comment. I thought you were saying you were equalising the subsidy.

Ms Carroll—Not necessarily equalising. What we are trying to do is to look at the subsidy across all forms of care. We currently have the two different forms of subsidy. That does not mean that the subsidy will be exactly the same across the different forms of care. That is what is being worked through at the moment.

Senator McLUCAS—Does the inclusion support subsidy scheme sit together with the type of SNSS scheme we used to have?

Ms Carroll—I should talk about the broader inclusion support scheme. The new scheme has, as you might be aware, inclusion support agencies that will operate across 67 regions. Each of those agencies will employ inclusion support facilitators.

Senator McLUCAS—In the way that the special needs units work now?

Ms Carroll—That is right. Then those facilitators will make recommendations about the inclusion support subsidy.

Senator McLUCAS—They will do the assessment?

Ms Carroll—Yes.

Senator McLUCAS—Will they also continue to do training and support?

Ms Carroll—Yes. They will support the service and part of the tender documentation around the inclusion support agencies has been that part of the role is to look at how we build

the capacity of the child-care sector more broadly to be ready and able to accept children that might have special needs.

Senator McLUCAS—The tendering for the inclusion of support agencies will be completed by when?

Ms Carroll—The tendering should be completed in about a month and we anticipate that the inclusion support agencies should be starting by mid-December.

Senator McLUCAS—Do you have a plan for any agencies that are currently SNSS agencies that will have to transition if they are not successful?

Ms Carroll—There is a transition plan at the moment. To ensure there is no break in service delivery, we have written to the current SUPS providers asking if they would like to continue operation for three months till the end of March and we are getting letters back from them at the moment. We are looking at then amending their contracts to allow them to continue to operate, with the idea that the new inclusion support agencies would build up over that three months, so we are ensuring that there is no service delivery gap.

Senator McLUCAS—I have an email here from one of those agencies who is reapplying for themselves, who say they have lost three long-term staff; they have been there 10 years. Change is always hard but in this sort of sector it is particularly hard. As you know, child-care workers are not paid very much. What types of child-care services will the inclusion support subsidy be available to?

Ms Carroll—It will be available to all approved care.

Senator McLUCAS—So that is long day care?

Ms Carroll—Long day care, family day care, in-home care, approved occasional care.

Senator McLUCAS—Approved in-home care?

Ms Carroll—Yes.

Senator McLUCAS—How is in-home care approved?

Ms Carroll—I mean approved for child-care benefit; so any care type that is approved for child-care benefit.

Senator Patterson—And outside school hours care?

Ms Carroll—Yes, and outside school hours care, sorry.

Senator Patterson—I want to make sure we put it in, otherwise we will have a press release to say it is not included.

Ms Carroll—It will also apply to any flexible multifunctional services that are approved.

Senator McLUCAS—Anything which you approve for CCB will be?

Ms Carroll—Yes.

Senator McLUCAS—That is great.

Senator SIEWERT—Can I pick up where that question left off. You talk about approved in-home care. There has been recent speculation about expanding that to nannies, to encouraging people to share nannies.

Senator Patterson—You do not want to believe everything you read in the paper, Senator. Let me say that is a real lesson you learn very early on in this career.

Senator SIEWERT—That is one of the questions I am going to ask.

Senator Patterson—Let me clarify. Currently, family day care is offered in a family day care worker's home. It is regulated in all states but Victoria and I have been calling on the Victorian government to regulate family day care in Victoria because outside school hours care is not regulated in New South Wales or in Victoria and it is appalling and should be done. On every occasion I will repeat that so that somebody does something about it, because parents have a right to know their children are in safe, quality child care.

Having said that, I have been talking with the family day care people about the possibility of family day care being offered in other than the family day care worker's home. There are some people who want to be family day care workers who do not have appropriate accommodation. They might be in a two-bedroom apartment, for example. There may be situations where people have three children, there are another two children and it would be appropriate for those children to be cared for together in a home. We have provided Family Day Care with additional funding for a project officer to address this, to see if we can have flexible family day care in another person's home. There would be issues, of course, of cleaning and the cost of electricity et cetera. I was looking for a flexible way to address some of the issues, particularly in inner city areas where there are high real estate values.

I do not control planning. Some local governments have overseen considerable development with no provision for any child care. I have been wanting to meet with the states to discuss that with the planning ministers but the chairman, who is a Labor minister, told me they are a bit too busy to discuss these issues. In the interim I was looking at whether there would be appropriate flexibility within that.

Also, there may be businesses where they have appropriate accommodation. There has been all this hysterical stuff about having babies cared for in offices. That is not what I envisaged. There are some businesses who have houses on their properties, for example, where it may be appropriate for a family day care type of arrangement. We have some processes called in-venue care. Let me say very clearly that I would not want to oversee any changes in flexibility to family day care that would compromise on quality at all. What I want to see is whether there are flexible ways. There may be people who run businesses out of their own homes, who are in and out of their houses all the time, that want to have their children cared for at home with some other children. We could look at it flexibly. That is about looking at family day care in a flexible way without compromising on quality.

Senator SIEWERT—That is as it relates to family day care. I appreciate what you are talking about is family day care but there has been speculation about extending it to nannies.

Senator Patterson—I spoke to a journalist about flexible family day care and the headline ran 'Sharing nannies'.

Senator SIEWERT—In that case can you reassure us that that is in fact not what you are talking about?

Senator Patterson—The issue I talked about to that journalist was more flexible family day care options without compromising on quality.

Senator SIEWERT—Besides Victoria—you have already indicated that you are talking to them—that will be under a regulated process?

Senator Patterson—In some states the regulation indicates it must be in the family day care worker's home, so the states would need to change their regulations. I would expect exactly the same requirements of quality to remain if we were to have a more flexible form of family day care.

Senator SIEWERT—Can I just absolutely clarify that the discussion about sharing nannies is not what you are talking about and not being considered?

Senator Patterson—That is another issue. I have been talking about flexible family day care. There have been other discussions by other people—not me—and there will always be those sorts of discussions. They will come up and we will have to make decisions about whether we accept those concepts. There is currently a House of Representatives inquiry and there will be recommendations from that. We will give it the same consideration we give every other parliamentary inquiry when they make recommendations. I have not been talking about sharing nannies; I have been talking about a more flexible form of family day care, not compromising on quality.

Senator SIEWERT—Okay.

Senator Patterson—I keep saying that just because the reporters do not report it. Some have, I must admit, but one or two have omitted it when I have said it a number of times.

Senator SIEWERT—The point here being that, fair enough, it may be being considered by another committee but it is going to come up. The point that I am concerned about, and has been raised with me also, is the whole concept of pooling nannies, that not being regulated and in fact having essentially an unregulated form of family day care.

Senator Patterson—I think you are jumping ahead of it. The shared nanny issue has been basically a press-driven concept. As I said to you, whatever I preside over, I will not compromise on quality. But let me say that I am still very disturbed that Victoria does not have outside school hours care and family day care regulated, and outside school hours care is not regulated in New South Wales.

Senator SIEWERT—Thank you.

Senator CHRIS EVANS—Does the department have any statistics on the number of nannies providing child care?

Ms Carroll—We would not have statistics on nannies. We would only have information on approved care or registered care.

Senator CHRIS EVANS—I knew you did not have any responsibility but I wondered if, as part of your general work in the area or research, you had any idea. It seems to me they have grown in recent years. Just going down to the children's park with my son I bump into a few. That is in the western suburbs of Perth, I concede, so I am not sure how widespread it is in other areas.

Ms Powell—We do not keep data on nannies per se. Some nannies may be registered carers and we do have information on the number of registered carers but not broken down by type.

Senator CHRIS EVANS—Have you conducted any research or do you know of any research which attempts to quantify the numbers of nannies working in Australia?

Ms Powell—No.

Senator Patterson—In some ways it is difficult, Senator Evans, because there are some people who are trained nannies and there are other people who call themselves nannies who have no training at all.

Senator CHRIS EVANS—I was interested in getting a sense of the size of the industry. I thought if any government department—apart from yourselves it would be DIMIA, I guess. They might have some idea of people coming into the country, if they were coming in under a work visa, but I suspect a lot are not in that category. It is effectively a black market. Maybe 'black market' is putting it too highly, but people who have some ability to work while in the country but in fact work as nannies or au pairs. You have no research information on that?

Senator Patterson—It is a bit like asking us how many cleaning ladies there are. Some people employ them but do not declare it.

Senator CHRIS EVANS—One of the strengths of your department over the years has been their research capabilities.

Senator Patterson—I know but you are asking—

Senator CHRIS EVANS—You are one of the few departments that seems to do any.

Dr Harmer—And it remains the case, Senator.

