



COMMONWEALTH OF AUSTRALIA

Official Committee Hansard

SENATE

STANDING COMMITTEE ON COMMUNITY AFFAIRS

ESTIMATES

(Supplementary Budget Estimates)

THURSDAY, 2 NOVEMBER 2006

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SENATE

STANDING COMMITTEE ON COMMUNITY AFFAIRS

Thursday, 2 November 2006

Members: Senator Humphries (*Chair*), Senator Moore (*Deputy Chair*), Senators Adams, Allison, Carol Brown, Fierravanti-Wells, Patterson and Polley

Senators in attendance: Senators Adams, Bartlett, Bob Brown, Brandis, Carr, Crossin, Eggleston, Evans, Ferris, Fierravanti-Wells, Heffernan, Humphries, McLucas, Moore, Patterson, Siewert, Webber and Wong

Committee met at 9.05 am

In Attendance

FAMILIES, COMMUNITY SERVICES AND INDIGENOUS AFFAIRS PORTFOLIO

Senator Kemp, Minister for the Arts and Sport

Department of Families, Community Services and Indigenous Affairs

Executive

Dr Jeff Harmer, Secretary

Mr Wayne Gibbons, Associate Secretary

Mr Stephen Hunter, Deputy Secretary

Ms Glenys Beauchamp, Deputy Secretary

Mr Bernie Yates, Deputy Secretary

Ms Robyn McKay, Acting Deputy Secretary

Group managers

Mr Sean Innis, Acting Group Manager, Social Policy Group

Mr David Hazlehurst, Group Manager, Families Group

Ms Liza Carroll, Group Manager, Children Group

Ms Julia Burns, Group Manager, Women and Youth Group

Ms Cate McKenzie, Group Manager, Disability and Housing Group

Mr Tony Carmichael, Acting Group Manager, Communities Group

Mr Andrew Wood, Group Manager, Corporate Support Group

Mr Steve Jennaway, Acting Chief Financial Officer and Group Manager, Business and Financial Services Group

Mr Roger Barson, Group Manager, Program Operations Group

Mr Tony Kwan, Group Manager, Information Management and Technology Group

Ms Jennifer Bryant, Group Manager, Indigenous Funding and Governance Reform Group

Ms Kerrie Tim, Group Manager, Indigenous Leadership Development Group

Mr Robert Knapp, Group Manager, Indigenous Land and Housing Group

Ms Helen Hambling, Group Manager, Funding and Governance Reform Group

Ms Kate Gumley, Acting Group Manager, Strategic Interventions Taskforce Group

Ms Fiona Smart, Acting Group Manager, Child Care Management System Taskforce

Cross outcomes

Mr Andrew Wood, Group Manager, Corporate Support Group
Mr Steve Jennaway, Acting Chief Financial Officer and Group Manager, Business and Financial Services Group
Mr Roger Barson, Group Manager, Program Operations Group
Mr Tony Kwan, Group Manager, Information Management and Technology Group
Mr Sean Innis, Acting Group Manager, Social Policy Group
Mr Simon Rosenberg, Branch Manager, Indigenous Housing and Infrastructure
Mr Andrew Whitecross, Branch Manager, Research and Analysis
Ms Gwenda Prince, Branch Manager, Ministerial, Media, Events and Executive Support Branch
Dr Loucas Nicolaou, Chief Internal Auditor, Audit and Fraud
Mr Stephen Walker, Branch Manager, People
Mr Andrew Lander, Branch Manager, Communications
Ms Lesley Daw, Branch Manager, Property and Security
Ms Deborah Winkler, Branch Manager, Service Delivery and Performance
Ms Karen Gauntlett, Acting Branch Manager, Program Advice and Compliance
Ms Jay Martin, Acting Branch Manager, Budget Development
Ms Christine Bruce, Branch Manager, Procurement and Contract Management
Mr Michael Pahlow, Deputy Chief Financial Officer and Branch Manager, Financial Services
Mr Anthony Field, Branch Manager, Legal Services
Ms Helen Bedford, Acting Branch Manager, Corporate Strategy
Ms Michalina Stawyskyj, Branch Manager, International
Mr Max Devereux, Branch Manager, Applications and Development
Ms Jenny Bourne, Branch Manager, Data Management

Outcome 1: Greater self-reliance and economic, social and community engagement for Indigenous Australians**Whole-of-government coordination of policy development and service delivery for Indigenous Australians**

Ms Jennifer Bryant, Group Manager, Indigenous Funding and Governance Reform Group
Ms Kerrie Tim, Group Manager, Indigenous Leadership Development Group
Mr Robert Knapp, Group Manager, Indigenous Land and Housing Group
Ms Helen Hambling, Group Manager, Funding and Governance Reform Group
Ms Kate Gumley, Acting Group Manager, Strategic Interventions Taskforce Group
Mr Bryan Palmer, Assistant Secretary, Performance and Information Planning
Mr Greg Andrews, Branch Manager, Funding and Governance Reform
Ms Jan Lawless, Assistant Secretary, Flexible Programs and Agreements
Mr Greg Roche, Assistant Secretary, Land

Services for Indigenous Australians

Ms Jennifer Bryant, Group Manager, Indigenous Funding and Governance Reform Group
Ms Kerrie Tim, Group Manager, Indigenous Leadership Development Group
Mr Robert Knapp, Group Manager, Indigenous Land and Housing Group
Ms Kate Gumley, Acting Group Manager, Strategic Interventions Taskforce Group
Ms Liza Carroll, Group Manager, Children's Group

Mr David Hazlehurst, Group Manager, Families Group
Ms Helen Hambling, Group Manager, Funding and Governance Reform Group
Mr Evan Mann, Branch Manager, Indigenous Housing and Infrastructure
Ms Christine Freudenstein, Acting Branch Manager, Indigenous Housing and Infrastructure
Dr Paul Omaji, Assistant Secretary, OIPC Leadership, Policy and Repatriation
Mr Bryan Palmer, Assistant Secretary, Performance and Information Planning
Ms Jan Lawless, Assistant Secretary, Flexible Programs and Agreements
Mr Brian McMillan, Assistant Secretary, Indigenous Programs Investigation
Mr Greg Roche, Assistant Secretary, Land
Ms Robyn Fleming, Branch Manager, Family Relationship Services
Ms Vicki Rundle, Branch Manager, Children's Policy and Programs
Incorporation, regulation and capacity building of Indigenous corporations
Ms Laura Beacroft, Registrar of Aboriginal Corporations
Mr Robert Knapp, Group Manager, Indigenous Land and Housing Group
Mr Greg Roche, Branch Manager, Land

Outcome 2: Seniors, people with disabilities, carers, youth and women are supported, recognised and encouraged to participate in the community

2.1 Support for the aged

Mr Sean Innis, Acting Group Manager, Social Policy Group
Mr Nick Hartland, Branch Manager, Seniors and Means Test Branch

2.2 Support for people with disabilities

Ms Cate McKenzie, Group Manager, Disability and Housing Group
Ms Peta Winzar, Manager, National Disability Operations
Mr Evan Lewis, Branch Manager, Mental Health
Ms Fiona Sawyers, Acting Branch Manager, Disability and Carers

2.3 Support for carers

Ms Cate McKenzie, Group Manager, Disability and Housing Group
Ms Fiona Sawyers, Acting Branch Manager, Disability and Carers

2.5 Support for women

Ms Julia Burns, Group Manager, Women and Youth Group
Ms Lee Emerson, Branch Manager, Policy Research and International, Office for Women
Ms Donna Griffin, Branch Manager, Safety, Leadership and Consultation, Office for Women
Mr Nick Hartland, Branch Manager, Seniors and Means Test Branch

Outcome 3: Families and children have choices and opportunities

3.1 Support for families

Ms Liza Carroll, Group Manager, Children's Group
Mr David Hazlehurst, Group Manager, Families Group
Ms Pamela Kinnear, Branch Manager, Child Support Policy
Ms Robyn Fleming, Branch Manager, Family Relationship Services
Mr Mark Warburton, Branch Manager, Family Payments and Policy
Ms Vicki Rundle, Branch Manager, Children's Policy and Programs

3.2 Child support

Mr David Hazlehurst, Group Manager, Families Group
Ms Pamela Kinnear, Branch Manager, Child Support Policy Branch

Ms Robyn Fleming, Branch Manager, Family Relationship Services

Mr Mark Warburton, Branch Manager, Family Payments and Policy

3.3 Child care support

Ms Liza Carroll, Group Manager, Children's Group

Ms Fiona Smart, Acting Group Manager, Child Care Management System Taskforce

Mr Philip Brown, Branch Manager, Child Care Compliance

Dr Gabrielle Phillips, Branch Manager, Child Care Performance Management

Ms Kathryn Shugg, Branch Manager, Child Care Services and Policy

Ms Di White, Acting Branch Manager, Child Care Management System Taskforce

Outcome 4: Strong and resilient communities

4.1 Housing support

Ms Cate McKenzie, Group Manager, Disability and Housing Group

Ms Clare Wall, Branch Manager, Housing Support

4.2 Supporting financial management

Mr Tony Carmichael, Acting Group Manager, Communities Group

Ms Cate McKenzie, Group Manager, Disability and Housing Group

Ms Elizabeth Stehr, Branch Manager, Money Management and Community Programs

4.3 Community recovery

Mr Tony Carmichael, Acting Group Manager, Communities Group

Ms Cate McKenzie, Group Manager, Disability and Housing Group

Ms Peta Fitzgibbon, Branch Manager, Community Development and Recovery

4.4 Community partnership and delivery

Mr Tony Carmichael, Acting Group Manager, Communities Group

Ms Cate McKenzie, Group Manager, Disability and Housing Group

Mr Chris Carlile, Acting Branch Manager, Strategic Policy

Mr Gordon McCormick, Acting Branch Manager, Community Strategy

Tiwi Land Council

Mr Cyril Kalippa, Manager

Mr Andrew Tipungwuti, Manager

Mr John Hicks, Executive Secretary

CHAIR (Senator Humphries)—I declare open this supplementary hearing of the Senate Standing Committee on Community Affairs considering the budget estimates for the Families, Community Services and Indigenous Affairs Portfolio. The committee has before it a list of the output groups relating to matters that senators have indicated that they wish to raise at the hearing. As is usual practice, agencies and areas not indicated as being required have been told that they will not be required today, and I assume that reflects the wishes of members of the committee.

In accordance with the standing orders relating to supplementary hearings, today's proceedings will be confined to matters within the relevant outcomes. Under standing order 26, the committee must take all evidence in public session. This includes answers to questions on notice. I remind all witnesses that in giving evidence to the committee they are protected by parliamentary privilege. It is unlawful for anyone to threaten or disadvantage a witness on account of evidence given to a committee and such action may be treated by the Senate as a contempt. It is also a contempt to give false or misleading evidence to a committee. The

Senate, by resolution in 1999, endorsed the following test of relevance of questions at estimates hearings: any questions going to the operations or financial positions of the departments and agencies which are seeking funds in the estimates are relevant questions for the purpose of estimates hearings. 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.

The Senate has resolved also that an officer of a department of the Commonwealth or of a state shall not be asked to give opinion on matters of policy and shall be given reasonable opportunity to refer questions asked of the officer to superior officers or to a minister. This resolution prohibits only questions asking for opinions on matters of policy and does not preclude questions asking for explanations of policies or factual questions about when and how policies were adopted. If a witness objects to answering a question, the witness should state the ground upon which the objection was taken and the committee will determine whether it will insist on an answer having regard to the ground which is claimed. Any claim that it would be contrary to the public interest to answer a question must be made by the minister and should be accompanied by a statement setting out the basis for the claim.

[9.07 am]

Department of Families, Community Services and Indigenous Affairs

CHAIR—This morning we are considering the Department of Family, Community Services and Indigenous Affairs. I welcome Senator Rod Kemp, representing the Minister for Families, Community Services and Indigenous Affairs; his departmental secretary, Dr Jeff Harmer; and officers of the Department of Families, Community Services and Indigenous Affairs. Minister, do you wish to make an opening statement?

Senator Kemp—No, thank you, but I think the secretary may wish to say something.

CHAIR—Certainly. Dr Harmer?

Dr Harmer—I do want to make a statement because I think I owe the committee an explanation. My department received a request from the committee secretariat on Monday afternoon that Mr Greg Andrews, a branch manager in FaCSIA, attend today's hearings. Generally my department's lead witnesses are the executive, the secretary and deputy level, and group managers. Mr Andrews has only recently joined a new area of the department and is employed at a level below the group manager level. As a result, Mr Andrews was not on the original witness list that we forwarded to the committee. On Monday afternoon we received a request from the committee to include Mr Andrews on our witness list. After consulting with my executive we agreed to this request mid-morning yesterday on the basis that Mr Andrews would be available to answer questions in relation to his current duties but not in relation to previous employment.

Considering the stress and pressure that Mr Andrews has been under, the executive reconsidered this position late yesterday and has now decided not to make him available on the basis that it would be detrimental to his health. I took that decision late yesterday very carefully. The senior executive and relevant group managers will deal with the questions in program areas, within all areas of FaCSIA, including Mr Andrews's area of responsibility. I

ask the committee to appreciate that Mr Andrews has been the subject of considerable criticism, much of which has been hurtful personal criticism in public fora such as the media. He has received personal threats as well.

Since my department provided advice that Mr Andrews would attend yesterday, it is now even more evident to me that Mr Andrews is quite understandably considerably stressed. I have considered this carefully and I am not prepared to ask Mr Andrews to attend today to answer questions, but my team, of course, is prepared to respond to all questions from the senators, including in Mr Andrews's area of program operation.

CHAIR—Thank you for that statement.

Senator CHRIS EVANS—Certainly from the opposition's point of view we were only intending to ask Mr Andrews questions about his current responsibilities. As assistant secretary I found that original response from the department perfectly acceptable and in accordance with the practice of the Senate. Obviously I do not want to comment on those other matters. I am a bit disappointed that he is not here, but clearly you are acting on the basis of some sort of medical advice. I know a lot of public servants find estimates stressful and a lot of senators find it stressful.

Dr Harmer—I find it stressful.

Senator CHRIS EVANS—I intend to add to your stress in a friendly caring way. Obviously, we hope Mr Andrews's health recovers.

Senator CROSSIN—As I understand it, Dr Harmer, according to your list of witnesses, Mr Andrews is no longer the Assistant Secretary of the Communities Engagement Branch?

Dr Harmer—He remains that. I am just not making him available. I will let Mr Gibbons answer you.

Mr Gibbons—Mr Andrews is an assistant secretary responsible for funding reform governance in the group managed by group manager Ms Jenny Bryant.

Senator CROSSIN—On your witness list you have him down as Branch Manager, Funding and Governance Reform.

Mr Gibbons—That is correct.

Senator CROSSIN—Is he a branch manager and an assistant secretary?

Mr Gibbons—That is the same.

Senator CROSSIN—One and the same?

Mr Gibbons—Branches are managed by assistant secretaries.

Senator CHRIS EVANS—He is no longer with community engagement or whatever the title of the branch was?

Mr Gibbons—That is correct.

Senator CROSSIN—It is just that some of your witnesses are assistant secretaries and some of your witnesses are branch managers, but are they actually one and the same position?

Mr Gibbons—Branch manager and assistant secretary are the same level.

Senator CROSSIN—Same level as a branch manager?

Mr Gibbons—Group managers are first assistant secretaries and branch managers are assistant secretaries.

Senator CHRIS EVANS—Could you tell us what an associate secretary is?

Mr Gibbons—A very peculiar beast, Senator.

Senator CROSSIN—That might prompt us to ask for an organisational chart of OIPC.

Dr Harmer—We can give you an organisational chart for the whole department, if that would help.

Senator CROSSIN—Just for OIPC.

Senator CHRIS EVANS—This is a serious question. What is an associate secretary?

Mr Gibbons—As the name applies, an associate secretary is a very rare beast in the Public Service.

Senator CHRIS EVANS—Are there any others?

Mr Gibbons—No, not to my knowledge at the current time.

Dr Harmer—There have been in the past. It usually reflects an individual who has been a CEO of an agency and is no longer a CEO of an agency and is working under another CEO.

Senator CHRIS EVANS—Seriously, I wanted to know what the definition was. I understand that you have gone to a new organisational structure since the May organisational restructure, and we will come to that obviously. One of the questions was: what is an associate secretary? I have not heard the term before.

Dr Harmer—Mr Gibbons's status as associate secretary has not changed because of the restructure. He was associate secretary in DIMIA and was associate secretary under the old structure and is under the new structure in FaCSIA.

Senator CHRIS EVANS—I thought with the restructuring that would have been sorted out. I did not think that it would be an ongoing arrangement.

Dr Harmer—No. It is an ongoing arrangement.

[9.17 am]

CHAIR—Are there any questions on cross outcomes and corporate matters?

Senator CHRIS EVANS—I wanted to start, Dr Harmer, with the great disappointment I had from my questions on notice. You assured me that you would get me some information and then, when I got the formal answer, you let me down. I was disappointed. I asked you about the staffing of the ICCs, which is one of your key methods by which you deliver services to Indigenous people. You indicated to me that you would be able to get me the staffing figures. I have been a bit frustrated in trying to find out where your people are located. There were suggestions that a lot of them were being pulled back to central offices. There was a lot of concern that they were not as dispersed in the regions as they had been. You undertook to provide us with a breakdown of staffing of ICCs. Formally in the answer you advised that you were not going to be able to provide me with that, which disappointed

and surprised me. Can you explain why, given the confidence that you showed at the estimates hearing that you could provide the information—it seems to me pretty obvious that it is available to you—you cannot provide it to the committee?

Dr Harmer—I will let Mr Yates respond to that question.

Mr Yates—When we received your question around the staffing issues for ICCs, it went to the entire staffing complement in those offices, which relates to staffing by six or eight different agencies. We could have provided you with information regarding FaCSIA and the Office of Indigenous Policy Coordination staff but, as we advised in the response, we do not have running data of the staffing levels, classification and Indigenous background of the staff of the other agencies represented in those offices.

Senator CHRIS EVANS—What did you provide me with?

Mr Yates—I provided you with an answer to the question.

Senator CHRIS EVANS—You did not even provide me with your information.

Mr Yates—No, because you were looking for the entire information.

Senator CHRIS EVANS—I see. So if I ask for something and you cannot give it all to me then you give me nothing.

Mr Yates—I took it that you wanted to be able to do a compare and contrast and look at the total picture. We will happily provide you with the FaCSIA data.

Dr Harmer—We can provide you with—

Senator CHRIS EVANS—There are two issues. I accept the question on notice went a bit further in terms of the detail, but equally you took the question at the committee and said that you could provide it. Mr Gibbons said:

I can give you a table that shows the number of staff, by agency, in ICCs.

And Senator Moore asked:

And their levels?

To which Mr Gibbons replied:

I am sure it would not be beyond our capability to design a table that shows the profile.

To then get an answer that was, quite frankly, dismissive and totally unsatisfactory and that did not even attempt to provide the information that you had at your fingertips at the hearing, I found very disappointing and, it seems to me, deliberately unhelpful.

Dr Harmer—I can assure you that it was not deliberately unhelpful. We interpreted the question, as Mr Yates has said, as wanting a comprehensive answer across all portfolios and we were not able to provide it. We can, I am told by my colleague Mr Wood, who is sitting next to me, provide you with details by state of FaCSIA staff—we have that with us—for ICCs.

Senator CHRIS EVANS—Are you seeking to correct the record when Mr Gibbons said that he could provide a table that shows the number of staff by agency in ICCs?

Dr Harmer—Often at these hearings we are responding without the information in front of us. As you know, we like to be as helpful as we possibly can be, and we are inclined to say, yes, we will get it for you. Sometimes when we go back we find that it was not available, and we provide you with what we can.

Senator CHRIS EVANS—I do not want to labour the point, but your dismissive response after the commitment you and Mr Gibbons gave really got up my nose, to be frank. It was a dismissive ‘get lost’ response after you had indicated to Senator Moore and me that you had the information and you could provide it. The fact that you then could not even be bothered, as part of that question, to provide the information that you readily now say that you have at your fingertips, I think is very unhelpful to the committee and not reflective of the attitude and cooperation that we have enjoyed in the past. I do not quite understand why that was the case.

Dr Harmer—I do not know that we had this information at our fingertips at the time that we answered the question, but we have it now.

Senator CHRIS EVANS—Mr Gibbons indicated:

I can give you a table that shows the number of staff, by agency, in ICCs.

Is it your evidence to the committee now that you do not know who is in an ICC? Are you saying that, because of bureaucratic silos, you cannot tell us who is in an ICC—the whole of government, single service office designed to deliver that? Can anyone at any one time tell us who staffs an ICC?

Mr Yates—I can ring up and find out any particular office at any particular time, and we had some historical data that Mr Gibbons would have been referring to. But we do not have a running sheet of daily attendance of staff by different agencies. We have to go out each time to secure a picture of the staffing situation, which is the result of a whole host of decisions made by those agencies.

Senator CHRIS EVANS—We have all of the rhetoric about ICCs in terms of service delivery and being a joined-up government one-stop shop, yet when we ask who is in the office you tell me that, because each department is responsible for its own staff, that you cannot even tell me. Who manages an ICC office? Who has the line responsibility for an ICC office?

Mr Yates—The line responsibility is a combination of the ICC manager and the senior officer of the different agencies represented in it.

Senator CHRIS EVANS—Who does the ICC office manager report to?

Mr Yates—The ICC manager reports to the department.

Senator CHRIS EVANS—The Department of FaCSIA?

Mr Yates—That is correct.

Senator CHRIS EVANS—You have not been able to find out who is in his office?

Mr Yates—As I said to you, we can find out at any particular point in time who is in a particular office. We are focused on what the offices do rather than the number of people who are in them at any one point in time.

Senator CHRIS EVANS—Surely a function of what they do is whether they are staffed, whether there are two people or 15, and whether there is someone from Health or not. You are honestly saying to this committee that you do not know who is there? You do not know who is employed, reporting to you through the office manager, to deliver these services?

Mr Yates—They are not reporting to us. The staff in an office report through to their agency. They are accountable to their agency. They also work with the ICC manager regarding whole-of-government business for the office.

Senator CHRIS EVANS—Who supplies their desks?

Mr Yates—We provide common services for the office.

Senator CHRIS EVANS—You supply their desks, their phones and their pencils, but you do not know how many of them are there. How do you work out how many pencils and desks to supply?

Mr Yates—Periodically we review the needs of the office.

Senator CHRIS EVANS—Does that ‘periodically’ allow you to find out how many people are in the office?

Mr Yates—It does from time to time.

Senator CHRIS EVANS—But you are not able to share that with us?

Mr Yates—You are asking for the state of play. I could have given you some historical material but I assume that you are looking for our current information.

Senator CHRIS EVANS—I would appreciate anything at this stage—a rough guess; anything within a hundred would be good. What I got from you was nothing. I got a ‘go away’. It would be good if you could narrow it down to within 10 per office. Some historical data would be good. Some idea of who is there and who knows that they are there would be really helpful. Perhaps we could leave it on the basis that you make your best efforts to tell us what you can about who is in your offices.

Mr Yates—They are not just our offices.

Senator CHRIS EVANS—This is a whole-of-government approach, I accept that. It is incredulous. It is a *Yes, Minister* episode if you tell me that you then cannot tell me who is working on the whole-of-government approach.

Senator CROSSIN—Surely someone has to take responsibility?

Mr Yates—As long as you are not expecting us to tell you that every other day of the week, we can provide you with an overview.

Senator CHRIS EVANS—That would be helpful. My expectations are suitably low, so anything that you can give would be really helpful.

Dr Harmer—We can probably do that today.

Senator CHRIS EVANS—Has there been a policy of reducing the number of staff at ICCs? You talked about problems with the lack of seniority of some of the staff in the offices, which did not seem counterintuitive, and that they were having problems in terms of making things happen. Has there been a reduction in the number of staff in the ICCs over time?

Mr Yates—There has not been any policy of reducing the number of staff in ICCs. There has been action by different agencies to ensure that the skills and experience of the people based in ICCs are appropriate to the task. I believe that has seen over time some reduction in the numbers or location of staff in giving effect to that purpose.

Senator CHRIS EVANS—Your sense of it is that the numbers have reduced, this having been driven by individual departmental policies?

Mr Yates—The numbers of people at junior levels have reduced and the numbers of people at more senior levels have increased.

Senator CHRIS EVANS—Have different departments been responding in different ways?

Mr Yates—Yes.

Senator CROSSIN—I would like to ask about the number of Indigenous staff who hold senior managerial positions.

Mr Yates—As in ICC managers?

Senator CROSSIN—Let us start at the OIPC first.

Mr Yates—If we are talking about ICC managers—

Senator CROSSIN—When we talk about ICC managers are we talking about all of the OIPC as well, or do you want to differentiate between the two?

Mr Yates—You were asking about senior positions in ICCs?

Senator CROSSIN—I am asking you about senior positions at the OIPC.

Dr Harmer—While Mr Gibbons is thinking about that, I can give you some general information about the number of Indigenous people in FaCSIA as a department.

Senator CROSSIN—No, I am not after that at this point.

Dr Harmer—This department has the highest number of Indigenous staff of any, at 8.9 per cent.

Senator CROSSIN—Is that staff at all levels?

Dr Harmer—Yes, it is.

Senator CROSSIN—How many senior managers does the OIPC now have?

Mr Yates—I will take that on notice.

Mr Wood—In terms of senior executives in the department at the senior executive service level, there are seven Aboriginal and Torres Strait Islander senior executives in the department. Again, because of organisational structures, when you are trying to align that with how many of those were in previous structures of the OIPC, that would be something that we would have to go back and look at.

Senator CROSSIN—What percentage of the staff is Indigenous?

Dr Harmer—That is about eight per cent, which is pretty close to the percentage of total Indigenous staff in the department.

Senator CROSSIN—Do you not have specific OIPC Indigenous staff numbers?

Dr Harmer—The new structure, which has integrated the OIPC more wholly into the department, means that we would need to take that question on notice.

Senator CROSSIN—Just so that we are really clear, I am asking for the percentage of Indigenous staff in the OIPC—the numbers and the percentage—and the numbers and the percentage of Indigenous senior managers in the OIPC.

Mr Wood—Under the OIPC structure just before the most recent changes in internal arrangements, 18 per cent of OIPC executive level staff—director and assistant director level—were Aboriginal or Torres Strait Islander, and 18 per cent of their senior executive staff—that is, the branch manager and group manager type level—were Aboriginal or Torres Strait Islander. But the structures have just changed.

Senator CHRIS EVANS—Do you have the total as well or just the senior ones?

Mr Wood—The seven senior executive staff that the secretary previously mentioned were all in the OIPC.

Senator CHRIS EVANS—You seem to get to a certain level on the hierarchal chain and then stop. I am talking about the workers underneath.

Mr Wood—It is 15 per cent of the executive level—director and assistant director—and that is 15 per cent under the old structure. It depends on which structure—

Senator CROSSIN—Do you have a total number or a percentage for the OIPC at all levels?

Mr Wood—Under the structure it was above 20 per cent. My recollection is that it is about 24 or 25 per cent.

Senator CROSSIN—I will get you to take it on notice so that you are a bit more accurate than that.

Dr Harmer—We can do that. I can say that the total number of Indigenous staff in FaCSIA in 2005-06 went up slightly. We will get you the details. It went up in part because of a very active recruitment and retention strategy for Indigenous staff in FaCSIA.

Mr Wood—The figure is 26 per cent, prior to the current structure, of all staff in the OIPC structure.

Senator CROSSIN—So 26 per cent as of this week?

Mr Wood—It was 26 per cent prior to the structure that came in only a couple of weeks ago—the structure that we talked about earlier. That is the most recent figure.

Senator CHRIS EVANS—While we are on the departmental reorganisation, can you tell us what is going on? This is a subsequent one to the original restructure following the amalgamation of the department.

Dr Harmer—When the OIPC was added to the old FaCS in late January with the machinery of government changes, we simply, in a sense, bolted their structure at executive right down from top to bottom onto FaCS and just had it as a separate organisation. The Prime Minister's announcement about the machinery of government change and the addition of the OIPC to the old FaCS was based on his view that there were more synergies with the

department and there was an opportunity to realise those synergies. When my executive team and I had a chance to find out exactly who did what and had a look at the duplication overlap and the potential to realise some of the benefits of the integration, we changed the structure. I can give you a copy of that structure.

I moved the Community Housing and Infrastructure Program and the Indigenous housing program under Mr Gibbons. We created a couple of new areas reflecting our minister's priority on the intensive interventions in priority locations. We also moved the Indigenous policy, which was part of my communities group, broadly across into the Indigenous side, and we have now integrated the network. We had two separate networks. It did not make a lot of sense that we had two state managers. We moved recently to integrate the network into one. Now we have a situation where Mr Bernie Yates, who works directly to me, is responsible for the whole network. He is also responsible for the unit called the Office of Indigenous Policy Coordination. Mr Gibbons is responsible for a range of divisions reflecting the minister's priority on intensive intervention in priority locations, reflecting his concern to reform Indigenous housing, to put effort into governance and leadership, and a range of other things. I can give you the structure as it is now.