Senator CHRIS EVANS—I am glad to hear it. I was just checking to see whether you had done any on the nanny industry.

Dr Harmer—It seems that we have not.

Ms Powell—No, we have not.

Senator CHRIS EVANS—Thanks.

Senator MOORE—I was going to start with long day care as I normally do, but I thought I might just follow up because some of the issues I wanted to clarify have been raised by Senator Siewert. Instead of going around circuitously, can I just clarify something, Minister. You said that you had funded a position in family day care. I just want to get that clear.

Senator Patterson—A project officer for family day care.

Senator MOORE—Is this with the Family Day Care Council?

Senator Patterson—Yes. What I was looking for with the project officer was to look at ways in which we could promote family day care as an alternative option for people. I have talked to Family Day Care about their training and facilitating that training; about working with Centrelink, to suggest that when people come in for their interviews—because I do not think everyone understands or knows about family day care. The project officer will be about promoting family day care as an option for people to work in that area. Also the project

officer will look at ways in which family day care could be more flexible but, as I said, without compromising on quality.

Senator MOORE—Is the funding for that position in the annual report?

Senator Patterson—I issued a press release.

Senator MOORE—Yes. I have a few of them, Minister, but I cannot find that one.

Senator Patterson—I think it was 25 October.

Senator MOORE—Right.

Senator Patterson—I think I announced it there.

Senator MOORE—The various things that we have seen in the media about the options that you were discussing are the kinds of flexibilities that you are looking at?

Senator Patterson—Yes. I think family day care was totally consumed with the running of the Family Day Care Council. I believed we needed somebody there for at least 12 months who could drive some of these other issues in terms of increasing awareness that family day care is an option, and raising the status of family day care. They have not been one of the high-profile areas, yet a lot of people prefer family day care because they have small groups.

In Western Australia I went to a festival for little children under six, an activity day, where we launched Communities for Children. There were groups of children, all highly visible with their family day care T-shirts on, groups of five. It seemed to me that that was a good promotion of family day care in that area. But there are other options: as I said, some of them working from home, who might have three children and, with two others from their playgroup, might want to have family day care in their home. A lot of women are working from home now. In some ways there is almost more surveillance, if the mother is in a home office and she is popping in and out, than the person even being with the family day care worker in their own home. But it would require some changes in regulations, without compromising them. These people would be supervised by Family Day Care, visited by Family Day Care: all of the same requirements, but not looking after them in their own home.

Senator MOORE—You have explained the limitations in some media coverage, but looking at the two options you discussed with Senator Siewert—in someone's home, not necessarily your own, and also with friendly businesses—in terms of regulation that you have mentioned, are the regulations the same across the states, with the exception of Victoria?

Senator Patterson—No—would that they were. I have talked to the ministers about that. You cannot change regulations about the size of space per child because child-care centres have been built, but one of the problems is that some of the private providers—YMCA has something like 400 child-care services; I was surprised with the significant number—who are trying to produce training materials and training sessions have all these different regulations. But you have to crawl before you walk and at least have them regulated, for a start—and I won't repeat which states have not done that.

We now have in-venue care, where an old church hall might be used, so I am not talking about rocket science. I am talking about being more flexible and, as I said, there are some small businesses that have a house sitting on the property that would be absolutely perfect,

and mothers or fathers who are working in the small business could pop in at lunchtime or morning and afternoon tea time, pick their children up straight from work, have time with them in the car, but again without compromising on quality.

I am trying to address the issue, particularly in inner urban areas—where there is not the sort of land available at a reasonable rate that would attract a provider—and to look at some other ways in which I can do something about it and, at the same time, drive local government and state governments to look at options. In Victoria, we have a not-for-profit child-care centre based at the bottom of public housing and it is incredibly high-quality child care. It is located right on the public housing estate, and that is a creative use of the space below that high-rise building.

Senator MOORE—In the non-regulated estate?

Senator Patterson—No, that is long day care and it is regulated.

Senator MOORE—Ms Beauchamp, do you have a record of all the regulations across the states? Is that part of the information that you keep?

Ms Beauchamp—Yes, we do have that information.

Senator MOORE—Can we get that from you, in terms of what you have as a matrix? The regulation seems to be a key point in the propositions that are being discussed for family day care. What are the current regulations across the states? I am looking at size, location, liability. One of the big issues that comes up all the time is insurance liability.

Senator Patterson—We have one table that says ‘family day care regulated; not regulated’, but you want more detail than that?

Senator MOORE—I want the kinds of regulations.

Ms Beauchamp—You want a snapshot.

Senator Patterson—You want to know what the toilet facilities are; the required car parks per child. The states set those.

Senator MOORE—Ms Beauchamp, I would have thought you would keep it, seeing that the research element of this—

Ms Carroll—We would be able to get it.

Senator MOORE—For each state?

Ms Carroll—We have here tonight a summary table, but we certainly have access to all the regulations from every state and territory.

Senator Patterson—I am wondering whether the Quality Accreditation Council has that in a form that is usable.

Senator MOORE—That is what I am after, so that we can have a snapshot, because the issue is now public in terms of looking at flexible arrangements. Minister, the way you described it is that it is still at the idea stage. Are there formal policies on these issues as yet? Have they been to cabinet?

Senator Patterson—I have discussed it with Family Day Care to see whether I was so far off the mark that it did not matter. They saw it as a feasible approach for people who would

love to be a family day care worker but do not have the appropriate accommodation. Some places will need modification.

Senator MOORE—It is not a policy as yet?

Senator Patterson—Yes, it is a policy, because I have announced it and I am looking at it now. It may be that nobody wants to do it and then it will not be a policy. But it is there if people want to do it and it is workable. I can see some problems with people having somebody in their home with children from another family. It may not work, but then some family day care does not work either.

Senator MOORE—Have you looked at costings?

Senator Patterson—No, because we have family day care places available. We have 2½ thousand new ones.

Senator MOORE—It is more the concrete changes that would be necessary in terms of looking at locations.

Senator Patterson—No concrete changes. The major change would be to have the states that say you have to have family day care in the carer's place to modify that.

Senator MOORE—I have had discussions with potential family day care parents, looking at the costs of making their place safe for family day care accreditation. Do you have any idea how much that costs?

Senator Patterson—It is different in each state. You cannot say. Some people have houses that do not need modification; others need minor modification.

Senator MOORE—My understanding, Minister, is that it is a fairly careful process in terms of going in—

Senator Patterson—It is a very careful process. Some people have a home that has been used for family day care before, for example. The parents have gone off to do something else and now they have come back to family day care. They would have less cost because of the design of the house. We have funding of \$1,500 in the Welfare to Work measures for people who are moving from Welfare to Work to assist them in modifying their homes.

Senator MOORE—Is that a one-off payment?

Senator Patterson—Yes, for those people moving from Welfare to Work. But it is the cost of running a business and these are businesses; people are running businesses.

Senator MOORE—If people are going to be family day care workers, they need to get a tax file number and those sorts of things. Is there an accreditation process, and that has costs.

Ms Carroll—For family day care schemes there is a quality accreditation process.

Senator MOORE—Is that the same everywhere?

Ms Carroll—Yes. It is a national quality scheme.

Senator MOORE—It is national accreditation for the person, local accreditation for the place.

Ms Carroll—National accreditation for the schemes, national quality accreditation system through all of the family day care schemes, but each particular family day care scheme would bring on board their own family day care workers. That would be linked to the regulations in the particular state or territory. However, there is a sort of general guide for the things that a family day care worker would need to do.

Senator Patterson—I did not know about all this. I have been on a steep learning curve since Larry Anthony left. I have taken a deep interest in aged care but child care was not one of my fortes. I do not know whether Senator Siewert would be totally aware. There are family day care organisations that administer and look after a group of family day care workers and visit them. I do not see it myself as the family day care worker doing it in isolation. I do it under the umbrella of a family day care coordinated scheme. I do not know whether you knew that, Senator Siewert. I did not either.

Senator CHRIS EVANS—A lot of it is local government sponsored—

Senator Patterson—Some local governments. In South Australia it is currently run by the state government. In Victoria there are quite a few run by local government and in other states local government is not involved at all. They differ in the way they have grown.

Senator MOORE—Minister, I will finish this area with a series of questions. You have mentioned the media release about the potential for people, through the Welfare to Work process, becoming family day care workers and the support that was given. The budget linked to that to allow people to make that transition, and the costs you mentioned, are in a FaCS budget or in a Welfare to Work budget?

Ms Beauchamp—That is in the FaCS budget through the Welfare to Work measures, with set-up grants for 600 each year over the next three years, from 2006.

Senator MOORE—And the 600 places are absolutely limited to people who are caught up in Welfare to Work?

Ms Beauchamp—In terms of the eligibility for the \$1,500 for set-up costs, yes.