Senator CHRIS EVANS—Do I take it then that Mr Gibbons is no longer in charge of OIPC? Would that be the import of that?

Dr Harmer—OIPC in the new structure has been redefined to a coordinating group.

Senator CHRIS EVANS—Coordinating group. So what does that mean in terms of its resources? Policy coordination is a small section?

Dr Harmer—No, it is not small. It is a significant coordination function which manages the single Indigenous budgets submission and manages the secretariat for the secretary's group. It manages the secretariat for the National Indigenous Council and a whole range of other coordination tasks—

Senator CHRIS EVANS—All of the line functions have been placed elsewhere?

Dr Harmer—They are now part of FaCSIA proper, yes.

Senator CHRIS EVANS—They have all been brought under one roof inside FaCSIA?

Dr Harmer—Yes, they have.

Senator CHRIS EVANS—Under Mr Gibbons in a unit or division called—

Dr Harmer—Mr Gibbons is an associate secretary and he is responsible, as my deputy secretaries are responsible, for a series of groups.

Senator CHRIS EVANS—I was not interested so much in, with all due respect, Mr Gibbons, but in how that is managed. Are you saying you have all your Indigenous line functions in one division?

Dr Harmer—Almost all—in one cluster. We do not have some of the, for example, family violence programs, which are very specific to the families area. We have them with the families group. Virtually all of the other program areas are under Mr Gibbons's cluster of groups.

Senator CHRIS EVANS—The old housing functions that FaCS used to run have gone over—

Dr Harmer—No, only part of them; only the community housing and infrastructure part.

Senator CHRIS EVANS—It sounded so simple until the caveats started coming in.

Dr Harmer—It is very simple. It is a very sensible, coherent structure.

Senator CHRIS EVANS—So why did the other bits of housing not go across as well?

Dr Harmer—Because the other bits of housing are located in a group that manages a lot of the big Commonwealth-state agreements, such as the Supported Accommodation Assistance Program agreement. There is a very close link between the Commonwealth-State Housing Agreement and the Supported Accommodation Assistance Program agreement, and also a close link between the Commonwealth-State Housing Agreement and the Commonwealth State Territory Disability Agreement, which is all in the one group managing big Commonwealth-state agreements.

Mr Gibbons—Another way of looking at it is that all of the programs that are Indigenous-specific are in one area of the department, together with the whole-of-government coordination functions in the Office of Indigenous Policy Coordination. Activities that are mainstream in their focus—that is, they service Indigenous and non-Indigenous people alike—are in the mainstream element of the department.

Senator CHRIS EVANS—So effectively we have an Indigenous division inside the department?

Mr Gibbons—Or several divisions that make up that cluster.

Senator CHRIS EVANS—It is almost like a department within a department.

Dr Harmer—No, it is not actually. It is a very integrated structure. But it reflects our need to give very serious attention to both the Indigenous-specific programs and the mainstream programs.

Senator CHRIS EVANS—You say ‘integrated’ and then you say you put it all in one spot. It seems a bit counterintuitive.

Dr Harmer—No, it is integrated. Mr Gibbons works to me, and these divisions report through him to me and it comes together at the executive level.

Senator CHRIS EVANS—We will have a look at the chart.

Dr Harmer—Yes, we can give you the chart. It is a more integrated structure than it was before. I want to assure you that there has been no reduction in staff in the Indigenous part. In fact, we have boosted the resources to reflect the minister’s priority in making a quicker difference in this area.

Senator CHRIS EVANS—Mr Chairman, it is not my intention to do this now, but I wanted to indicate to Mr Harmer that I wanted to follow up the question of the internal fraud issue with him today. I am not quite sure where to do that, so I wanted to flag that with him and then we could agree a time. I do not want to particularly do it now; people are keen to get on with the Indigenous matters. Can we agree when we might do that later on?

Dr Harmer—We can do it at the end of the Indigenous matters.

Senator CHRIS EVANS—I thought there might be a program that you thought it suited better. I just want to flag our doing that. I know there are a number of senators here who are here to ask questions on the Indigenous matters, and I know your staff has been organised on that basis as well. I wanted to ask you some questions about the \$300,000 grant to the Former Origin Greats organisation. As I said, if we could work out when it was best for everyone to do that later, that would be great.

Dr Harmer—We can probably do that later before the end of Indigenous.

Senator CHRIS EVANS—So that is actually considered part of Indigenous.

[9.43 am]

CHAIR—If there are no further questions on cross-outcomes or corporate matters, we will move to output group 1.1, whole-of-government coordination of policy development and service delivery for Indigenous Australia.

Senator CHRIS EVANS—Can we start with a couple of things out of the annual report that I wanted to raise. One was on page 221, table 2.47. Firstly, there seems to be a big jump in the budget for native title and land rights. Could someone explain to me why it has gone from \$20 million to \$60 million?

Dr Harmer—We are just getting the person who can answer that question.

Senator CROSSIN—May I ask a question while you are doing that. I notice on your organisation chart that Mr Omaji is involved in engagement and reconciliation. On your witnesses list he has the title of policy and reparation. Can you just explain to me what 'reparation' means in the witnesses list?

Mr Gibbons—I think that might be a typo.

Senator CROSSIN—'Repatriation'—sorry.

Mr Gibbons—It is concerning the repatriation of human remains from museums and medical research bodies overseas.

Senator CROSSIN—Why does he have a different title on the wall chart from the title on the witness list?

Mr Gibbons—I was not aware that he had a different title on the witness list.

Senator CROSSIN—He has policy and—

Mr Gibbons—It is Engagement and Reconciliation.

Senator CROSSIN—It says 'Policy and Repatriation' on the witness list.

Dr Harmer—It may be that there is an error in the description. It may reflect an older title, and I apologise for that. The actual title for Mr Omaji is accurately shown on the structures—

Mr Gibbons—His functions include responsibility for our involvement in reconciliation matters, and the return of Indigenous remains.

Senator CHRIS EVANS—Is someone able to help with the table? No?

Mr Yates—We will have that answer for you soon, but we just do not have it to hand—

Senator CHRIS EVANS—We will come back to it. I was also going to ask about what looks like an underspend at the bottom of the table. It is best that we do those two together when someone has the time. I am happy to move on, Mr Yates, and come back.

Mr Yates—Okay.

Senator CHRIS EVANS—Can we perhaps start with some questions about the SRAs, and how they are going. From looking at the annual report, it seems as though you had nearly met your targets for SRAs but you had not been making much progress on the regional partnership agreements. It was one out of the five targets, was it?

Mr Gibbons—There are two regional partnership agreements in existence, and there are several that have been agreed and are awaiting formal signature.

Senator CHRIS EVANS—The annual report had the target of five, with one achieved. Is that right?

Mr Gibbons—I am sorry—you are correct. There is only one that has been formally signed and is in place, and there are several that have been negotiated to agreement stage and are awaiting signature by ministers from both the Commonwealth and the state and the appropriate state jurisdiction.

Senator CHRIS EVANS—At the moment we have one regional partnership. What are your targets for this year, for each of those, including holistic SRAs?

Mr Gibbons—We do not have targets this year. We had some stretched targets in the first year to get the concept established. This year, following a review of the performance in the first year, we have adjusted our procedure slightly and we have devolved budget and responsibility further down the line to make it easier for our ICC managers and state managers to respond much more rapidly to circumstances in communities with an appropriate investment based on an agreement on sharing responsibility. We have devolved \$20 million to facilitate the role of ICC managers in that context across the 30 ICC regions.

In addition, agencies other than FaCSIA are required to commit from their program resources money to a flexible pool to support regional or local shared responsibility agreements. That is all about working from the field up, from the bottom up. There is another significant part of the budget devoted to what we are calling strategic intervention focused on priority locations, where we reach agreement with the relevant state or territory jurisdiction for a joint intervention. They are more top down and defined by the agreement we come to with colleagues in the states or territories. I have several of those underway. As part of those interventions, we expect shared responsibilities will emerge, and in some cases some regional partnership agreements.

Senator CHRIS EVANS—Let us go over some of that. There are no targets for SRAs this year?

Mr Gibbons—We do not have a target. We have a budget that we are encouraging officers to spend.

Senator CHRIS EVANS—I just want to make some progress. There are no targets for SRAs this year?

Mr Gibbons—We have not set targets for SRAs this year. We have allocated a budget. Last year we held—

Senator CHRIS EVANS—I want to make some progress. I am going to come to the \$20 million in the budget and how you are going to spend that. I just want to be clear. There are no targets for SRAs this year. Are there targets for regional agreements?

Mr Gibbons—No, we do not have targets as such for regional agreements, but we do have a number in the pipeline.

Senator CHRIS EVANS—What about holistic SRAs? Is that a formal term or is that just a way of describing the change in philosophy?

Mr Gibbons—I suppose it is not a formal term, but it would relate more to those locations where we are planning or have already commenced a joint intervention with a state or a territory where we are attempting at a particular place to deal with a broad range of issues concurrently. For example, in the bilateral agreement with the Western Australian government we have agreed to focus on a particular location or a regional location in a holistic state. We are currently in negotiation with the Territory to define precisely what that will involve, and that will involve a significant investment by both parties.

Senator CHRIS EVANS—In terms of the SRA program, you have devolved it further down the line in terms of your hierarchy?

Mr Gibbons—In the first year, rather than devolve a budget, we kept the decision making centralised and we notionally allocated targets to regional centres for SRAs. This year we have relinquished that central control, devolved it to ICC managers with a budget, with some guidance on what the minister is looking for, and encouraged them to move.

Senator CHRIS EVANS—What was your budget last year for SRAs?

Mr Gibbons—SRAs are part of the flexible funding pool. I do not have the figure in my head. Perhaps Ms Bryant can give you that.

Ms Bryant—It is in the order of \$25 million. I would have to check the precise figure for you.

Senator CHRIS EVANS—Thank you, Ms Bryant. If you would not mind getting back to me later this morning about the funding last year for SRAs and regional partnerships, I would appreciate that. I think you said you had 33 regions, Mr Gibbons?

Mr Gibbons—Thirty.

Senator CHRIS EVANS—Thirty, sorry. Have you divided the money equally or according to population?

Mr Gibbons—We have not divided the money between the regions. It is a pool that they can draw on. That reflects the fact that shared responsibility agreements involve negotiation with local communities and agreement with local communities, and in some areas that takes longer than others. Rather than attempt to guess where the interest lies, we have said: 'Here is a pool. You have access to it. You have authority to commit in a single SRA up to \$100,000 if you are an ICC member, and up to half a million if you are a state manager. Here are the guidelines. Go to it.'

Senator CHRIS EVANS—Is this the same as the \$100,000 announcement you made? The minister made the announcement about freeing up an immediate \$100,000 intervention. Is that part of that structure?

Mr Gibbons—That is what I was referring to.

Senator CHRIS EVANS—I am trying to make sure that it is the same thing.

Mr Gibbons—I should have said that it is a notional \$20 million. If more is needed, we will allocate more.

Senator CHRIS EVANS—Can I just ask about how the assessments of your review of the SRAs has gone? You had two internal reviews going on the SRAs, I think.

Mr Gibbons—I will ask Ms Bryant to talk to that.

Ms Bryant—We commissioned a number of reviews, as you would be aware from our previous discussions. Twenty-eight reviews have been completed so far.

Senator CHRIS EVANS—Is that of individual SRAs?

Ms Bryant—Yes, of individual SRAs. We have a further 50 in train. The reviewers give us around a 1,000- or 2,000-word report against five headings in each review. I can go through those if it is of assistance.

Senator CHRIS EVANS—The five headings would be helpful.

Ms Bryant—The five headings are to: describe the SRA content and report on the process for developing and implementing the SRA; report on the extent to which the SRA achieved its specified objectives and community priorities, and identify any other benefits that the SRA brought to the Indigenous signatories; report on the Indigenous signatories' engagement in and contribution to the SRA; report on the government's—including state or territory governments where relevant—engagement in and contribution to the SRA; and basically identify what worked during the development and implementation and what could be done to improve the process.

Senator CHRIS EVANS—As you were reading that, I realised that you had told me that last time. As I understand it, you provided a report to the minister in April on these reviews. Is that right?

Ms Bryant—No. We provided a report to the minister in April but it was not based on these reviews. These reviews have been done by independent consultants and they look at individual reviews. The report that we provided the minister in April was a departmental desktop overview of SRA processing and implementation at that point in time.

Senator CHRIS EVANS—You had an internal report, which is an overview of the SRAs—

Ms Bryant—Yes. At that stage the minister was reviewing the arrangements within his new portfolio and this was a collection of information about the experience to date drawn from our desktop information.

Senator CHRIS EVANS—Was there also a review of performance information in SRAs where the performance information was available, meaningful and reliable?

Ms Bryant—There was. We did do that within the department rather than through external consultants. We did an assessment as to whether the shared responsibility agreements were including performance information, whether we had paid attention to pinning down who was to provide the data and with what frequency et cetera.

Senator CHRIS EVANS—When did you finalise that?

Ms Bryant—I would have to check on that date.

Senator CHRIS EVANS—It is finalised?

Ms Bryant—It was finalised prior to April. I think it was around March, but I would need to check the date to be accurate.

Senator CHRIS EVANS—What was the overriding conclusion?

Ms Bryant—From memory, the overriding conclusion was that agreements had sought in all cases to specify performance information but that there were a number of areas where we could improve practice. They went to those issues that I just mentioned to you: pinning down who was to provide the data at the local level; confirming that there was an agreement that particular data would come from a school principal or someone else; and being clear in some cases as to what the data item was. For example, for school attendance, whether it was data about the level of absenteeism or the attendance on the day, there were a number a data definition issues where we thought we could improve practice. The frequency of reporting needed to be pinned down in some cases.

Senator CHRIS EVANS—Has your practice changed as a result of that report?

Ms Bryant—In the light of that report we have sought to strengthen the guidance that we have provided to our ICC managers and staff in terms of how they should think about and design performance information and the types of detail that they do need to pin down.

Senator CHRIS EVANS—Are you able to provide a copy of that guidance for us?

Ms Bryant—I can probably do that, but I would need to check the files.

Senator CHRIS EVANS—You can take it on notice. I am interested to know about benchmarking. Obviously it is important for Indigenous communities to know what benchmarking is occurring as well. In terms of the 28 reviews that you have done and the 50 that you have scheduled, how are you pulling all of that together in terms of usable information?