Senator MOORE—That is in the budget papers?

Ms Beauchamp—Yes, it is.

Senator Patterson—It was announced in the last budget.

Senator MOORE—Does the budget in that area only cover the payment to the people who are receiving the grants or does it cover all the other administration and advertising costs linked with the budget initiative?

Ms Beauchamp—For the whole of the Welfare to Work?

Senator MOORE—For that stream.

Ms Beauchamp—For the family day care stream?

Senator MOORE—Yes.

Ms Beauchamp—It would cover CCB in terms of the number of extra places, plus the support that goes with that.

Senator MOORE—Out of the same bucket?

Ms Beauchamp—Yes.

Senator Patterson—There were the 84,300 out of school hours care places, there were 2,500 new family day care places, plus the other measures like the \$1,500.

Senator MOORE—I am coming to those, Minister, and I hope I will get there in my time. I am going to look at those figures. I have printed off the fact sheet. What kind of information would applicants need to establish in order to get the grant? What do you have to do if you are going into that program of transition from a Welfare to Work person to a family day carer?

Ms Beauchamp—We are still setting up the criteria, and I think that is what is indicated on the fact sheet.

Senator MOORE—Yes. I am wondering how much further that has moved along at this stage, because this is by mid next year, is it not?

Ms Beauchamp—It is 1 July next year.

Senator MOORE—Yes. When on your program plan is it hoped to have the eligibility criteria and the detail finalised?

Ms Beauchamp—We hope to have that early next year.

Senator MOORE—Early next year?

Ms Beauchamp—Yes, early 2006.

Senator MOORE—The program is due to start, the first people are supposed to be on it, on 1 July 2006, so you have the information here, encouraging people, but we will not know the actual detail until March.

Ms Beauchamp—Earlier than that.

Senator MOORE—Earlier than March next year is the intent?

Ms Beauchamp—I anticipate. We are still working through the process.

Senator MOORE—That is the intent. In a business plan, that would be good for a program like that. I have a particular question to do with the children who are able to be counted as people to be cared for. Is it true that it is still only under school age children who can be cared for in a family day care situation?

Ms Carroll—Family Day Care are able to care for school age children as well as under school age children.

Senator MOORE—There is no limit on how many children of each age?

Ms Carroll—The state regulations would limit how many of each age group. For example, in some states you might be able to have four children under school age and then, on top of that, you could have another two or three children of school age. There are limits on the combined numbers as well as on the number in each component.

Senator MOORE—And these limits are set by the state?

Ms Carroll—They are set under the state regulations.

Senator MOORE—And when we get that detailed document, that will be in there.

Ms Carroll—That will have that in it, yes.

Senator MOORE—Does your own child count?

Ms Carroll—Your own child does count.

Senator MOORE—If I am a would-be family day care parent and I have a couple of children of my own, when I am looking at the capacity I include my own children—

Ms Carroll—Yes.

Senator MOORE—despite their age, and my capacity would be dependent upon how many more I could bring in?

Ms Carroll—Yes.

Senator MOORE—On long day care, Minister, you began by talking about inner city areas and one of your media releases talked about pockets of need for long day care in Australia. How do we know where these pockets of need are? What is the process in the department for understanding and planning where the need is?

Senator Patterson—We provide long day care assistance for any child who is in approved registered long day care. We do not decide where they are going to be put. We have seen a significant increase in the amount of child-care benefit going to long day care. You get an idea where they are. Some councils keep quite detailed lists. One of the difficulties is that lists in child-care centres do not always tell you, because people put their names down on umpteen lists, and in my discussions with some of the local governments I have discovered that it is quite a difficult situation because people may live in suburb X but they want their child cared for on the way to work or near work. It is not always as easy as, ‘This is how many children we’ve got in this area, therefore we need X per cent of child care for so many children under five.’ This issue has exercised my mind. Some local councils do it very well and you find others where you have five child-care centres in a street, I have been advised.

Senator MOORE—It seems to me that you know by asking people. We hear about the issue of particular areas that have particular need. How does the department know, in giving advice to the minister, about where the particular need is? What is the methodology?

Senator Patterson—Because we do not actually fund the building of child-care centres, they do not advise me on the need. When a child-care centre is built or a provider provides a service, we will fund the child.

Senator MOORE—So, Minister, how do you know where your pockets of need are?

Dr Harmer—Even if we could provide that information, given the role of the Australian government in the provision of child care for long day care, the minister would not be able to do anything with it because she cannot set up child-care centres. All she can do is what she has been doing, which is putting pressure on local governments and other agencies to facilitate the private providers to set up centres, and then we can fund and make it affordable et cetera. There are inevitable delays between a demand appearing and an entrepreneur deciding, ‘This is the place to set up a long day care centre.’ Sometimes they have to get over the hurdles of local government regulations and planning, and the minister has been playing a role in making sure that local governments understand they have important regulations that

can impact on the profitability and the location et cetera. But, apart from that, there is nothing the minister can do. We do not build or have a role in the supply of long day care centres.

Senator Patterson—Say we discovered there was a high need in the CBD of Melbourne—

Senator MOORE—And how would you discover that, Minister? That is the point. How do you find out?

Senator Patterson—That is difficult. I do not know how you would find out. You would look at current services and whether their waiting lists exceed others. But, as I said, sometimes children are on a number of waiting lists. I will just give you an example. I was at a function the other day for women in the building industry. A Melbourne city councillor got up before me to talk about her role as a city councillor and just spontaneously said, ‘One of the issues that I’ve been focused on more than anything else over the last 12 months has been the provision of 120 child-care places in the city.’ What she said was that the state regulations require a car parking spot for every five children and she said the council said, ‘We don’t want any more car parking spots in our CBD. We’re happy to have the child care but we don’t want the child-care spots.’

Here is a tussle between state regulation requirements and the council, with the poor child-care provider wanting to provide child care and the parents wanting child care. There is nothing I can do about that. This council have fought tooth and nail and it has gone ahead, so there will be 120 long day care places in the CBD and we will fund the children when it is approved and registered. There is no cap on that. But you can see the problem I have. I am constantly saying—and gradually it is getting through—that this requires a whole-of-government approach.

You have gone down that corridor from the airport to Sydney and seen that huge development in the Rosebery area. You have to imagine there are going to be families with children, who live there, who want to work in the city, who want to work out in those suburbs near the airport, who want to work at the airport. You needed to have included provision for child-care space. In 30 years time when you do not need child care, you are going to need adult day care.

Senator MOORE—Minister, the long day care incentive program, which we have talked about before, would not be able to be used in that corridor you just described.

Senator Patterson—The long day care incentive program is for child-care centres where it is not viable, where you have a small country town with 25 kids—

Senator MOORE—I am questioning the issue of viability. There is an issue with the long day care incentive program, which we have talked about before, where it has been decided in certain areas—and I know some in Queensland—

Senator Patterson—There are providers who will provide child care if they can find land on a lease-back arrangement, on a school ground, in a public space, but it is not cost effective for them for \$3 million. I am not going to try and discuss policy, but I will have a discussion with you privately about some of the challenges.

Senator MOORE—Just in terms of—

Senator Patterson—No, we actually fund children in day-care places. It is impossible for me to create space in eastern Sydney. I look longingly at all the land around Rozelle that the state owns, knowing that there are families in that inner western area who require child care.

Senator MOORE—Minister, it could be something for another discussion, but that is another definition of viability. If there was a scheme introduced as a viability issue for regional and country areas, the issues that you have just been mentioning—I take the point that the department does not fund—

Senator Patterson—But there is nobody prepared to provide child care in those areas.

Senator MOORE—‘The Child Care Support Program is to develop and implement measures to improve the availability, affordability and flexibility of quality child care.’

Senator Patterson—That is in areas where there are maybe 25 children—not enough children. No child-care provider would go there. In the high-density areas where there is high demand, a child-care provider would go if there were reasonable commercial lease-back arrangements, as we see in terms of business developments. If I look at Victoria Gardens in Richmond, that is a huge area on the way into the city with no provision for child care. If I look at that Rosebery corridor, there is no provision for child care.

The states have got to take some responsibility in planning when they allow high-density housing in inner city areas, with high costs. They should provide space that can be leased. I have these child-care advisers saying to me, ‘If we had them on a lease-back arrangement for 25 years, it would convert into some other service,’ whether it is a GP clinic or an adult day care centre 25 years down the track. There will always be a need for space for some sort of service.

Senator MOORE—I do not think we will get anything more out of that one, so we will move on to outside school hours care.

Senator Patterson—If you have any solutions and you can tell me how to do it, I would be very interested to have a discussion with you.

Senator MOORE—I thought that was the role of development policy.