Ms Bryant—We have an implementation review scheduled for later this financial year. That will be a synopsis review where we commission a consultant to draw together the lessons across the 70 to 80 reviews that we will have on hand by then.

Senator CHRIS EVANS—I am drowning in reviews. We might have to start labelling them A, B and C.

Ms Bryant—We are enthusiastic to learn. It is part of our improvement process.

Senator CHRIS EVANS—I am sure you are drowning in reviews as well, much more so than me. What is the schedule for the implementation review?

Ms Bryant—Later this financial year, in the second half of 2006-07.

Senator CHRIS EVANS—Who is going to do that?

Ms Bryant—We will go to tender for a consultant to do that.

Senator CHRIS EVANS—Will you outsource it?

Ms Bryant—Yes.

Senator CHRIS EVANS—Are you doing all the reviews internally or are they all done by outside consultants as well?

Ms Bryant—The individual reviews are all done by outside consultants. We went to tender for that.

Senator CHRIS EVANS—How many are you going to do in total?

Ms Bryant—We have done 28 to date. We have another 50 that we anticipate doing this financial year.

Senator CHRIS EVANS—Will the review be assessing those 78?

Ms Bryant—Yes, or as many as are completed at that time.

Senator CHRIS EVANS—How much time are you allowing for these reviews with the consultants? Would it be a couple of days? Basically, what are you funding?

Ms Bryant—The reviews are not an expensive individual product and they are on average \$2,000 to \$3,500-odd. The consultants spend a couple of days in the field in each case.

Senator CHRIS EVANS—I am not suggesting that is inadequate. I am just trying to get a sense of this. I would have thought that, if you have a \$15,000 SRA, you do not want to spend \$20,000 assessing it.

Ms Bryant—No.

Senator CROSSIN—Can you give us a list of the 28 SRAs that you have reviewed and the list of the 50 that you expect to do?

Ms Bryant—I could probably give you the 28 of the first round now, if you would like me to read them?

Senator CROSSIN—Can you table that or provide it to us?

Ms Bryant—We could do the 28 and we could probably give you the 50 that we have planned. I will take that part on notice.

Senator CHRIS EVANS—Going back to the broader policy issues, you said that you had devolved that SRA effort down to ICC managers with greater responsibility for authorising payment. Therefore, I take it that means central office staff are far less engaged in the SRA process in terms of driving it?

Mr Gibbons—We have authorised or delegated ICC managers to approve funding. They do not have to come back to the national office with their proposals to get them cleared. The national office will put its effort into the monitoring and the evaluation of the performance of the SRA program. The operational part of the national office is more involved in assisting the minister with these bigger strategic interventions that involve a state or a territory.

Senator CHRIS EVANS—Who is driving the regional partnerships?

Mr Gibbons—The regional partnerships are a combination of leadership via our state managers and our national office, and they generally involve negotiations with a state or territory as well.

Senator CHRIS EVANS—It seems to me that there is a bit of a shift in emphasis inside the central office to a more top-down strategic intervention approach. Is that fair?

Mr Gibbons—There is a balance between the national office devolving the bottom-up work through the ICCs and the top-down strategic intervention, which necessarily involves a bilateral relationship with the relevant state or territory jurisdiction and the expenditure of much larger amounts of money on a range of issues in this portfolio—housing, infrastructure and social services of various kinds—and engagement with our colleagues in other Commonwealth agencies where appropriate on health or employment—whatever the circumstances of the location suggest is appropriate.

Senator CHRIS EVANS—Is it fair to say that those interventions are more focused on rural and remote areas?

Mr Gibbons—The great majority are focused on remote locations that have been neglected or where the needs are greatest, but not exclusively. There are some areas in rural and indeed one area in urban Australia that we have not yet committed to a strategic intervention, but we are contemplating some top-down work.

Senator CHRIS EVANS—Does this reflect a view or a decision inside the department that FaCSIA is going to focus its resources and energies in the regional and remote areas?

Mr Gibbons—Just keep in mind that within FaCSIA there are two broad clusters. There is a mainstream cluster that is servicing through regular programs all—

Senator CHRIS EVANS—I am talking about your cluster.

Mr Gibbons—There is an Indigenous specific cluster and the resources of that program cluster are focused more on remote Australia than anywhere else—not exclusively, but the burden of our investment is going to be on the backlog in housing and infrastructure in remote Australia. That is a clear priority of the government. But it is influenced by the views and the position of state or territory governments, because our approach is not to do these things alone but to engage and agree with states and territories.

Senator CHRIS EVANS—I accept that there is much more focus on the bilateral approach. ‘Bilateral’ implies two. Where is the Indigenous voice in this process?

Mr Gibbons—The strategy to provide assistance often involves a number of stakeholders. The starting point is to get the Commonwealth and the state or the territory government together first, because we hold the resources collectively, and then to negotiate in partnership with the relevant community or the mining sector or whoever is going to be involved.

Senator CHRIS EVANS—When in the process does that happen? Obviously, you are agreeing your objectives and your targeted areas bilaterally. When do you deal in the other parties?

Mr Gibbons—Fairly soon after we have agreed in principle with the state or the territory administration. For example, if you go back to the example that I gave earlier of the Western

Australian bilateral agreement, at the highest level—that is, the Premier and the Prime Minister—there is an agreement with a schedule that identifies an area of the state for attention. Now that that has been identified as a common priority of both governments we are looking at consultation with the region, which certainly involves the Indigenous communities in this case, and other important stakeholders—for example, the mining sector in Western Australia because of the importance of employment opportunities in those parts of the region that we are looking at. Because of the consultation that is needed, we might commit in principle fairly quickly, but it takes a good deal of time to get all of the parties to agree to the actual strategy. That could take nine months.

Senator CHRIS EVANS—With the SRAs we heard the philosophy of engaging directly with the community, bypassing representative voices, and even some talk of engaging with individual families. But now you have a philosophy of driving through bilateral, government-to-government strategic interventions. To be brutally frank, there does not seem to be much Indigenous voice in that.

Mr Gibbons—Let me give you another example. The Northern Territory government and the Australian government have agreed to focus on a number of areas. One of them is Elcho Island. That was discussed with the Northern Territory government some eight months ago, and since then we have been engaging with the traditional owners on Elcho Island and the historical people in Galiwinku. We are still some way off finalising the strategy, because our methodology is based on the need to secure the agreement of all the parties, which includes the traditional people and the historical people in that location.

Senator CHRIS EVANS—I will just go back a step. What is the budget for the strategic interventions task force?

Mr Gibbons—It depends on what we decide to do in a particular location. We have got access to a flexible funding pool.

Senator CHRIS EVANS—Is that the SRA money?

Mr Gibbons—It comes from that pool. The SRA money is not exclusively the flexible funding pool.

Senator CHRIS EVANS—That is what I was going to say. The SRA is a subset of the flexible funding pool. What is the total of the flexible funding pool?

Mr Gibbons—Off the top of my mind, our share of that pool is \$35 million in round figures for this financial year. There is part of the CHIP funding that is not precommitted through various bilateral housing agreements to the states and territories that can be used on infrastructure or housing, and we have other program resources, together with our colleagues in other portfolios who have about \$17 million available for flexible intervention.

Senator CHRIS EVANS—There were press reports that the task was to rescue up to 150 Indigenous communities facing collapse. Is that an accurate description of one of the priorities or is that a misinterpretation?

Mr Gibbons—I do not recall any comment from the department or the minister quoting a figure of 150.

Senator CHRIS EVANS—I am not saying it was sourced to the department. There was a press report that used the number.

Mr Gibbons—That is not a credible figure.

Senator CHRIS EVANS—I would have thought it would be a bit on the high side?

Mr Gibbons—It is extremely high. We might expect within the context of the shared responsibility agreements to cover that many communities with SRAs, but in terms of joint Commonwealth-State strategic intervention around a priority community, we could not afford to take on that many. I would expect the numbers to be around five or six this year. We have a number already committed—Morningson Island in Queensland, and Alice Springs in Central Australia. Kalumbaru in the north and the East Kimberley in principle agreed with the Western Australian government. We are commencing negotiations with the South Australian government to make strategic intervention in the AP lands. Both Minister Wetherill from South Australia and our minister made that announcement on the weekend. We are in discussion with the Northern Territory government about a substantial investment in Wadeye. There are some other areas that we are talking to state and territory governments about.

Senator HEFFERNAN—I wanted to talk about cooperation with the Northern Territory government in one instance on schooling. You cannot get hard and fast figures, but it is my understanding that somewhere between 3,500 and 7,500 children have no access to high school in the Northern Territory. I think every Australian should hang their head in shame at what we have tolerated in some of these communities. Until they get economic opportunity it is going to be a complete waste of time. In terms of Wadeye, as I understand it, we send money to the Northern Territory government based on the number of eligibility numbers for school. Is that correct? You are talking about government-to-government cooperation.

Mr Yates—The Department of Employment, Science and Training has responsibility for the allocation of funds to the states and territories. I am not sure that it is based on the eligible population. It may be based on the enrolments. But you are right; there is a serious issue in remote areas, including in the Territory, with shortfalls both in enrolments of the eligible population and also obviously in attendance.

Senator HEFFERNAN—I want to add a bit of colour and emphasis to this debate, because it seems to me that for many years we have just gone up there and visited these people, then gone away in an air-conditioned car, said, 'It's bloody terrible' and then forgotten about it. As I understand it, this year in Wadeye approximately 600 kids turned up for school at the primary school. The two old Sacred Heart nuns there are actually the mob that taught me; I know them well. As I understand it, because there are only a limited numbers of teachers, desks and rooms, after a few days half the kids that turned up to school left. There are a lot of kids there who would like to go to school, but there are not the facilities there. For the first time, this year they have had achievement awards instead of attendance awards. We are talking about giving people a reason to get up in the morning and go to bed at night and know why they are doing it. Then when they leave primary school, if they are lucky enough to get through primary school, there is no high school.

This is the cooperation between the states and feds—and making excuses. Then you go down the street and see all these women lined up. I thought, 'I wonder what that is?' It is like

the toilets at half-time. It is the Centrelink phone. People are trying to get through on Centrelink. The whole thing is a disgrace. As I understand it—and congratulations, Mr Gibbons—we are going to have a residential government person there now, Charlie, whose old man was the police sergeant in Junee. So I know him, too. He is a good bloke and he volunteered to do it, so he is there for the right reasons. When are we going to see some economic opportunity? I met a developer in Darwin. If ever I have seen an artificial economy it is Darwin's, with all of that high-rise unit stuff.

Senator CROSSIN—Most of it is Defence Housing.

Senator HEFFERNAN—A lot of it is a safe haven for money. I said to him, 'Mate, how does all of this add up?' He said, 'Mate, you just keep sending that blackfella money up here and we'll spend it for you.' I think it is time we finished all that. As you know, Mr Gibbons, I think we ought to develop the north and the resources of the north. I think the only real opportunity those poor buggers have with no high school is to give other infrastructure an economic opportunity. Where do you plan to take all of this? I know where I would like to take it. What are your plans to cooperate with the Northern Territory government to give a chance to these up to 7,000 kids? They have no chance if they cannot go to high school.

Mr Gibbons—The approach that the minister has architected is to focus on a particular place or a region. In the case of Wadeye, we are negotiating with the Northern Territory government to ensure that the left hand and the right hand are working together. We are not contributing money without an equal commitment from the Northern Territory government. We will address a broad range of issues that are relevant. In the past we have gone to a place such as Wadeye and seen a need across-the-board. We have focused on one area—maybe housing or night patrol—put in some money and moved on.

Senator HEFFERNAN—That does not work.

Mr Gibbons—It does not work or at best there is limited impact.

Senator HEFFERNAN—It is about treating the cause, not the outcome.

Mr Gibbons—What the minister is trying to achieve with this approach is to force everyone who has a responsibility—the Commonwealth, the state, local government and local community—to play a role, and that is why it takes longer to negotiate.

Senator HEFFERNAN—I appreciate that.

Mr Gibbons—In the case of Wadeye, for example, the Chief Minister has invited us to join with the Northern Territory government in a significant investment. The minister has made it very clear to the NT government that he is prepared to make a very significant investment, but there are conditions. We do not see the point in making a big investment in infrastructure and housing if communities cannot communicate on the roads during the wet season with services and schools. We want the NT government to play its part in upgrading the road infrastructure. We want the schools brought up to handle the number of people who are there—not the people who turn up but the people who are required to attend school. We want appropriate policing numbers. We want to see reform in local government. We want to see rationalisation of housing construction with a number of objectives; normalisation of the

arrangements, so that proper tenancy arrangements are in force; and realistic rent so that maintenance of housing is sustainable.

Senator HEFFERNAN—I am happy with those sorts of things, but how do you do that if there is not economic opportunity? If there is no defined reason to know why you go to bed at night and why you get up in the morning, then how are we going to get some economic opportunity?

Mr Gibbons—That is a very challenging question.

Senator HEFFERNAN—I will take it a bit further. As I understand it, under the program that we are going to have there in Wadeye—and I want to talk about Yuendumu and Mutitjulu—we are going to take people off CDEP; is that right?

Mr Gibbons—No, not necessarily.

Senator HEFFERNAN—We are going to put it through Centrelink?

Mr Gibbons—The Department of Employment and Workplace and Relations is going to remove the remote area exemption, which means that they will have to do some activity in order to continue to receive income support.

Senator HEFFERNAN—My understanding is about 700 people will be affected by that.

Mr Gibbons—Yes.

Senator HEFFERNAN—At present there are nine job opportunities that they can search for out of the 700. That is a bit stupid.

Senator CHRIS EVANS—You are quite right.

Senator HEFFERNAN—This is just a statement of fact. Until we have a package of development in the north, which will probably include downstream from the gas fields and all the rest of it—and all the water—I reckon we are wasting our time. That is a really good example: 700 people are searching for nine jobs. I saw those flat-pack tin hut things, which you would call cubbies. I will be interested to see how they go. Have you seen how they are pegged into the ground?

Senator CROSSIN—You are talking about the prefabricated houses.

Senator HEFFERNAN—The flat-pack stuff.

Senator CROSSIN—The ones that you want to offer Elcho Island.

Senator HEFFERNAN—Bearing in mind, I have had a bit of experience with this. If they are pegged into the ground with a shaft, which you drive in with a hammer, from what I can see from the plans, in 10 years time they will have rotted off at the ground.

Mr Gibbons—It is unwise to make assumptions about what the nature of the housing is based on what you have seen floating around.

Senator HEFFERNAN—I have seen the plans.

Mr Gibbons—You have seen some plans.

Senator HEFFERNAN—I hope you have plenty of insulation in them.