Senator Patterson—It is, but—

Senator MOORE—We need to work on that together, but we have established that there is no research in relation to the pockets of need. There is a feeling where the need is, because people tell you, but at this stage there is no clear plan about what to do with it.

Senator Patterson—Some innovative councils have looked at areas of need.

Senator MOORE—Yes, and we talked about regulation.

Senator Patterson—Some councils have got together to discuss it and discuss the movement of people from an outer area into an inner area, and they have taken some responsibility for it.

Senator MOORE—I have five more minutes. We have been approached—and I know you have—by schools that have asked for more places in relation to outside school hours care. I want to know how many requests have been made by schools for additional places and have been refused in the last 12 months.

Ms Beauchamp—Are you talking about 2005-06?

Senator MOORE—2005-06 would be good.

Ms Beauchamp—For outside of school hours care?

Senator MOORE—Yes.

Ms Beauchamp—As you know, through the Welfare to Work measure, there were another 15,000 places allocated for 2005-06.

Senator MOORE—When are they going to come on, Ms Beauchamp? I understood it was an into the future program.

Ms Beauchamp—We have already gone through a process of advertising this year. I expect the delegate, who is Ms Powell, to make her decision on the allocation of those places in the next month or so.

Senator MOORE—How many schools have been refused extra places in the last 12 months?

Ms Beauchamp—How many places have been refused?

Senator MOORE—Yes. Schools have asked for extra places because they have established a need.

Ms Beauchamp—All the services that have expressed a demand or a need have put in applications through this process, and we expect we will be able to satisfy all of the demand.

Senator MOORE—Can you tell me how many have been refused in the last 12 months, though, leading into the allocation of these places?

Ms Powell—I have some figures here on allocations of additional places that we have made over and above the round we are just doing.

Senator MOORE—My gut feeling on that, Ms Powell, is they were the ones who got their requests accepted. I would like to have that data. I was interested in the ones that had asked for more places, had put cases up that they had need and had been refused, but we can start with the ones that have been accepted. That would be good.

Ms Powell—The process for the first part of the year, before the 15,000-place process began, was that we had an ongoing process of places being relinquished and allocated.

Senator MOORE—Relinquished and then reallocated?

Ms Powell—That is correct. We have allocated an additional 3,806 places since January.

Senator MOORE—Since January this year?

Ms Powell—Yes.

Senator MOORE—Do you have any outstanding requests for more places on the books?

Ms Powell—Any outstanding requests would have been rolled in to the process that we are currently going through for the 15,000, which started in about June.

Senator Patterson—When I announced the roll-out of those 40,000 places, that met the then current need. Each time we have called for expressions of interest, we have met the need.

But I want to make the point, Senator Moore, that in Western Australia something like 20 per cent of its primary schools have outside school hours services. You might be interested in this, Senator Evans, because you need to gee it up a little bit in Western Australia. On average, 60 per cent of primary schools in the rest of the country have outside school hours places.

I have written to the relevant ministers and spoken to them about it. It seems as if there is an issue—and I cannot quite put my finger on it—where the primary school principals are not as keen or motivated, or whatever, to offer the schools up for outside school hours care. It seems to me that schools—a huge capital investment—should be used for that. Every other state is doing it but Western Australia seems to have some sort of hiatus that is stopping it from happening. They are not getting as many outside school hours places as they should get, because the organisation that would run them cannot provide buildings. Yet you have schools not being used after hours.

Senator CHRIS EVANS—There are some qualifications. For instance, at my children's state primary school there is an after-hours service run out of—

Senator Patterson—They are very fortunate.

Senator CHRIS EVANS—an old education department building on the same piece of land, but it is not formally part of the school.

Senator Patterson—That might explain why it is happening.

Senator CHRIS EVANS—It would show up in the statistics as not school-run, but it is on the same property. It is an old education department building—in need of serious repair, I might add. I do not know how common that is, but there are a mixture of arrangements. I know they were trying to encourage principals to take up the issue. There is a bit of reluctance from principals with other responsibilities.

Senator Patterson—I do not know whether they are asked to do it. I do not know why, but it is an anomaly that I cannot quite explain. They need some encouragement to do it.

Senator MOORE—Has there been demand in Western Australia, Minister?

Senator Patterson—You cannot tell, because the services are not asking for places because they have nowhere to do it.

Senator MOORE—Is there a demand from parents?

Senator Patterson—We do not know.

Senator MOORE—They haven't asked?

Senator Patterson—They go to the providers and the providers do not do it. If it were two per cent or 10 per cent, but it is a very big difference—

Senator CHRIS EVANS—There are also some quite entrepreneurial private providers who have moved into the field in Western Australia. I do not know how common that is. Child-care providers also run after-school services and provide buses to pick kids up. There is quite a deal of innovation in that area as well.

Senator Patterson—That happens in other places as well.

Senator CHRIS EVANS—I know, but I am just saying that I know they captured a reasonable amount of the market in WA at one stage. Anyway, I digress.

Senator MOORE—I will finish up on this, because I note the time. I want to get some information about the 84,300 places because, Minister, you mentioned that particular figure. Can you give us some idea about where 84,300 came from? It is a really precise figure and I am wanting to know what led into the decision and the funding over four years.

Dr Harmer—Senator, I think this is territory we canvassed last time.

Senator MOORE—Yes. I was not happy with the answer last time.

Dr Harmer—I am afraid it is the only answer we have. As we indicated this afternoon, when the Welfare to Work package was put together, FaCS was involved through a person on the Prime Minister's department task force that set up the whole Welfare to Work concept and proposal that went to government. We put a range of information through our contact person in there about child-care costs and things. But that task force and the Prime Minister's department—and DEWR now with responsibility—had responsibility for proposing the numbers and the various elements of it including, as I understand it, the estimate—the 84,300. So we do not have, we cannot give you, what I think you were looking for.

Senator MOORE—Yes. I am trying to find out where 84,300 came from?

Dr Harmer—How precisely did we get the 84,300? We do not have that figure in. We put quite a lot of information into the task force but how they actually got to that number, we cannot help you with. You would have to ask them.

Senator MOORE—Now that you have 84,300 and you are grateful, how is that going to be distributed across the country? Do you have any ideas about that? As you know, child care is very local and, even though we do not know how it has got there, we are aware that there is a need for it. Now you have a global figure, how do we then distribute that across all the states and territories?

Ms Beauchamp—We are continuing to work with DEWR in terms of the needs across the whole of Australia. We are doing some modelling with DEWR on the number of parenting payment singles, unemployment and employment rates and the like, down to the statistical level area, so we are still working through that in terms of the allocation of the places.

Senator MOORE—What kinds of things? I am sure they are not the full list, but unemployment rates?

Ms Beauchamp—I do not have them here in front of me.

Senator MOORE—Just confirm for me, Dr Harmer, that this is the bit of Welfare to Work that you are the lead department for?

Ms Beauchamp—The child care.

Senator MOORE—Once you have the figure—

Dr Harmer—Yes, we do, absolutely.

Senator MOORE—you have to use it.

Dr Harmer—Yes, we are.

Senator MOORE—You have the figures so I can ask these detailed questions.

Dr Harmer—Absolutely.

Mr Popple—As Ms Beauchamp indicated, we are working through an allocation model which takes into account a number of factors, including the locations of parenting payment customers.

Senator MOORE—Geographic location?

Mr Popple—Geographic location and numbers, unemployment rates, current data around outside school hours care places, so that we have an idea of where their current places are; that sort of thing.

Senator MOORE—So that I know exactly, current information on outside—

Mr Popple—Where the places currently are.

Senator MOORE—Where there are providers and places?

Mr Popple—That is right.

Senator MOORE—Before you actually get the new ones in there. So you are looking at what is there. Okay.

Mr Popple—That is right. So we look at the current situation, where the likely customers are going to be and try to then measure what the demand might be. We are, as Ms Beauchamp indicated, in the process of developing a model in conjunction with DEWR but we have not finished that. There are probably other items we need to add into that model as we develop our assumptions.

Senator MOORE—In terms of the work plan, once again this is a program that is due to come in in July next year? That is correct?

Mr Popple—That is correct.

Senator MOORE—So in terms of the work plan—

Mr Popple—Sorry, there are the places that Ms Powell indicated have been allocated at the moment.

Senator MOORE—They are the current places?

Mr Popple—Fifteen thousand, which are going out.

Senator MOORE—That would have been stimulated by standard—they would have come anyway, would they not?

Ms Powell—The 15,000 that we are allocating this financial year were part of the 84,300.

Senator MOORE—The 84,000 had already got in. So we already have places out there.

Ms Beauchamp—Those places have not yet been allocated. They will be allocated in the next month or so.

Senator MOORE—Month or so? February?

Ms Beauchamp—No, probably the next month; within November.

Senator MOORE—Before the end of the year?

Ms Beauchamp—Before the end of the month.

Senator MOORE—So that first round of the 84,000, of which the first lot is 15,000—

Ms Beauchamp—It is 15,000, yes.

Senator Patterson—The main attraction was to try and have them allocated in time for the beginning of the next school year.

Senator MOORE—That was my question. In terms of when people are seeking that, it would be when the kids would be returning to school and getting settled and all those things?

Ms Beauchamp—That is correct.

Senator MOORE—The expectation would be that the first round will be out there by then?

Ms Beauchamp—Yes.

Senator Patterson—But it is an ongoing process because we rolled out those 40,000 places.

Senator MOORE—Minister, in terms of the 84,000—that is the figure that has been determined to meet the Welfare to Work particular needs—is there any understanding that all other demand would be met by that 84,000? Is this supposed to meet all demand or just the Welfare to Work demand?

Dr Harmer—Senator, the 84,3000 was an estimate at the time, taken in that context with information from us and others, but it would have been taken with a view, as basically all other government programs are, that there will be constant review and looking at needs and demand et cetera. It would not preclude the government at some point in the future adding some to that if it were necessary. But the 84,300 is the figure we are working with for planning at the moment.

Senator MOORE—But that is for Welfare to Work needs, is it not?

Ms Beauchamp—It is a combination of Welfare to Work and emerging demand?.

Senator MOORE—It is a combination? In my own mind, and the media—once again, media—has been linking this growth with the Welfare to Work program. It is actually Welfare to Work expectation plus all other needs as known by the department?

Ms Beauchamp—Yes, and this is something that the government has been monitoring annually.

Senator MOORE—Has the process in which the working group is putting together the eligibility and the location for the distribution of the 84,000 been finalised yet?

Ms Beauchamp—No.

Senator MOORE—What decision stimulated the initial allocation of the 15,000? If that is part of it, and we are still working out how the whole program is going to work, what determines the first step?

Ms Beauchamp—The 15,000 was a government decision, based on emerging demand and expressed demand by providers.

Senator MOORE—That was not, at this stage, looking at Welfare to Work? I am sorry to press this point.

Senator Patterson—Can I just say that Mr Dutton has been engaged, as has Mr Hockey. Through encouraging people voluntarily to move from, for example, DSP to work; this has created a demand. I think 42,000 people have voluntarily moved—by being approached; I will not say the figure because I cannot remember—off parenting payment and off DSP through being voluntarily approached to actually participate. So it is already beginning, as a voluntary program, to have an effect on demand for outside school hours care. As you see employment going up and unemployment going down, there will be an increased demand. I have to say, Senator Moore, to be slightly political, it is a lot more than the 8,000 that were in the ALP policy at the last election.

Senator MOORE—I just want to know where they are, how they are allocated and to make sure that people are satisfied. We will keep coming back on these things, Ms Beauchamp, and there will be follow-up.

Senator Patterson—We called for expressions of interest.

Ms Beauchamp—The 15,000 you will know about over the next month.

Senator MOORE—It is on my notes—following up on the 15,000.

Dr Harmer—If you ask again, certainly in February, we should be able to explain.

Senator MOORE—Rest assured, Dr Harmer, you will be asked.

Senator FIELDING—How do you monitor that and is that something that is being monitored annually?

Ms Beauchamp—Based on past experience with outside of school hours care, which the government does cap, they monitor that annually.

Senator FIELDING—So not the number of places in demand? Is that what you are saying?

Ms Beauchamp—No, it is considered in the budget context, so the government probably would consider any future need in that context.

Senator Patterson—Senator Fielding, long day care is not capped. If a provider, whether not-for-profit or community or local government or a private provider, sets up a long day care and it is approved and registered, we will fund the child in that place with CCB. However, family day care and outside school hours care we actually determine the numbers and we look at the demand and increase it, depending on the demand. I think the number was 72,500 or something when we came into government and I have forgotten the figures now, but overall child-care places have doubled since 1996. Funding on child care has doubled, but we monitor it on a constant basis. In the last budget we announced 84,300 over four years and an addition 2½ thousand family day care places; but long day care is not capped.

That is the difference I think people do not get: that once a child-care centre is approved and registered for long day care, that child will attract the relevant CCB, depending on the family's income, and child-care tax rebate.

CHAIR—As there are no further questions on 4.3 we will proceed immediately to program 5. Everyone from output 4 can go home.

Senator CHRIS EVANS—Having kept them here, we do not want to—

CHAIR—That is right. You have 43 minutes to strut your stuff.

Senator CHRIS EVANS—Is there someone who can help me with the volunteer small equipment grants program as a starting point? Ms McKenzie, I have the section of the annual report that deals with the volunteer small equipment grants program. I wonder if you could explain it to me. I read it a few times but I was not quite sure what it meant. It talks about an additional \$12 million for the grants program over the four years. It also talks about, in 2004-05, \$7 million from Stronger Families and \$3 million under the new volunteer small equipment grants program. I have had a look at the budget statements and I cannot find it. I am sure it is there but can someone take me through how much in each year and where the money comes from?

Dr Harmer—Just bear with us, Senator, until we find it.

Senator CHRIS EVANS—There is probably a page in the portfolio budget statements but I have not been able to find it. It may not be broken down on there but it probably is. You are not allowed to mention accrual accounting as the reason why it is not there, Mr Harmer, or I will be after you.

Ms McKenzie—I am capable of telling you what funding has been available for each round of the VSE grants.

Senator CHRIS EVANS—There were two rounds in 2004-05, weren't there?

Ms McKenzie—There were two rounds in 2004.

Senator CHRIS EVANS—How much was in the first round of 2004-05?

Ms McKenzie—It was \$4.06 million.

Senator CHRIS EVANS—Sorry, I will correct that: were they both the financial year 2004-05 or are we talking calendar year?

Ms McKenzie—We had one at the end of 2004 and one at the beginning of 2005. The one at the end of 2004 was \$7 million and the one at the beginning of 2005 was \$3 million.

Senator CHRIS EVANS—What were the dates for them? What months were they? When you say 'the end of' was one June and one July?

Ms McKenzie—No. The 2004 was opened on 29 May 2004 and closed on 18 June 2004. The 2005 opened on 27 January 2005 and closed on 4 March 2005.

Senator CHRIS EVANS—But weren't there two rounds in 2004?

Ms McKenzie—There was a previous round in 2004. That was in the previous financial year. It opened on 4 February 2004 and closed on 4 March 2004.

Senator CHRIS EVANS—How much was that worth?

Ms McKenzie—That was worth \$4.06 million.

Senator CHRIS EVANS—Was the first round of 2004-05 not paid until July?

Ms McKenzie—Yes.

Senator CHRIS EVANS—I see. While you did the applications in June, it was not paid until July.

Ms McKenzie—Yes, that is right.

Senator CHRIS EVANS—In that financial year, 2004-05, you expended \$10 million?

Ms McKenzie—That is right.

Senator CHRIS EVANS—What are you going to spend in 2005-06?

Ms McKenzie—Sorry about that—

Senator CHRIS EVANS—Has anyone found the budget paper? If it is there just point me to the budget page.

Ms McKenzie—Three million dollars.

Senator CHRIS EVANS—So \$10 million in 2004-05, \$3 million in 2005-06 and what is the figure for the out years? Is this shown in the budget papers? It will save time if someone knows the page number and I have just missed it.

Dr Harmer—Senator, I stand to be corrected but on page 170 of our annual report—

Senator CHRIS EVANS—Yes, I got that bit.

Dr Harmer—Twelve million dollars for grants over the four years from 2004-05 to 2007-08.

Senator CHRIS EVANS—Yes, but I want a breakdown, so I look for it in your budget papers.

Dr Harmer—A breakdown year by year?

Senator CHRIS EVANS—Yes. I was looking for a statement for out years but I cannot find it. Is it because it is not there?

Ms McKenzie—That is because it was under the Stronger Families and Communities budget line.

Senator CHRIS EVANS—It is not broken down?

Ms McKenzie—It is not broken down.

Senator CHRIS EVANS—Can you give me the 2006-07 figure?

Ms McKenzie—I think it keeps on going out at \$3 million a year.

Senator CHRIS EVANS—So \$3 million in 2006-07 and \$3 million in 2007-08.

Ms McKenzie—Three million dollars in each year, with \$12 million over four years.

Senator CHRIS EVANS—I see. Explain to me what that sentence that says ‘grant funding in 2004-05, including \$7 million from Stronger Families and \$3 million under the new volunteer small equipment program’ means. That is page 170 that Mr Harmer referred us to. You tell me it is under the Stronger Families budget anyway but you describe virtually two sources of money in the 2004-05 years.