CHAIR—I might draw this area to a close. We want to adjourn at 10.30 for some morning tea.

Senator CHRIS EVANS—Senator Heffernan has started on an area that will get a fair deal of questioning, so I do not think whatever Senator Heffernan does by 10.30 will end the discussion on this area.

CHAIR—Ask your question, Senator Heffernan; we will get an answer and then we will move to have a break.

Senator HEFFERNAN—The question is: when do you think there will be economic opportunity for those communities? They say they are unviable. You fly in to Yuendumu some days and it looks like a rubbish tip from the air. Half the adult population drink all night and sleep all day—that sort of stuff. When, under the plan of cooperation between all of the various agencies, will these communities have economic opportunity, as opposed to handout money? Surely it has to be connected with when they all get through school?

Mr Gibbons—I cannot speculate as to when economic opportunity will arrive. I can say what the governments are talking about, and that is doing two things. One is to prepare the generation that are coming up now through education to take opportunity, including outside of the area. Opportunity for most of them means they are going to have to move.

Senator HEFFERNAN—I understand that.

Mr Gibbons—I am not talking about forced relocation. Opportunity is going to require, as Noel Pearson says, mobility. Education is a foundation for that. Fixing today's problem to ensure that the school system works and that the environment supports the school system is a priority. That is one of the matters that is in discussion with the Northern Territory government, as a joint responsibility.

Senator HEFFERNAN—Is there a timetable when you can say that all the kids who do not get to school will have the opportunity to walk into school? Is it five years, five minutes or 10 years?

Mr Gibbons—I would hope that it is less than five years. The discussions that we are having with the Northern Territory government are around ensuring that in a place as large as Wadeye there is both primary and secondary education available for all, and that the people who live in the satellite communities can access that education facility all year—during the wet. We are also looking at how we can exploit the limited economic potential that exists there now. For example, up the road from Wadeye is a place called Palumpa, which has a cattle industry and an abattoir that services the region. It works two days a week and is quite well run. We have a study involving the land council that owns the property, and looking at how that might be expanded particularly out into the Moyle Floodplain et cetera. There is a gas pipeline coming ashore just south of Wadeye to connect into the grid. That is getting underway now. The construction camp is being built at Palumpa. We are looking at some investment from the ABA through the Northern Land Council to facilitate Indigenous opportunity out of that economic development. I suspect that, notwithstanding the efforts by both governments, economic opportunity is going to require the mobility of a great many of the people there.

Senator HEFFERNAN—And infrastructure.

CHAIR—We will take a short break.

Proceedings suspended from 10.32 am to 10.51 am

CHAIR—We are continuing with output group 1.1.

Senator CHRIS EVANS—I would like to follow up the colourful lead from Senator Heffernan. He said he would bring colour and movement to the proceedings and I felt very grey in comparison. I wanted to ask, obviously, about the Wadeye trial. The department is obviously aware of the article in the *National Indigenous Times* and the *Financial Review* today about the Gray report. I have to be honest, I got a copy, too. I do not know how I came by it, but clearly it is in circulation broadly around this building. Quite frankly, it is a pretty damning report, Dr Harmer, on the performance of the department and, from my perspective, while you and others from the government—Dr Shergold—have been telling us about whole-of-government, federal commitment and new approaches, this report basically says that the COAG model at Wadeye has been pretty well an unmitigated disaster. Of particular concern to me is what seems to be pretty direct criticism of your agency, Dr Harmer, as the lead agency on behalf of the Commonwealth in this trial. They are very direct criticisms of failure to engage and to provide continuity of involvement, and failure even for the key organisation committee to meet for eight months. While I have been asking you questions about the trials over the last little while, it seems that the rhetoric from the government, from Mr Shergold and from the department has not matched in any way performance on the ground. I am really interested to know what you think about the report. Are you happy with the department's performance at Wadeye, and when and how did you intervene to deal with the failure?

Dr Harmer—I do not know how you got a copy of the report, either, because it is not released. It would be pretty silly to say that we were happy with our performance. I would be surprised if the Northern Territory government, who are equal partners, along with the council, would say that they were happy with their performance either. It was a three-way partnership. The first stage of the trial which Mr Gray has been evaluating was a trial to see whether we could not do better in terms of coordinating services. It was not looking at whether we could make a difference in any specific areas, it was looking at if we could do better in coordination. Clearly, the report indicates that we did not do so well, for the sorts of reasons you talked about. I think the department over some years, including before I came to it and subsequently, have not done as well as we could. We have learnt some important lessons. I think the Northern Territory government has, too. I think the council has, as well. We are three parties to this COAG trial. I think I made the point last time that it is very difficult to make progress in a place like Wadeye, where there was such difficulty in terms of street violence, without adequate policing. It was a backdrop—

Senator CHRIS EVANS—Do not hide behind that—

Dr Harmer—No, I am not hiding behind it. It is a fact.

Senator CHRIS EVANS—That is not what the report says.

Dr Harmer—The report was not looking at that; the report was looking at the coordination between the three levels of—

Senator CHRIS EVANS—Yes, but the coordination delivers outcomes for Aboriginal people. We are not coordinating for the sake of having a dance; we are coordinating to deliver services, and clearly we failed.

Dr Harmer—In terms of our new approach to Wadeye, I might get comment from some colleagues of mine who have been involved more recently in the postdraft report being provided. We certainly learnt some important lessons about how to work with the community. We are going to have a very different approach to the Wadeye community than we had in the COAG trial.

Senator CHRIS EVANS—So, it will be another experiment on Aboriginal people?

Dr Harmer—It is not an experiment; it is an intervention which is going to be backed up by considerable resources—

Senator CHRIS EVANS—That is what you said last time.

Dr Harmer—No, I did not say that last time.

Senator CHRIS EVANS—You are the secretary; is that right?

Dr Harmer—Yes, I am.

Senator CHRIS EVANS—What this report says is that there has been too much of people saying, ‘Oh, the personnel have changed.’ I am asking you because it is your department. I admit you were not there for the whole of the period, but you have got to carry the can here for the performance of the department, and I know you will. But, quite frankly, you have been reassuring me for the last couple of years about the progress of the trials and your commitment to the trials. What really worries me about this is not that it failed, although that is bad enough, but that, as I always argue, successive governments have failed in Indigenous policy. I am right up-front about that. I do not pretend to have the magic bullet either. It is not a criticism of that, but this is a damning indictment of the department’s failure to meet its side of the bargain, because the report says on major things—like with the overall committee—that the PSC did not meet for eight months. You are the lead agency. I know we want to talk about police and everyone else’s responsibility, but surely someone in the department—

Dr Harmer—We are the lead agency for the Commonwealth. There is also a lead agency—

Senator CHRIS EVANS—Yes, and it is a Commonwealth led plan, with six different states—

Dr Harmer—No, it is a joint COAG agreed plan and there is a Northern Territory lead agency as well, along with ourselves and the council. It is a three-way partnership in the trial, and what Mr Gray was criticising was the fact that we were not able to make that coordination work. I have not been here two years.

Senator HEFFERNAN—Do you think part of it includes education?

Dr Harmer—The lead agency is not education, but it certainly includes education.

Senator HEFFERNAN—Obviously, the Commonwealth sends money up there for Catholic education and it does not get out to the Catholic schools; it gets lost in Darwin somewhere. It is a bloody disgrace, and there is no way around that.

Senator CHRIS EVANS—There is a way around it.

Senator HEFFERNAN—I do not know what the NT government is doing, but this blame bullshit that goes on all the time is not getting us anywhere.

Senator CHRIS EVANS—You made that speech earlier and I actually agree with you, but I am trying to ask questions of the Commonwealth and the responsible officers about the Commonwealth performance. I do not want to hear that it is everybody else's fault; I want to ask you about your department's performance and whether you are satisfied that you did the right thing and delivered on your side of the bargain.

Dr Harmer—I made the point very clearly that I do not believe that the Department of Family and Community Services did a fantastic job. Bill Gray's report says that we could have done a lot better in terms of the coordination, but it also makes the point that there are three parties in the COAG trial. The COAG trial was agreed by the Chief Minister and the Prime Minister, and a lead agency from the Northern Territory and the community organisation, the Thamarrurr council, were also party to the trial.

Senator CHRIS EVANS—Yes. But today is your chance to front up and be held accountable. No doubt the Northern Territory government will have its go at estimates held there.

Dr Harmer—Yes, it will.

Senator CHRIS EVANS—My job is to ask you about your accountability, and I am not going to let you get away with what the minister has been trying to do, which is blame it all on the states. They have to take their fair share, and I accept that, but—

Senator Kemp—On the other hand, I think the officer is quite entitled to provide perspective in his answer—

Senator CHRIS EVANS—He has done that twice.

Senator Kemp—That is fine, but I do think that that is the case. The only thing I would say is that it is probably helpful if voices are not raised. Senators are entitled to ask questions and officers are entitled to respond to them, but we—

Senator CHRIS EVANS—I will have to take my pills.

Senator Kemp—Yes, you make sure you take your pills. That is very important.

Senator CHRIS EVANS—Who took responsibility on behalf of your department for delivering your side of the bargain? Where did the buck stop?

Dr Harmer—The buck stopped with the former secretary and the current one.

Senator CHRIS EVANS—Why did you not deliver in the COAG trial? I mean, Mr Gray makes it clear you did not deliver on your commitments.

Dr Harmer—Mr Gray makes it clear that there were some good things, but the primary failure was the lack of coordination, which was what the trial was set up to demonstrate we could do better on.

Senator CHRIS EVANS—The purpose of the trial was not just to coordinate. The purpose of the trial was to deliver better services to Indigenous people in the community, and that

clearly has not happened. What coordination? Before the trial started they had 60 income streams into the community. When you finished they had 90. Do you think that is a successful outcome of the coordination?

Dr Harmer—No, I do not, but if you read Bill Gray's report carefully you will find that he attributes a lot of the reason for the considerable expansion of the funding streams going into Wadeye to the way the council operated. They had a number of people seeking funds from various sources, and that was not coordinated through the coordination mechanism either.

Senator CHRIS EVANS—What about the paragraph that says:

... it is apparent that within the SRA framework—

your framework—

the priority area of "Youth"—

your department's responsibility—

had been allowed to fall between the cracks and is in urgent need of examination.

This is the place where you were telling me how disgraceful it was that we had youths rioting in the streets. You are responsible for youth policy, trying to find things for these youths to do. It fell through the cracks. It did not happen. Don't you take responsibility for that?

Dr Harmer—There is not much you can do with the youth in Wadeye without a combined effort of the Commonwealth and the state. The Territory has a clear responsibility which, since Bill Gray did that report, it now has responded to by putting more police in there. Things have improved very substantially. We have learnt a lot from the trial. We have a new approach now. We have a bilateral arrangement with the Northern Territory government. It has put more police in there, and we are very confident that our new approach will work.

Senator CHRIS EVANS—Sorry. You were confident that the last approach would work.

Dr Harmer—We were confident that the trial was operating reasonably successfully.

Senator CHRIS EVANS—On what basis? This clearly indicates that from the start it did not work.

Dr Harmer—We did have some pluses in the coordination but, as Mr Gray's report indicates, he does not single out the Commonwealth as being totally responsible for the lack of coordination; he talks about the state and the council.

Senator CHRIS EVANS—You have got the tripartite thing on the record, right?

Dr Harmer—Yes.

Senator CHRIS EVANS—Quite frankly, it is not washing with me, but it is on the record. I am asking you. Your job was in a youth area. This is your department; it deals with youth and women. It did not deliver. It did not have meetings for eight months. It did not provide continuity of staff. It did not provide continuity of input. Time and time again it is scathing about your participation as well. I do not know now whether the coordination did not work or it was just because of the lack of commitment. What this represents, seemingly, is a lack of commitment. Everyone from the Prime Minister down has been there, made speeches and reassured that this is a new way forward. You kick ATSIC to death and, quite frankly, the

performance level of this is worse than anything ATSIC ever hit. We do not seem to have made any progress, but what worries me is this seeming lack of commitment from the department.

Dr Harmer—There is no lack of commitment.

Senator Kemp—Mr Chairman, the senator is quite entitled to make his comments, but the substance of his comments do not stand or fall by the loudness at which they are declaimed. That is the first point I would make. The second point is that in some of these areas the senator is verging on going into a political debate. It is not appropriate for officers to involve themselves in the political debate. Senator Heffernan and I can join in a political debate, but that is more suited to the chamber. From my judgement, from what I have just heard—and I do not claim to be an expert in this area like you, Senator Evans—the department has recognised it has a role in this area. It recognises its particular responsibilities and it has indicated that in some areas it could have done better. I think that is where it stands.

CHAIR—I am sure Senator Evans will take those suggestions into account.

Senator CROSSIN—Dr Harmer, there is a comment in the report about the declining representation from Indigenous representatives of Wadeye, going from as many as 30 people at meetings to 27 representatives, none of whom were Indigenous. This report talks about ever-decreasing involvement by the Indigenous people through the Thamarrurr Council. Is there any recognition that that comes about as a result of—I will not say ‘threats’, although I am tempted to—saying: ‘Get the rocks off your roof. Clean up your houses and paint them or we will not give you any Commonwealth funding’? Are you not surprised then that this report reflects that there is a lack of Indigenous people prepared to come to the TSG meetings?

Dr Harmer—The Bill Gray report was, I think, largely written and completed well before Minister Brough became minister, so I think you are referring to some subsequent events and I do not think you can draw the link.

Senator CROSSIN—With all due respect, this is dated 25 May 2006.

Dr Harmer—That is true, but I think Mr Gray was referring to attendance at meetings in advance of that. He was still doing his draft report.

Senator CROSSIN—So Indigenous people had started to walk away from the process even under the previous minister, without those threats.

Dr Harmer—The Commonwealth government and FaCSIA are not responsible for the council’s end of bringing the community to the table. We were the lead agency for the Commonwealth. The Northern Territory had a lead agency, and then we had the council which was responding on behalf of the community.

Senator CROSSIN—If someone walked into your community and said, ‘You will not get any more Commonwealth funding unless you paint that house and get the rocks off the roof,’ would you be encouraged to go to the next meeting with them?

Dr Harmer—If we did not do that we would have a situation where many of the houses would still be uninhabitable. I will let some of my colleagues talk about what has happened since, but it has actually been very effective.

Senator CROSSIN—We might differ on that.