Ms McKenzie—As I understand it, the VSEG was not an ongoing funded program. It was something that—

Senator CHRIS EVANS—The what, sorry?

Ms McKenzie—The volunteer small equipment grants did not get ongoing funding. It was funding that was from year to year. The amount was determined by the amount taken out of the Stronger Families and Communities Strategy. What the government made a commitment to was to provide the \$12 million for VSEG direct.

Senator CHRIS EVANS—That does not explain the \$10 million spent in 2004-05. You had two rounds in 2004-05. Now you have broken those down for me. One of those was \$7 million. All the other figures are \$3 million a year, so are you telling me that you took \$7 million out of Stronger Families and put it into volunteer small equipment grants for the year 2004-05? That is what it looks like.

Ms McKenzie—That is what it looks like.

Senator CHRIS EVANS—You took \$7 million out of yet another bucket but it was the overriding bucket to—

Ms McKenzie—Yes.

Dr Harmer—To segment and give a four-year commitment for the volunteer small equipment grants.

Senator CHRIS EVANS—But in the previous year, 2003-04, you had spent \$4.06 million, you told me.

Ms McKenzie—The previous year, 2003-04, we had a VSE grant for \$3 million and a VSE grant for \$4.06 million.

Senator CHRIS EVANS—There are too many acronyms in there for me.

Ms McKenzie—Sorry. VSEG is volunteer small equipment grants.

Senator CHRIS EVANS—Yes. That was what?

Ms McKenzie—We had a round in 2003 for \$3 million and a round at the beginning of 2004 for \$4.06 million.

Senator CHRIS EVANS—In the calendar year 2004 you actually had three rounds. Is that right?

Ms McKenzie—I am sorry, I did not hear that question.

Senator CHRIS EVANS—In the calendar year 2004 you actually had three rounds.

Ms McKenzie—In the calendar year 2004 we had two rounds; the round for \$4.06 million and the round for \$7 million. In the calendar year 2003, which I think was in the 2003-04 year but I am not sure about that—I could certainly get back to you on that—there was a round for \$3 million.

Senator CHRIS EVANS—But wasn't your \$3 million in 2004-05 paid in July 2004?

Ms McKenzie—Maybe if I could start again, there was a round in 2003 for \$3 million. There was a round at the beginning of 2004 for \$4.06 million. There was a round later in

2004, that we paid for in the financial year 2004-05, for \$7 million, and there was a round earlier this year for \$3 million.

Senator CHRIS EVANS—That was in the early 2005 calendar year?

Ms McKenzie—Yes.

Senator CHRIS EVANS—I see. Can you tell me how the applications work for this? You obviously call for applications. You receive them. Is there a committee or something that considers them?

Ms McKenzie—The process is that we advertise them in metro, national and major regional papers, the Indigenous press, GrantsLINK and on community web sites. We give people a period to be able to put in an application. The applications are then received. They are assessed by FaCS staff from national office and from our network. After those assessments are completed, 10 per cent of the applications in each state and territory are reassessed by an independent assessor, then a further one per cent nationally is reassessed to ensure that there is consistency.

Senator CHRIS EVANS—Is that again by FaCS officials?

Ms McKenzie—That is again by—

Senator CHRIS EVANS—These are only the successful ones, or all of them?

Ms McKenzie—When the things are assessed, we go back and assess 10 per cent in each state and territory.

Senator CHRIS EVANS—Of the total pool?

Ms McKenzie—Of the total pool that goes into each state and territory. Then we further assess one per cent nationally. Then a representative of Volunteering Australia examines and comments on the draft recommendations from each state or territory office. Then we look at those decisions between similarly assessed applications and preference is given to applications in areas with fewer successful applications, to try and ensure an even spread across regions.

Senator CHRIS EVANS—How does that work? You make a preliminary cut of successful applications and then you review that against the distributional effect?

Ms McKenzie—That is right.

Senator CHRIS EVANS—And if you are not happy with the distributional effect, you then adjust the determination of who is successful.

Ms McKenzie—The important thing with the VSE grants is that there are a large number of applications—10,000 applications—of which maybe 2,000 will receive funding, so there are a large number of applications which meet the selection criteria to a high degree in all ways; therefore, it is quite easy to be able to pick an application from one area or from another area.

Senator CHRIS EVANS—Having seen the types of grants, I understand that it is hard to work out whether the scout hall needs a fridge more than the retirement club. I accept that. You look for a distributional impact. Can you take on notice the actual selection criteria? I

have got a broad description, but can you take on notice the criteria against which there is success. You do this distributional check.

Ms McKenzie—Yes.

Senator CHRIS EVANS—Which is designed to spread around geographical areas and regions.

Ms McKenzie—That is right.

Senator CHRIS EVANS—Do you have a formula for that? Obviously, you take into account populations and areas. For instance, the Kimberley in Western Australia has a small population with a big area. I do not want the detail. I just want to understand how you do it.

Ms McKenzie—We use the ABS population statistics.

Senator CHRIS EVANS—It is based on population. What regions do you look at? How are they defined?

Dr Harmer—I suspect we use statistical divisions.

Senator CHRIS EVANS—CCDs.

Dr Harmer—Yes.

Senator CHRIS EVANS—How then do you proceed? You have done the distribution. Who signs off on it?

Ms McKenzie—The recommendations go to the minister.

Senator CHRIS EVANS—Has that same process been used each time in all these rounds?

Ms McKenzie—To my understanding it has been. I have not been involved in any of the rounds before this year.

Senator CHRIS EVANS—Perhaps you would take on notice if all the rounds since 2001 have been conducted in the same way.

Dr Harmer—We can take that on notice.

Senator CHRIS EVANS—Has there been any instance of a minister altering the recommendations?

Ms McKenzie—Certainly I am unaware of an instance of the minister altering the recommendations in the time I have been looking after VSEG.

Senator CHRIS EVANS—Is that the one year or a longer period?

Ms McKenzie—In this last year Minister Patterson did not change the recommendations.

Senator CHRIS EVANS—With all due respect then, Ms McKenzie, your experience is rather limited.

Ms McKenzie—It is rather limited.

Senator CHRIS EVANS—Perhaps you could take on notice a bit of a longer time frame, back to 2001.

Ms McKenzie—Yes.

Senator CHRIS EVANS—I do not mean to be offensive about your vast experience in the area!

Dr Harmer—Senator, given that it is the minister's decision in the end, made under recommendation from us, I am not sure whether we would feel comfortable telling you, because it is policy advice and then the minister decides. Given that it is the minister's decision, I am not sure we could tell you on a case by case basis whether the minister has altered the decision.

Senator CHRIS EVANS—All right. I am happy for you to reflect on that.

Dr Harmer—I would like to reflect on that.

Senator CHRIS EVANS—I will ask you the question on notice and you can see if you can give me the answer.

Dr Harmer—Indeed. Thank you.

Senator CHRIS EVANS—What was the decision to have two rounds in 2004-05 based on? That was a policy decision by government.

Dr Harmer—I assume so. That was before either Ms McKenzie's or my time.

Senator CHRIS EVANS—That is why they change public servants over so quickly! Perhaps you could take that on notice for me, too.

Dr Harmer—Sure. I imagine it was a government decision.

Senator CHRIS EVANS—Yes, all right, but could you take on notice whether that was a recommendation from the department and how that decision was taken. Could I ask about what are described in the budget statements as 'Community organisations—one-off grants', which were eight grants that FaCS funded in the 2005 budget: the Kilburn Blair Athol Community Youth Centre, the Ringwood Scouts—

Dr Harmer—Senator, where are you reading from?

Senator CHRIS EVANS—I am reading from page 68 of the agency budget statement, which has got lots of zeroes, which does not help much, but there is a footnote which says:

This measure includes funding of \$565,000 in 2004-05.

It was actually spent in 2004-05, a total of \$565,000, on a program described as 'Community organisations—one-off grants'.

Ms McKenzie—Unfortunately, we have not come with any information on those.

Dr Harmer—Have you got a series of questions on this?

Senator CHRIS EVANS—Yes. This was obviously a program that happened only once, in the year 2004-05. I wanted to know what the basis of the program was and how FaCS came to fund it.

Dr Harmer—We will have to take it on notice.

Senator CHRIS EVANS—No-one can help me tonight on that?

Dr Harmer—Not here, sorry.

Senator CHRIS EVANS—I would also be interested as to why those grants all appeared on a DOTARS list for funding earlier in the year but then somehow turned up in FaCS's budget for a program that did not exist beforehand and does not exist now.

Dr Harmer—We will do our best to solve that mystery for you.