Mr Gibbons—The COAG trial was, as the name implied, a trial of approaches. The Commonwealth was one of several parties. It was a very generous party. It was an experimental process. We have not waited for the conclusion of the evaluation to adjust our methodologies, and we are not taking a one-size approach across the country. When Minister Brough came into the portfolio I think he was in Wadeye within weeks of arriving. On the day he was there there were riots, and I think 25 or 27 valuable assets were destroyed, rendered uninhabitable. He concluded that a new approach was needed, that the approach that we had taken to date, which was based on generous funding and assumptions that other parties would meet their commitments, was not challenging the behaviour that had grown up as a result of welfare dependency. I am not talking about dependency exclusively on benefits entitlements. I am talking about dependency that has grown up through a very passive approach to the provision of infrastructure and housing.

We provide very expensive houses in these places. In many cases rents are not collected. In many cases duty of care by the occupants is zero. Very basic standards that we require of citizens in other parts of Australia when they access public utilities are not being observed. The minister took the position that, if we are to go forward, it has to be on the basis of a fresh negotiation with the Northern Territory government. There are some foundation principles that must be acknowledged and addressed immediately. Law and order is a foundation principle; education opportunity is a foundation principle. He has made it clear to the citizens at Mutitjulu that if they want Commonwealth investment in their housing and in infrastructure there has to be a change of approach to treat it appropriately. He invited all of the people who were involved in the destruction of those houses to participate in a clean-up of the environment and to do what they could to render those houses habitable again. We committed to fund the repair of the plumbing and electrical works, which required licensed trades et cetera. As a result of that approach, far from having the community not wanting to talk to us, we have had a very comprehensive engagement on a clan by clan basis, and we have a superb participation by people in Wadeye in that clean-up and restoration, with the result that it has gone beyond the houses that were destroyed. We have now had 39 houses painted and brought to a standard that was far better than when the trial began. We have got other people lining up in the community to join the program.

Senator CHRIS EVANS—You all want to move on. We want to focus on the trial for Mutitjulu, the former minister and the former secretary. Let us concentrate on the report about Wadeye and what has gone wrong.

Mr Gibbons—I want to do that, but it has got to be in the context of the environment we are working with now. It was a trial and there were issues discovered in the trial about how these things should work.

Senator CHRIS EVANS—Hopefully.

Mr Gibbons—We took a very passive approach, a very generous approach of giving without demanding too much, and it was not reciprocated.

Senator CHRIS EVANS—But you did not give. This report says you have buggered it up, and you are not going to get away with moving on.

Mr Gibbons—With respect, the trial—

Senator HEFFERNAN—You are talking my language now.

Senator CHRIS EVANS—You are a bad influence on me.

Mr Gibbons—The expectation of the trial was that we would not make significant financial contributions, it would be about better utilising existing resources. We made significant further investments in the trial.

Senator CHRIS EVANS—It does not say that. It says you failed in that. It says there was an absence of flexible funding. It says:

- Departmentalism and programme silos continued to dominate.

These are things you said you were fixing in the trial. It continues:

- Funding applications and Government responses were often ad hoc and outside the framework of the COAG trial.
- The burden of administration for Thamarrurr was now greater than before the trial ...
- There was a loss of confidence at Wadeye in the COAG process.
- There was a lack of communication both vertically and horizontally within and across government jurisdictions.
- There was some confusion within the partnership as to the roles and responsibilities of some FACSIA participants in the trial.

These go directly to the issues that you told us you had fixed and were fixing. So I want to focus on those. I am one of those who had a bit of hope that this might work, so I am as disappointed as others may be about the total failure. But this report says you did not commit to it. You talked the talk but you did not walk the walk.

Mr Gibbons—I suppose I am suggesting that we recognised during the course of the trial that things needed to change, and we have responded.

Senator CHRIS EVANS—When did you start responding? You changed the priorities twice, apparently without telling the Indigenous people on the second time that you had changed the priorities, according to your report. But when did you actually know it was going badly wrong? You had ministers flying out there doing puff pieces and getting stories with the community et cetera about how well it was going. The Prime Minister and I think two ministers went there. When did you actually know the thing was well off the rails?

Senator Kemp—Chair, can I make a point? A series of statements were made and a question was asked of Mr Gibbons. He started to answer and another question was then fired across his bows. Mr Gibbons is, in my mind, answering in a very moderate, careful and considered way. I think the committee should respect that. If senators want to make a political point, I guess we cannot stop them, but from time to time one will respond with another political point. I think if a question is put, it is only fair that the witness be given a chance to respond.

Senator CHRIS EVANS—Yes, but he needs to respond to the questions, not to say, ‘We have moved on.’

Senator Kemp—No. He needs to be given a chance. These are extremely long questions. You have made some heavy political statements in those questions. I think it is only fair that the witness has a chance to respond.

Senator CHRIS EVANS—They are not political.

CHAIR—I think the minister makes a reasonable point. I have been fairly tolerant up till now about people making what are effectively statements from this side of the table, but we are here to ask questions. I think that we need to give officers the chance, if they are asked a question, to answer those questions.

Senator CHRIS EVANS—I accept your guidance. Could the department tell me when they first became concerned that the Wadeye trial was off the rails, and what action did they take?

Dr Harmer—I visited twice, and I can tell you that on my very earliest visit I was quite concerned that it was not going to be nearly as effective as I was hoping it would be.

Senator CHRIS EVANS—When was that?

Dr Harmer—I cannot recall the date. I can give it to you. The reason I was concerned is that a couple of the fundamentals for making a difference in Wadeye did not seem to be present, and those two fundamentals were basically the territory responsibility around schooling and policing. Without either of those two it was going to be very, very difficult. Kids were going to be in the streets. They were rioting.

Senator CROSSIN—It is a Catholic system. It is not a territory government school.

Dr Harmer—They ought to have been in school.

CHAIR—Please, can we let the officers give their answers?

Senator CROSSIN—Let us clarify. I think we need to get clearly on the record—

CHAIR—No, sorry—

Senator CROSSIN—that it is a Catholic school, not a Northern Territory government school.

Senator Kemp—No. Look, you have got to conduct this fairly.

CHAIR—Yes.

Senator Kemp—This is not a chance for senators to belt up public servants; this is a chance for senators to ask questions.

Senator CHRIS EVANS—But it is not a chance for the Commonwealth to belt up the Northern Territory and not stand up for its own responsibilities.

Senator Kemp—We are all entitled to our views, and I can understand the passion with which you come to this issue. We are all concerned about this matter. But I think it is important that a witness be given a chance to answer a question and not be subjected to crossfire across the table.

CHAIR—I take that point. I think that is important. I want to let Dr Harmer answer that question and then, when he is finished, if you have a question, Senator Crossin, I am very happy to have you ask it. Had you completed your answer, Dr Harmer?

Dr Harmer—I had.

CHAIR—Senator Crossin.

Senator CROSSIN—For the record, for the transcript and for the people listening, we need to make this very clear: this is a school that is run by the Catholic education system in the Northern Territory, and the funding to this school emanates from a piece of paper that was signed decades ago by the then CLP government and the federal government, called a mission school agreement. In the last 10 years it was not reviewed until the Labor Party took power in 2001, when it became aware of it and sought to ask questions about it. It is now seeking to renegotiate that agreement. I think we need to get that very clearly on the record. At no time in the last 10 years, contrary to Tiwi Islands, which have been given \$10 million to build a new secondary school there, has there been an offer from the Commonwealth to build a high school at Wadeye. I think we need to get a few facts straight there.

CHAIR—What is the question?

Senator Kemp—Senator, this is quite contrary to the line that Senator Evans was running: ‘Let us deal with the situation that we have now.’ Complaints were made about the officers giving some perspective on this. You have now decided that you will give a historical perspective from your point of view. That is fine, but you have to recognise that it is an inconsistent line which is being run by yourself and Senator Evans. It is far better that these hearings are conducted so that questions that are put to officers are of a nature that officers can sensibly respond to. Everyone can put things on the record. I have a whole list of political points here I could put on the record, but let us move on.

Senator CROSSIN—I think they are facts rather than political points.

Senator HEFFERNAN—If you want to blame someone, everyone can blame me for everything that has gone wrong and then we will get to the facts and deal with the facts. I am happy to take the blame. Can I go to Mr Gibbons? On the day of the riots, was there a media entourage there?

Mr Gibbons—On one of the days of the rioting the minister was there and the minister had a media person with him.

Senator HEFFERNAN—But there were not outside media.

Mr Gibbons—Sorry. He had a member of the profession, a journalist, with him.

Senator HEFFERNAN—I actually think, Mr Gibbons, that the trial is a trial and hopefully, like most things in life, you learn from your mistakes. Obviously Dr Harmer picked the ultimate weakness, which is why there are those kids running around. Why those kids are running around causing trouble is they are bored shitless because they do not go to school. It is no different to the Dili waterfront. Surely with the cooperation of the Northern Territory, which must recognise this, there must be a timetable established to get every kid sensibly accommodated in school, and there also needs to be accommodation for teachers. I am going to ask you when that will be. When you get off the plane there and you walk down the street,

the first house on your left has a schoolteacher living in it, along with God knows how many other people. I would not have any idea how that person, whom I have met, could ever mark homework. It is just not a fair go. Have you talked to the territory government about a date, because this will not work? What has happened here, Mr Gibbons, is that we have watered the crop but we forgot to sow the seed. You can put as much water on the crop as you like; if there is nothing under the ground it is not going to grow. If you do not get it right from the seed up, it is just a waste of time. So what will be the timing of giving every kid in Wadeye the opportunity to go to school and a desk there to be waiting for them?

Mr Gibbons—The council nominated a number of priorities. I think they were safety and land tenure. One of the things that the department has done in examining the evaluation of the report is acknowledge those priorities and focus on them. When the current minister came into the portfolio he called a halt and said, ‘We have got to go back to some basics here.’ Law and order: there was no dispute between the minister and the community that that was a priority. Land tenure: there have to be changes so that the value of that land can be leveraged in some way and you can normalise the environment in a big town like Wadeye to bring in some elements of an economy. We are in agreement with the Northern Territory government on that and the land council is supportive of that. We are working through that at the moment.

In our negotiations with the Northern Territory government we are making it very clear that, as a condition for significant investment, we recognise that we have the capacity to build houses and to support infrastructure, which are important in supporting the sort of environment that is conducive to education. We want to see the Territory match our commitment with facilities to ensure that kids can go to school—not just primary school and not in arrangements where it is all into one big classroom for six-year-olds to 10-year-olds.

Senator HEFFERNAN—And a desk each.

Mr Gibbons—There is a normalisation of that service out there as well and, as I said earlier, the communication infrastructure has improved so that we take in people who live in the satellite communities, who can drive into town et cetera, during the wet season as well. We have not concluded our negotiations. We are close, I believe. Subject to the NT maintaining its position in relation to land tenure reform—and we have observed some shakiness there—and its commitment to accepting its responsibility for the transport infrastructure and for schooling, we are prepared to invest in areas that our portfolio has some capability in, that is infrastructure and housing, which will make a big difference. But that is not a magic wand that will produce economic opportunity.

Senator HEFFERNAN—No, I appreciate that. I am taking all the blame for the mistakes. Having been counselled at half-time that those peg-in houses that were proposed are not part of your plan—thank God, because they were just bloody tin humpies—I understand you have a better model; is that correct?

Mr Gibbons—We have been evaluating a lot of housing options that have been put to us. Our objective is to build in the townships quality housing at a significantly lower cost than we have at the moment and—an important point—we want to do so in a way that leverages economic opportunity for Indigenous people. So we are looking at proposals to establish an Indigenous housing construction industry et cetera.

Senator HEFFERNAN—What is the housing likely to be made out of?

Mr Gibbons—We are looking at a range of products, particularly exploiting modern building technologies that enable us to get construction costs down and make it possible for unskilled people to build these houses with the support of supervisors.

Senator SIEWERT—I suggest we talk about housing issues later and instead talk about the whole-of-government approach.

Senator HEFFERNAN—This is a whole-of-government approach, with great respect.

Senator SIEWERT—We are talking about specific housing issues now.

Senator HEFFERNAN—No, we are not. We are talking about sowing the seeds with whole-of-government cooperation here. Does part of the plan of cooperation with the Northern Territory government include individual home ownership, which means that if you kick the door out of your home you are kicking your own door out?

Mr Gibbons—It will be a mix. We are talking to them about the Northern Territory taking—

Senator HEFFERNAN—I get annoyed when my kids kick the door out of mine.

Mr Gibbons—responsibility for public housing. We do not want to duplicate the provision of public housing. We are prepared to support through funding the provision of public housing, and we want to see that housing managed on the basis of need, with proper tenancy arrangements and appropriate rentals.

Senator HEFFERNAN—So land tenure is an important part of that?

Mr Gibbons—Land tenure for the public housing authority requires a lease, and that would be accommodated by a lease-back of the township et cetera. Then we are also interested in accommodating an interest in home ownership.

Senator HEFFERNAN—Good boy.

Mr Gibbons—Lease purchase arrangements are being explored. The government has not taken decisions on that, but we have put our toe in the water with some experiments.

Senator HEFFERNAN—That could be part of the bigger picture when you have economic opportunity to pay the thing off.

Mr Gibbons—I do not want to anticipate decisions that the government might take.

Senator HEFFERNAN—No, but I am trying to influence the decisions that the government might take.

Mr Gibbons—That area is under review. The government has now received the penultimate draft of the review of CHIP and will be considering it fairly soon and making decisions. I cannot pre-empt that.

Senator HEFFERNAN—To go back to my original question, in your negotiations with the Territory government is there a target to have every kid in school, both primary and high school?

Mr Gibbons—Indeed. One of the conditions—

Senator HEFFERNAN—So is there a date out there? Is it a year?

Mr Gibbons—I suppose we are focusing on improving the environment and providing the infrastructure jointly over the next couple of years that makes it possible for everybody to have appropriate accommodation and access to schooling, whether they live in Wadeye or within communities—

Senator HEFFERNAN—Or Mutitjulu or wherever.

Mr Gibbons—No, I am talking about the Wadeye region.

Senator HEFFERNAN—Yes.

Mr Gibbons—The satellite communities via transportation—

Senator HEFFERNAN—But in those negotiations around the table—I think with a sense of cooperation—have they suggested, ‘If you do your bit, Mr Commonwealth, we, Mr Territory, will hopefully have all this done by...’ Has anybody said when we might have this done?

Mr Gibbons—I really do not want to reveal the details of negotiations that are in train. We have another important meeting with them next week. I hope we are close to resolution.

Senator HEFFERNAN—It would give hope to the people, the mums and dads there who have those kids sitting on the front doorstep bored shitless, if they knew that within a couple of years the kids would be at school. I learnt that a long time ago, Chair, as an old mayor. If you do not have kerbing and guttering, when someone rings you up you say, ‘You’re on the list,’ and at least they know they are going to get it.

Mr Gibbons—I repeat what the minister told the council.

Senator HEFFERNAN—Yes. Thank you very much.

CHAIR—Thank you. Further questions? Senator Evans?

Senator CHRIS EVANS—I wanted to move on in the sense of extensive consideration of Wadeye. I think the Gray report speaks for itself, but I did want to ask whether the department had received reports from the other COAG trials.

Ms Bryant—Yes, we have received reports now from all of the trial sites.

Senator CHRIS EVANS—All the trials?

Ms Bryant—We received Murdi Paaki this week.

Senator CHRIS EVANS—Is there an overall evaluation of those occurring?

Ms Bryant—There is an overall evaluation of those occurring.

Senator CHRIS EVANS—Who is doing that?

Ms Bryant—Morgan Disney and Associates.

Senator CHRIS EVANS—When are they expected to report?

Ms Bryant—Around mid-November, I believe.

Senator CHRIS EVANS—Could I ask you, Mr Gibbons, are the other reports as damning of the COAG concept as this one?

Mr Gibbons—They are varied. Some of them are very complimentary; others are in the middle, I would suggest.

Senator CHRIS EVANS—Are you suggesting that Wadeye is the worst of them?

Mr Gibbons—It depends on your perspective.

Senator CHRIS EVANS—That is why I was asking you yours. Is it your view that it is the worst of them?

Mr Gibbons—It is one of the weaker ones, but it is in the context of a situation where the Commonwealth has contributed a significant amount. There are some other trials that have gone very well where the Commonwealth financial commitment has been much less.

Senator CHRIS EVANS—Do I take it from that that you think the less you have had to do with it, the better it has gone?

Mr Gibbons—No, it is not a question of what we have had to do.

Senator CHRIS EVANS—That seems very odd evidence to come from a Commonwealth official.

Mr Gibbons—Recognise, Senator, that the Commonwealth is not responsible for a lot of functions that are state and territory responsibilities and that have a huge impact on the environment. Roads, power, water, sewerage, housing, law and order et cetera are largely state or territory responsibilities. We contribute funding through to the states to support that. In the context of these trials we have trialled many different approaches to make sure that we leverage better outcomes for our contribution in partnership with the states.

Senator CHRIS EVANS—Perhaps you could tell me, are you going to bury these COAG trials now?

Mr Gibbons—The trials were trials; it was never intended that they would go on forever. It is not our intention to walk away from the trial communities. If you look at the bilateral agreements we have with several states, you will see a clear intention to move on to replace the trial arrangements with regional partnership agreements that lock in both the Commonwealth and the state or territory jurisdiction to an ongoing commitment.

Senator CHRIS EVANS—So when will the trials end?

Mr Gibbons—That is a matter for the governments—for COAG.

Senator CHRIS EVANS—That decision has not been taken?

Mr Gibbons—It is under consideration with a number of jurisdictions now. If I take the Wadeye one which we have been talking about, I believe both governments are comfortable with the idea of transitioning from a trial into a regional partnership agreement. The negotiations we are having at the invitation of the Chief Minister will probably lead to a longer term commitment to replace the COAG trial.

Senator CHRIS EVANS—I also note you have taken responsibility for a large number of the trials that otherwise had other lead agencies.

Mr Gibbons—We have.

Senator CHRIS EVANS—I spoke to the Department of Health and Ageing yesterday which indicated it was going to continue its lead agency role, but the others seemed to be handing them back to you. What is going to happen?

Mr Gibbons—I did not hear the comments you refer to. I can say that the South Australian government is interested in moving on from the trial. Minister Weatherill and Minister Brough, who were both out in the APY lands on Saturday for the anniversary of land rights celebrations, jointly announced that we were about to commence negotiations to effectively make the APY lands a strategic intervention focusing on the need for housing infrastructure, leveraging the land, et cetera. We are about to commence negotiations. I think our first meeting with the state on that is the week after next.

Senator CHRIS EVANS—Are you going to take them all back or not?

Mr Gibbons—That is for government to decide.

Senator CHRIS EVANS—So which ones have you got now?

Mr Gibbons—We have Cape York, Shepparton, Wadeye, Tasmania and ACT. I think they are the ones that have been handed back to us.

Senator CHRIS EVANS—Is there any decision imminent for you to take back any of the others?

Mr Gibbons—As a result of the evaluations that are about to be considered by government, I think consideration will be given to bringing the trials to an end and moving on, but that will have to be resolved in partnership with the appropriate state or territory jurisdiction.

Senator CHRIS EVANS—Thanks.

Senator SIEWERT—Are the evaluations that you have done based on the concept that it is just about coordination of services or are they actually measuring against outcomes?

Mr Yates—This is for the trials?

Senator SIEWERT—The evaluation of the other trials.

Mr Yates—You go from the core purpose of the trials through to a series of criteria that all of the evaluators had to use in assessing the performance and progress of the trial. We shared the key criteria that they were all using with that committee at previous hearings.

Senator SIEWERT—Maybe other senators can remember, but I can never remember the key criteria of the Wadeye trial being coordination of services. That is why I am asking about the other trials.

Mr Yates—If you go to the original establishment of the trials by COAG back in 2002, the coordination goal was at the centre of its decision. Obviously since then we have tried to say, ‘Coordination for what?’

Senator SIEWERT—That is why I am asking what the other trials are being assessed against. Is it just against that or is it looking at actually delivering the service around which the trial was occurring, recognising that there were other lead agencies?

Ms Bryant—The consultants had a common statement of requirements, if you like, so all of them were assessing the individual trial sites against a common set of requirements. The requirements were to look at the history of the trial process in each individual case: what worked, what did not work, the mechanisms in place to improve coordination, delivery on undertakings and those sorts of things. The lessons learnt were highlighting the areas where, if changes had been made in the course of the trial, why; what changes worked and did not work from community and governments' perspectives, et cetera. Then they had to look at the issue of next steps: whether the trial has progressed as far as it might, what constructive next steps might be to make improvements for the further evaluation that we have planned for around 2008. So they all had a common statement of requirements and their written brief required them to look at those full components.

Senator SIEWERT—Is the Wadeye trial evaluation going to be released? It has already been leaked; I appreciate that. Is that going to be released publicly?

Ms Bryant—The minister has taken a decision to release all of the individual trial reports together with the synopsis report once it has been completed and government has had the opportunity to consider it. So, yes, there is a decision that all reports will be made public.

Senator SIEWERT—So it will be released with the others?

Ms Bryant—Yes.

Senator SIEWERT—Dr Harmer made some comments that already responded to the findings in the report on Wadeye and changes to the approach in the way things are being done there. Is that documented anywhere so that we can actually see what the new approach is? I know you have been trying to explain it here, but is there a document that actually explains the government's new approach to coordination of services?

Dr Harmer—As Mr Gibbons said, we are in the process of changing our approach entirely and it is an approach based on a very clear bilateral arrangement with the state or territory government—in this case, the Northern Territory. While we are still talking with them, we have not got a document that spells it out but it is very much a focus on ensuring that the state or territory government live up to their responsibilities around schooling and policing and those sorts of things. In return for that, we live up to our responsibilities in the provision of our services. That is basically what it is about.

Senator SIEWERT—That does not really address the issue of better coordination. You made a statement earlier when we were talking about coordination of services and—I am trying to be polite—the deficiencies that have occurred within the agency. You said that you were taking a new approach and that you were learning already, even before the report came out on Wadeye. That is what I want to know about. Is that documented anywhere?

Dr Harmer—I will let Mr Gibbons explain, but since Minister Brough has come in he has very quickly decided that you have got to define an area, put someone in to do an assessment and really coordinate between the Commonwealth and the state an intensive response which is coordinated and planned, et cetera. That is basically the route we are going in Wadeye, as well as a range of other locations across the north of Australia, which Mr Gibbons talked about earlier.

Mr Gibbons—The approach that we are taking involves, as I said earlier, coordination of field-based intervention—that is, through our ICCs. We have got an ICC manager, and all secretaries have agreed that he is to coordinate the local investment through shared responsibility agreements. We have made available a significant amount of money to facilitate that bottom-up approach. A significant change since Minister Brough has been in the portfolio, recognising some of the experience that has come out of the trials and elsewhere, has been the reconstruction of our approach to Commonwealth-state cooperation in this area to lock the bulk of our investment into joint agreements around strategic issues.

In the case of Alice Springs, for example, we were invited to assist the Northern Territory deal with the growing issue of demographic movement into Alice Springs and the shortage of accommodation, both long and short term, et cetera. We are making a significant investment there in partnership with the Northern Territory. We have been asked to do the same in Wadeye. So, instead of committing first and then working out what we are doing, we are negotiating up front what the objective is, what each jurisdiction is going to do and what conditions are going to prevail et cetera.

How are we going to measure our success or failure? What is the baseline data that is going to underpin that? It is the same in Elcho Island. That is probably more advanced than Wadeye because we have already invested in documenting a strategy and we are well into the consultation phase with local communities. In other states we are involved in that negotiation process to put the framework together and then we are stepping out jointly to the communities to talk to them about filling that out.

Senator HEFFERNAN—Would you have to do an analysis of what makes up the community, such as how many people have got diabetes and need renal dialysis?

Mr Gibbons—Yes. It is about moving away from a program-based response, which involves designing a program and then marketing that right across the country, with very little flexibility, to going out jointly, with the appropriate state or territory jurisdiction as an investor, and understanding the environment and customising the investment strategy around the needs of that particular environment. So if it is an environment that has a major problem with diabetes and lack of infrastructure for renal dialysis or whatever it is, that might factor in the response. If it is an environment where housing is a major impediment to progress, that would feature in the response.

Senator CHRIS EVANS—So in the trials have you identified the renal dialysis areas? How many people have got diabetes, for instance, in Wadeye?

Mr Gibbons—Off the top of my head, I do not know.

Senator HEFFERNAN—Is there anyone in the room who knows?

Mr Gibbons—All those factors will be part of the investment strategy that is put together. We do not want to do the—

Senator HEFFERNAN—No. You do not want to guess.

Mr Gibbons—If we agree to get into bed in Wadeye in a significant way, we want to focus on all the issues that need attention, concurrently.

Senator SIEWERT—Two specific questions arise out of that, and I know we touched on ICCs and staffing in ICCs. Do all the ICCs now have their allocated amount of staff? Are they up to full capacity in terms of the staff that they are supposed to have?

Mr Gibbons—I do not think so, because there is always turnover. In remote locations it is often very difficult to replace, at short notice, people that leave. We have put some effort into moving resources from the south to the north, where the greater challenge is for us, and that continues. But it is always going to be a challenge for us.

Senator SIEWERT—I appreciate you have turnover, but is that the normal rate of turnover or are they still significantly understaffed?

Mr Gibbons—From the FaCSIA portfolio perspective I do not think I would describe it as significantly understaffed. We have got some skill gaps, but I would not call it significantly understaffed.

Senator SIEWERT—What about from the other agencies, since they are supposed to be the coordination centre?

Mr Yates—You would have to ask the individual agencies, but we are not aware that there is any major shortfall. Our ICC managers are not pointing to any serious gaps in staffing across ICCs.

Ms Bryant—If I could add to an earlier answer to Senator Heffernan's question, one of the learnings from the COAG trials is that we need better baseline data. So we are seeking to approach that in a more disciplined fashion, and we are looking to collect and establish extensive baseline data for each of the sites where we are now working. That will go to a demographic profile of the community—population, mobility and so on.

The existing funding; the services; the infrastructure, including child care, schools, youth activities, police transport, communication, et cetera; the assets and strengths of the communities; and early childhood development and growth are all strategic focus areas built around the overcoming of Indigenous disadvantage. We will look at the early school engagement, the childhood and transition to adulthood, substance use and abuse and misuse issues, gambling, and the functionality and resilience of families, et cetera.

Senator HEFFERNAN—How far into that are you?

Ms Bryant—We have a statement of requirements for the consultants, which has now been developed. It will be going to tender shortly to get consultants in each of those locations to build this database.

Senator HEFFERNAN—My point, Mr Gibbons, was that I have been to Yuendumu and all the places that make you feel that you are a disgrace when you think that you can go home at night letting that sort of thing happen. I know plenty of white fellas that have a renal machine in their own home for one person, yet there are hundreds or, in the case of this place, thousands of people with that need. If you have got renal problems in Wadeye, you have got to go away to blazes somewhere.

Those sort of basic things are like getting the kids into school. I think it is a disgrace in Alice Springs. Those people that live in the Todd River are a tourist curiosity. They are really

in there because they have got nowhere else to stay while they are getting renal treatment. Everyone thinks they are a tourist curiosity, for God's sake!

Mr Gibbons—Certainly the study of need will factor in issues such as the need for renal dialysis. I know very little about the technical requirements et cetera.

Senator HEFFERNAN—Neither do I.

Mr Gibbons—We would consult with the Department of Health and Ageing on that. I know that in some locations issues like the quality of the water et cetera make it impossible to have local dialysis.

Senator HEFFERNAN—We could fix the quality of the water, though. My point was, though, that you are actually studying that as part of this?

Ms Bryant—We will be collecting baseline data that goes to health status and other things.

Senator HEFFERNAN—So let us be brave here. When do you reckon you will have that done by?

Ms Bryant—I would anticipate that for some locations we would perhaps have that done by the end of the financial year. For some sites we are a bit further behind because we are at a different stage in the negotiations with the state and territory governments, but for some sites we will have it done initially by the end of this financial year.

Senator HEFFERNAN—I was only there for a day a few weeks ago, but I worked out who the drug runners were in town while I was there. It is not hard to sort it out.

Senator ADAMS—Having been involved with the petrol sniffing inquiry and having spent a lot of time working in the north-west of Western Australia, I find it very, very strange that you have to now go and employ consultants to get the data about dealing with these communities. It just is incredible. There have been trials, trials and trials, and I think you will find that the Aboriginal communities are saying, 'Gosh, not another survey! We are not being researched again!' This is just a disgrace. I am a member of the government and, like Senator Heffernan, I am absolutely disgusted with this, and I just wonder when is this department going to get its act together, because it is just not good enough.

Ms Bryant—We do use available data sets where we can.

Senator ADAMS—I have had enough.

Ms Bryant—As I was reminded a moment ago, there is, of course, quite an extensive data set done by John Taylor on Wadeye. So where there is an existing data set, it forms part of our baseline data. For some of the communities that we have been speaking about, like Elcho Island, they were not the subject of the COAG trials, so we did not collect the baseline data on them as part of that process, and in some cases even in the COAG sites we need additional data. So there are places we need additional data and places that were not trial sites in the first place, so were in the position of now collecting data. One of the things that is a clear learning is that, unless we measure accurately where we began, it is quite hard to get that disciplined focus on outcomes that you are all seeking.