Senator CHRIS EVANS—Good on you. As I say, the DOTARS list—which is more commonly referred to as the regional rorts list—has had each of those projects listed on it at one stage and then it turned up in the FaCS budget for a one-off scheme that did not survive the next year. I am interested to know how you came to fund it, why you had to fund it et cetera. I will put those questions on notice if you cannot help me tonight.

Dr Harmer—Thank you.

Senator CHRIS EVANS—Can I now ask about the COAG trial?

Dr Harmer—Sure.

Senator CHRIS EVANS—I have been following the COAG trials in each of the departments. I want to see where you are at with yours, which is the Wadeye one in the Northern Territory. Is that right?

Dr Harmer—That is correct.

Senator CHRIS EVANS—Can I get a two-minute update of where you are at. I have been a bit concerned that DEWR, for instance, seems to be looking to devolve itself of responsibilities for its COAG trials. I want to know what the attitude of this department was to the COAG trial—whether it remained committed to it or saw itself as handing it over to the OIPC.

Senator Patterson—It is not whether the department is committed; it is whether I am committed. I am very committed to it and, therefore, the department is very committed to it. I visited last year and I visited again this year. I was very privileged to be invited by the elders, the women, to stay at Wadeye and we were there for a significant period of time. We drove from Katherine up to Wadeye because I wanted to get a feel for the distance.

Senator CHRIS EVANS—I have even seen the pictures, Minister.

Senator Patterson—And they are not bad. I spent some time with the women out in one of their areas where they cook. They got bush tucker and cooked it. We sat for a very long period, about five hours or so, just yarning about various issues. They raised a number of things with me. They raised things that they thought had been done wrong, things they thought ought to be improved.

Senator CHRIS EVANS—I am happy to have a chat to you about it but as we are short of time I would like to—

Senator Patterson—I just want to say that the factory, which was not productive last year, is now up and running. It has produced two houses and there are now 12 apprentices there doing building and boilermaking. They have added an extension to the community centre where it has Centrelink and the butcher and things like that. There is another part of that building for them to have a cooperative so they can deposit money and get money out. They have not had that service before.

There are more children turning up to school. There was a problem with the number of kids turning up to school because there was not sufficient classroom space for the children. We are asking the Northern Territory to address that. When I went up last year there was no doctor. This should be a whole-of-government approach. I asked the health department if I could take a senior person responsible for Indigenous health with me—Helen Evans, who is now in Geneva but was then a very experienced person in Indigenous health. She came and with her cooperation we now have a doctor in the centre and two new Aboriginal health workers. I am trying to think of some of the other measures that have occurred.

Senator CHRIS EVANS—Rather than that, Minister, can I ask some questions about it because we are short of time.

Senator Patterson—You wanted an update. I am giving you an update.

Senator CHRIS EVANS—No, I asked one question, were you still committed to it, and you said yes.

Senator Patterson—I am very committed.

Senator CHRIS EVANS—I appreciate that.

Senator Patterson—The other thing, Senator, is that I was concerned we needed to have a greater focus on it within the department. I asked Dr Harmer if, rather than it being run out of Darwin, we could also have a group of people here; a nucleus of people who would take particular responsibility for driving some of the issues that need to be addressed across all of the portfolio, and with the Northern Territory government, because we need a greater focus. The level of commitment has increased.

Dr Harmer—Senator, we have done that and we are committed. We had some discussions in secretaries groups about the COAG trial sites. Secretaries are keen to maintain an interest in their COAG trial sites.

Senator CHRIS EVANS—I do not know that you can say that of all departments.

Senator Patterson—We just speak on our behalf.

Senator CHRIS EVANS—That is not the evidence we have had from DEWR, for instance. They seem to be looking to flee.

Ms McKenzie—If I could add to that, the people who are in the project team that the minister mentioned visited Wadeye last week so they could have a first-hand experience.

Senator CHRIS EVANS—That is great. Can I ask about the COAG trial in terms of your financial commitment. What is the sort of commitment currently in the out years? Is that recorded separately?

Dr Harmer—We can probably give you a tabulation of the sorts of funds we have spent. Our role really is to allocate resources where we can in our programs but also to marshal resources from other departments, like Health.

Senator CHRIS EVANS—I understand how the system works. I just want to know how much your—

Dr Harmer—Like the Northern Territory government et cetera.

Senator CHRIS EVANS—Honestly, I have been through this with OIPC and others at great length. I just want to know, in terms of your project, how much it is costing you, basically.

Dr Harmer—We have a commitment for 25 additional houses.

Senator Patterson—It is around \$9 million.

Ms McKenzie—I could provide some of the amounts for things we are doing this year. We are providing emergency relief funding of \$3,000; the FCNI of \$100,000; YouthLinks of \$27,834; \$9.5 million to provide additional housing and infrastructure; \$150,000 to provide the intensive support playgroup; \$140,000 for intermittent child-care project. Then we have a range of commitments by other agencies. Would you like me to go through that list?

Senator CHRIS EVANS—I will take that on notice, if you do not mind, only because of the shortage of time. Do you have a budget for the out years or is it a decision made as part of the other programs? Those commitments are obviously out of a whole range of programs that FaCS runs.

Ms McKenzie—They are.

Senator CHRIS EVANS—Do you have a COAG bucket or do those programs contribute as they make assessments?

Ms McKenzie—There is a tripartite steering committee involving the Thamarrurr, the Northern Territory government and the Commonwealth government. What is worked out there is what the priorities are. Depending on the priorities that are agreed between the three, we then go and find the funding that would be most appropriate. If the need is for women's facilities, we go to find that. If the need is for education or employment, we go to the appropriate department or part of our own department. We really are trying to meet the local needs.

Senator CHRIS EVANS—Can I ask you about evaluation?

Ms McKenzie—Yes.

Senator CHRIS EVANS—One of my concerns about the COAG trials has been whether or not we actually have benchmarks and baselines against which we can measure outcomes. Can you tell me, in general terms, whether there are established benchmarks and baselines in this trial?

Ms McKenzie—In terms of the evaluation of the Wadeye site, the OIPC is evaluating all COAG trial sites through two-stage evaluations which will be done—

Senator CHRIS EVANS—I understand about that program, but what are they evaluating against? Did you, when you started the trial, establish baselines?

Ms McKenzie—When we started the trial there was some work done by CAEPR, the Centre for Aboriginal Economic Policy and Research. They did some work to put some data down. They recently did another fairly innovative study. It does have some methodological difficulties. However, it does give us some indication of the kind of baseline data that we can work from.

Senator CHRIS EVANS—Were both those studies done for you?

Ms McKenzie—Yes, they were.

Senator CHRIS EVANS—Could you provide those two studies?

Ms McKenzie—They are on the CAEPR web site.

Senator CHRIS EVANS—Good. Formally do you accept their work as your baseline then?

Ms McKenzie—We accept that the broad directions of their work are roughly right. The difficulty is trying to establish a methodology. There was no methodology in Australia that had been used before, so they used a Canadian methodology. There were a number of assumptions they made in doing that, that we have some concerns with. Similarly the Northern Territory government, I understand, also has some concerns with it. They provide a broadly indicative kind of picture of what money was going into Wadeye; what the various facilities and services were like; and also the population and things like that.

Dr Harmer—It is not really a science.

Senator CHRIS EVANS—That is the understatement of the century.

Dr Harmer—Indeed.

Senator CHRIS EVANS—I meant more like indicators about the health of the population, school retention rates, trachoma rates—things that would give us an indication of whether the interventions and the COAG trials are successful or not.

Senator Patterson—Also, Senator, the council itself did some baseline evaluation to try to work out what their priorities were going to be, so they have that data. If you use something like scabies, there has been a drop from 50-something per cent down to 24 per cent for children with scabies, which is a factor in development of kidney disease later in life. There are some measures like that but, as we have said, it was very difficult. There was no base data.

Senator CHRIS EVANS—Surely base data in the case of scabies—as a serious, sensible sort of measure did we, when we went in to start the COAG trial, record the incidence of scabies?

Senator Patterson—We did not have a doctor there.

Dr Harmer—We did not have enough information for many of those items. For example, in Wadeye there is now a school pool complex. I have been up there a couple of times, once with Minister Patterson, and I know the incidence of eye disease et cetera has reduced significantly because of the pools.

Senator CHRIS EVANS—That is great anecdotally, but we are all into evidence based assessment of whether the intervention has worked. This is not an ideological thing.

Senator Patterson—With all due respect, there was not a doctor there. People were not having health checks, so some of the base data you did not have. You do not wait to get base data.

Senator CHRIS EVANS—I am just trying to track what we have.

Senator Patterson—As has been said, Thamarrurr Council gathered some data of their own together to decide where they thought they should focus their attention. They could not

do it all. Housing was a major issue and that is why they wanted a factory, because they were losing 40 per cent of the slaves when they were bringing them from Darwin, plus the jobs were in Darwin. They did some base data on families. As has been said, there was this tool, not the best tool—it has been adapted from Canada—but rather than waiting till we had a tool and then deciding to do something, we have gone in and done something. There are things that you can measure: the number of kids at school; the first time they have had a year 12.

Senator CHRIS EVANS—That is right. I am in furious agreement with you. The COAG trials were going to do—urgently, in 2000—assessment and evaluation. Now we are starting to think about doing them in early 2006. COAG agreed to do them in 2003. For whatever reasons, they have not happened. It sounds like you are more advanced in the sense that at least you have the paper results. A couple of the others, to be honest, I do not know how we are going to evaluate because there is no baseline data. Maybe you can take it on notice for me and I will give you a few more detailed questions, but I really want to know under what criteria we should be evaluating the success or otherwise of the interventions and what you accept as being reasonable baseline data.

Senator Patterson—For example, Senator, there is data on the number of people injured through violent crimes. There is some of that data and you are seeing decreases. We will get you as many measures as we have.

Senator CHRIS EVANS—That is the sort of thing I am interested in. That is a relevant sort of outcome measure but if we are going to measure whether the interventions have been successful, we need to look at those things. What has worried me, when I have spoken to a few other people about the trials, is that there is very little of that. If you do not have the baseline, you do not know whether you have made any progress.

Dr Harmer—Although not scientific, we have at least tried to establish some baseline data and we can talk a little bit about some of the progress we have made in a couple of areas.

Senator Patterson—The Northern Territory government has some measures, too, like the number of medical evacuations out of the Wadeye and whether that has changed, all that sort of data.

Senator CHRIS EVANS—That is the sort of stuff I need because when people started talking to me about the formative evaluations I got a little worried. Then when they said there were no baselines, no figures on most of these things you were talking about, I thought, ‘How do you actually work out whether your intervention has been of any value?’

Senator Patterson—Having had responsibility for the Pit lands beforehand, I can say that that is much more diverse and dispersed and it is a number of people; and the Wadeye community is about 22 different groups but they are more cohesive in the sense that they have been on the same land for a long period of time. If you had said to me, which one do I feel I could do more in, Wadeye does provide a different set of challenges but it is probably less dispersed than something like the Pit lands and you can get the data more easily. So, Senator Evans, I think the different sites have different problems in terms of what data was there. The Thamarrurr Council is quite motivated as a group and that is why they got their own data. I do not know that I could have expected the same in the Pit lands when I was responsible for them

because they are dispersed groups right there in that northern part of South Australia and oozing a bit into the Northern Territory.

Senator CHRIS EVANS—No, each of the groups are different and each of the departments are different. Measurement across the various COAG trials is going to be difficult, but the advantage of that is that they have also had different approaches, but you do need to start from a baseline and have proper assessment. I am happy to look at scabies rates, medical evacuations, trachoma—that is the sort of stuff we have to be talking about as to whether it is working or not.

Senator Patterson—As Dr Harmer said, it is indicative rather than science. You will not get absolute data and some data will be better than others, some bits of data will be more rigorous than others.

Senator CHRIS EVANS—I accept that, Minister, but at the moment in some places all we have is anecdotal and I regard that as a little less than satisfactory. We are pouring all the money in. You want to see whether it is working and if it is not working, try something else. Senator Vanstone and I had a discussion about it the other night. We did not disagree about the need to work out whether—a great criticism of ATSIC was that it was not producing outcomes. That is why it got the chop. Let us find out if the COAG trials are producing outcomes or whether we need to revisit them.

Senator Patterson—Let me say, we are very determined and very committed to the COAG trial in Wadeye.

Senator CHRIS EVANS—That is good.

CHAIR—There is not much time left and there are some other questions on this output group so you might like to leave a little time at the end for someone else to have a go.

Senator CHRIS EVANS—I only had one more question, which is an update on Ms Solon and her repatriation, but I am happy to put that on notice if someone wants to use the time.

CHAIR—Could someone answer a question in the area of gambling? There was quite a lot of talk about adverse social impacts of gambling a little while ago, a few years ago, and I have not heard much since then. Does the Commonwealth receive any revenue from gambling at all?

Senator Patterson—If a casino pays corporate taxes and business taxes, yes, you would; and staff who work in the gambling industry would pay taxes. We do not receive income from the gaming itself.

Dr Harmer—Indirectly through the taxation system there would no doubt be some.

Senator Patterson—But we do not have a percentage of the gambling revenue.

CHAIR—There are no gambling taxes per se which come to the Commonwealth?

Senator Patterson—No.

CHAIR—There was a casino at one stage on Christmas Island, wasn't there? Is that still there?

Mr Hunter—No, that has been closed for some years.

CHAIR—I take it, on the basis that there is no Commonwealth revenue from gambling, there is no responsibility or onus on the Commonwealth to spend any money on gambling problems or rehabilitation services for gambling addicts or whatever.

Senator Patterson—Senator Humphries, a very small number of people—it is estimated at about two per cent and I suppose some people would say there is a degree of freedom up or down in that, but about two per cent—end up on our books because of their problem gambling, whether they end up there because they are on a benefit or because they end up with a psychiatric disturbance as a result of the situation they are in. In effect, we end up with some of the problems of gambling.

CHAIR—What if anything can or is the Commonwealth doing to deal with that adverse social impact of gambling, other than dealing with the symptoms of the problems?

Senator Patterson—We have a gambling ministers meeting. I, as minister, reactivated that to ensure that we meet more regularly than was occurring. We have a national gambling strategy which we have all agreed to.

CHAIR—Any money for gambling research?

Senator Patterson—There is a small amount of money—it is about \$1 million a year—that the Commonwealth and the states contribute to—

Mr Warburton—The National Gambling Research Program is \$1 million a year with all contributions.

Senator Patterson—\$1 million a year and it has produced one piece of research. It has one under way and one scoping. It has not been a great powerhouse of research in gambling. I made an announcement that I would—I have been in discussion with the Bankers Association, the ATM makers and the gambling venue people about their role in funding good, evidence based research.

One of the problems is that people say, 'Oh, let's put clocks on gambling machines. That will stop people gambling because they will see how long they've been there,' which is putting an impost on business and it does not change people's gambling behaviour. We have had one measure touted in South Australia which everyone felt very good about and now the data shows that it has not changed behaviour at all. I am a person who is driven by evidence based changes; otherwise, you are putting an impost on the business and on people who enjoy having a flutter and who can control it. They pay the cost, as well, for something that does not work.

I have talked to the industry and they are concerned that, if they fund research directly, it will be tainted by the perception that they have influenced the research outcomes, so they would like to contribute to research at arm's length. They made a commitment of \$3 million to establish a national gambling research institute, to which I was asking the states to make some contribution, and then we could ask the industry to contribute and, in that way, we would have a reasonable chance of really driving it and building up the resources of people. We have done that with AHURI, where we have seen people come into housing research that did not exist before. But the ministers in their wisdom, or whatever it might have been—lack of wisdom—

CHAIR—This is the state ministers we are talking about?

Senator Patterson—Yes. The ministers thought that by rebadging this organisation, with no extra money, it was some new thing. One of the ministers went out and said they have had a new—I have forgotten what the words were. I was staggered by his interpretation because we had very clearly said in the meeting that, no, it was not new, and he went out and said it was a new project or something like that. I have forgotten the exact words. I will not put words in his mouth. But it was nothing of the sort. It was just smoke and mirrors. I will keep suggesting it to them. I told them that they should have a say in the research and have appropriate input, as should the industry, in terms of making sure the grants were given out and peer reviewed for publication, as I have insisted in this other organisation, which was not peer reviewed on grants—or peer reviewed—but it has not been very productive. I would like to see more research. I would like to see research that changes people's behaviour.

People talk about taking ATMs out. We do not know whether they go to the ATM down the road and take out more money. We need some good research. Canada is doing some good stuff and we have good researchers here in Australia and we should have Australian based data. I will keep pushing for that, thank you, Senator Humphries. I have to say, the ACT is quite keen on a national gambling institute.

CHAIR—We put some money into gambling research at the ANU at one stage. Yes, it is an important issue.

Senator Patterson—And I will pursue it with the states and territories who are interested.

CHAIR—Very good. We have reached the appointed hour, so can I take the opportunity to first of all invite anybody who has any further questions to put them on notice by close of business tomorrow. Can I also thank officers of the Department of Family and Community Services—Dr Harmer and other staff—for appearing here today and into the night to provide us with answers to questions. Thank you very much. I thank colleagues on the committee, the secretariat of the committee and Hansard staff for their long-suffering service to the committee. I declare the meeting closed.

Committee adjourned at 11.00 pm