Senator ADAMS—The practicality of this is you have got your state and territory mechanism to deal with it. It just seems to be going on and on and on. You have already said

that it will not be done until the end of the financial year. How much longer do we have to wait and, as a government, be criticised for what is not happening?

Ms Bryant—Perhaps I am creating a misleading impression that things are stopping and waiting for the baseline data, and that is not the case. We intend to collect it in the coming months so that we have a picture of where we began, but work is proceeding. We are moving in each of the sites with a number of initiatives and so on, but at the same time one of the initial steps we are taking is the collection of a better baseline picture.

Senator BARTLETT—I want to touch briefly on the area of engagement which I think comes under this section. You have mentioned in your annual report about your not wanting to design engagement structures but you will work with support arrangements that develop locally or regionally. I understand, and you mentioned in your key achievements, that there has been formal recognition and funding of engagement arrangements in two regions. Has there been any more since the annual report was compiled?

Mr Gibbons—Not to my knowledge.

Senator BARTLETT—Which two regions are those, just for the record?

Mr Gibbons—The Warburton-Ngaanyatjarra lands communities in Western Australia. I think the other one is the Murdi Paaki region in New South Wales, the Darling basin.

Senator BARTLETT—Is the department putting resources into assisting with the developing of such arrangements? I appreciate you do not want to design them, but if there are things happening on the ground, seeking to develop them, you put resources into making that happen and crystallising it?

Mr Gibbons—We are prepared to invest in engagement mechanisms, though we are not going to impose those on Indigenous communities. So where Indigenous people seek our assistance we have got some capacity to respond, but we are not going to replicate the ATSIC regional councils, if I can put it like that.

Mr Yates—There was quite a lot of work done in the follow-up to the abolition of the ATSIC regional councils, typically in conjunction with state or territory governments where they were reviewing representative arrangements or machinery for engagement with government. So there has been quite a lot of work done over the last couple of years, but they have not all translated into replacement arrangements. As far as possible we were looking to try and support arrangements which both levels of government would be backing rather than having multiple layers. Our focus in terms of the future has been on, at the regional level, the engagement that we are having there where that translates into regional partnership agreements. We are quite ready and willing to work with the other parties and provide resources to support the effectiveness of Indigenous groups engaging with government to enable those regional partnership agreements to work well. We talked earlier about a number in the pipeline being close to finalisation, so our resources are ready and available, but it is primarily through that mechanism that we are finding is the most meaningful sort of avenue whereby that engagement can occur and that voice can be given effect to.

Senator BARTLETT—I am pleased to hear you are not looking at imposing any structure on people and looking for ones that are meaningful. You would be aware, I presume, of the

report brought down by the Social Justice Commission early this year, I think in February, which had a recommendation about development of representation at local level. Do you have a response? Has there been any formal or internal response to that recommendation?

Mr Yates—Government has not had a history of responding formally to those reports, but I think Mr Calma made an aspirational recommendation about would it not be great to have a whole range of these in place by June this year, but you cannot give effect to that unless there are Indigenous people developing proposals for engaging with government to which we can effectively respond and work with them. So it is not really practicable to set a target, either timeline or numbers, because what we have found is that some of the early thinking in a number of regions, which was to re-establish something very similar to an ATSIC regional council, has dissipated. They have realised that that is not workable or meaningful for them and they have moved on. So we are in a situation where we are having to work more case by case in different regions, and it is taking a while, but the timetable is very much in the hands of Indigenous people, as is the shape of any engagement arrangements that that results in.

Senator BARTLETT—Leaving aside the timetable—and I appreciate it is aspirational, optimistic or whatever term you want to use—but is the principal of moving in that direction something that is accepted by the department or the government and you are moving towards, however fast or slow it may be? We very much agree it will depend on what the situation is at local levels, but is the principle of moving in that direction something that is supported?

Mr Yates—I think the government has made clear its readiness to apply resources in that area. It has published a set of criteria which I think we touched on in the last hearings and which is on our website in terms of our regional Indigenous engagement arrangements. So the government's policy position is quite clear and public. The movement to establishing new arrangements is very much in the hands of individual groups.

Senator BARTLETT—The only point I want to establish from that—and I do not disagree at all that different regions will have different ideas, different capacities and different cultures—is how proactive are you being about it? Are you waiting for groups to come and approach you and say, 'Here is what we're thinking of doing. Can you help us finalise it?' Are you taking more of what I would see as a fairly passive role from your side or are you being more active?

Mr Yates—There was quite a proactive phase in the follow-on to the government's decisions about the abolition of ATSIC and the regional councils, but since then it is more bottom-up in the sense of growing out of the work that is happening in different regions, and in particular the areas where we are moving towards regional partnership agreements. So in that sense we are very active in working with it. We see the good sense of having effective engagement arrangements, but what they translate into in terms of a particular mechanism and so forth is not something that we are promulgating or promoting, because that is to imply that there is a single model.

Senator BARTLETT—Thank you.

Senator CHRIS EVANS—I wanted to ask some questions about Mutitjulu.

CHAIR—I might just interpose that it was discussed earlier and agreed that at 12.15 we would invite representatives of the Tiwi Land Council here today to come before the committee to give evidence, so we will interpose them in about 10 minutes time.

Senator CHRIS EVANS—I am happy with that. I indicate that Senator Crossin had to do a media interview and she is the one who has requested the Tiwi. We will have to make sure that she is back, if that is all right.

CHAIR—Sure.

Senator CHRIS EVANS—Can I ask about some of the issues surrounding Mutitjulu. I acknowledge Mr Andrews is not here, but I did not have much intention of questioning him in any event. First of all, do you know what date the appeal against the appointment of an administrator will be handed down?

Mr Gibbons—My understanding is that it will be in the middle of this month, about the 17th. That is when it will be heard; it will not necessarily be resolved.

Senator CHRIS EVANS—I thought it had already been heard.

Mr Gibbons—No, it has not.

Senator CHRIS EVANS—There have obviously been proceedings, though.

Mr Gibbons—There have been directions hearings. There are two days set aside for a hearing in the middle of this month.

Senator CHRIS EVANS—Could someone tell me the date of any representations made by the department or the minister to the Northern Territory Police with concerns about criminal activity at Mutitjulu?

Mr Gibbons—I will take us back to 2004, when both the Commonwealth and Northern Territory governments decided to focus particular attention on Mutitjulu as a community in crisis. We agreed, in partnership with the NPY Women's Council, the resort and the community, to set up a Working Together project. We agreed to contribute resources. The Northern Territory decided to take the lead in recruiting the project coordinator. At that time we had the terrible problem of petrol sniffing out of hand in Central Australia.

We had reports from a diverse range of people, community, NGOs, government workers, health workers, et cetera, suggesting that there were some very undesirable, indeed evil, things happening in Mutitjulu and other communities connected with the distribution of alcohol—Mutitjulu and many of those communities are dry communities—the provision of petrol to youth in particular, the distribution and supply of drugs, and violence, particularly against women and children. We decided, therefore, that it would be appropriate to have somebody working in the community as much as possible to understand much more about what was going on than we would normally. That led to the appointment by the Northern Territory government of a coordinator, and that was Mr Andrews. During that period, he reported to both the Commonwealth and the Territory his observations and intelligence that came to him from members of the community and neighbouring communities.

At that time there were also a number of deaths. There was a coronial inquiry established, and information came out of that inquiry that supported much of the intelligence that we had

received from our normal interaction with the community and the people who work there. In that sense we were in an environment where what we had the Territory had. During the period that we had—and we still have—this coordinator on the ground, any information that came into our possession that suggested criminal or other undesirable activity was passed on, including to the police. It might be useful to make a comment here about the difference between evidence of a problem and evidence suitable for a brief for prosecution.

Senator CHRIS EVANS—I do not mean to interrupt, but the purpose of this is to ask questions of you and, quite frankly, you have not got anywhere near the question. I understand the background; the minister has spoken at great length about it and I have read all the material et cetera. I was not intending to spend an overly long time on the area, but there was specific information I was after. While I want to give you a chance if you feel you need to explain something, I had a very simple question, which was: what reports were made by the department to the Northern Territory Police about concerns about criminal activity? I would not mind if you could address that.

Mr Gibbons—I went into that background because I wanted you to understand that we are working in a partnership arrangement with the Territory government and information flows both ways through that process. Out of that process information has been passed directly to the police. More recently, following the establishment of the tri-state Substance Abuse Intelligence Desk in Alice Springs—which is led by the Northern Territory Police and involves the Western Australia Police and South Australia Police—we have established a protocol where all intelligence that is relevant to the issue of substance abuse, violence et cetera is passed to that desk and on to the police. Now that the national intelligence crime desk—I may have that title wrong but it is the agreement that came out of the COAG summit—is up and running we are also communicating with that.

Senator CHRIS EVANS—On what occasion did departmental officers provide direct complaints to Northern Territory Police about concerns regarding criminal activity in Mutitjulu? Are you able to tell me when and whom?

Mr Gibbons—I do not have the exact dates. I will take that on notice.

Senator CHRIS EVANS—Can you confirm whether or not OIPC was the source of the five-page fax sent on 7 February 2006?

Mr Gibbons—To whom?

Senator CHRIS EVANS—It was sent to the Northern Territory Police. There has been a fair deal of media coverage about this particular document.

Mr Gibbons—This was an intelligence document that was passed under the protocols I just mentioned from the Investigations Unit in OIPC to the Substance Abuse Intelligence Desk in Alice Springs.

Senator CHRIS EVANS—They were the source of the document?

Mr Gibbons—It came into their possession, or the information came to their possession, and, in accordance with the protocol we have, we passed it on to that desk.

Senator CHRIS EVANS—Where did they get the document from? Whose document was it?

Mr Gibbons—I am not sure I can answer that. I believe it was a compilation of information from many sources.

Senator CHRIS EVANS—Are you telling me the Investigations Unit were conducting an investigation—

Mr Gibbons—No, I am not saying that.

Senator CHRIS EVANS—Or they came across a—

Mr Gibbons—We have a branch in the department that handles fraud and other investigation issues involving Indigenous programs. It is also the nominated point of contact with the SAID that was established jointly with the three jurisdictions—

Senator CHRIS EVANS—That desk was established subsequent to these events, wasn't it?

Mr Gibbons—No, that desk was established before we passed the information to it.

Senator CHRIS EVANS—I am sorry, I thought those were fairly recently changed arrangements.

Mr Gibbons—No. I cannot, of course, go into naming sources of information without compromising the whole system of intelligence gathering, but the information in the document was a compilation of information that came from a wide variety of people.

Senator CHRIS EVANS—I take it from that, then, that the document was compiled by the investigations unit. Otherwise you would not know where it came from.

Mr Gibbons—Sorry?

Senator CHRIS EVANS—You say it came from a wide set of sources.

Mr Gibbons—Yes.

Senator CHRIS EVANS—You do not want to tell us who pulled it together.

Mr Gibbons—I do not know the names of the sources—

Senator CHRIS EVANS—I did not ask you that. Who compiled the document?

Mr Gibbons—I do not think I should disclose that. That puts the whole thing at risk. It came from outside the department.

Senator CHRIS EVANS—At least we are making some progress. The investigations unit did not compile the document.

Mr Gibbons—No, the investigations unit did not compile the document.

Senator CHRIS EVANS—So it was not something that they had gathered in terms of sources and put together?

Mr Gibbons—No. They have done some of that work, and that has been passed on, but the particular document that you are referring to—

Senator CHRIS EVANS—Came into their possession completed.

Mr Gibbons—Yes, that is correct.

Senator CHRIS EVANS—They then, on 7 February, sent that to the Northern Territory police.

Mr Gibbons—Yes. I will check the authorship of the document—not the sources, the authorship—and confirm that on notice. But I cannot recall at the moment whether it was authored by somebody outside the department or pulled together by somebody in the department.

Senator CHRIS EVANS—I would appreciate it if you took that on notice because, obviously, for you to speak about the veracity and the sources that assumes some knowledge. You say you cannot tell me the sources. You either, therefore, know who the sources are, I took you to mean—

Mr Gibbons—I am sorry, I do not know—

Senator CHRIS EVANS—I do not think you could tell me—

Mr Gibbons—I do not know the names of individuals. I know that some sources were women in the community, men in the community, health workers, youth workers, NGOs—

Senator CHRIS EVANS—But you have no direct knowledge of that? Someone has told you that?

Mr Gibbons—That is right.

Senator CHRIS EVANS—Someone inside the department has told you that there were multiple sources, including those you named. What I would like to know is who communicated with those people and compiled the document. If you could take that on notice?

Mr Gibbons—I will take that on notice.

Senator CHRIS EVANS—I appreciate that. I really want to know, if you cannot tell me the sources, how there came to be a document inside the—

Mr Gibbons—I can say that it is an intelligence document and what it says is very consistent with public statements made by credible people over a significant period. It is also consistent—

Senator CHRIS EVANS—No-one suggested anything else.

Mr Gibbons—with what people tell us when we engage directly with the community or with workers in these communities. There is nothing unique about the information in the document.

Senator CHRIS EVANS—I make the comment on not having seen the document and I do not what else you are referring to. But what I am trying to do is track down who compiled this document. When it was forwarded to the Northern Territory police by the investigations unit of FaCSIA, did they make it clear that it came from there?

Mr Gibbons—Yes.

Senator CHRIS EVANS—I gather it is an unsigned document.

Mr Gibbons—It was transmitted by fax. Before the transmission occurred there was a communication with the SAID desk to explain that it was coming, what it was, and there was a confirmation afterwards with the SAID desk that it had been received.

Senator CHRIS EVANS—Was there a cover page on the fax?

Mr Gibbons—It was only a transmission document, to my knowledge.

Senator CHRIS EVANS—Was there a cover page, you know, which normally says ‘To’, ‘From’—

Mr Gibbons—Yes. I was not at the fax machine. I am assuming that is the case, but I will—

Senator CHRIS EVANS—Yes, perhaps you could take that on notice. It has been described in the press as a sort of unsigned, anonymous fax on a number of occasions. You tell me it is not anonymous, you know the sources, you are not sure who compiled it inside the department, but you take it on notice—

Mr Gibbons—Sorry, it was not an anonymous fax in the sense that the SAID Desk was alerted that it was coming and we confirmed that it had been received.

Senator HEFFERNAN—If Senator Evans knows this, does that mean that this document was leaked by the police, given the assumptions that are being made. I have had a bit to do with police intelligence. They are pretty careful, because they have to assess what it is. But am I to understand that somehow this has been leaked to the press?

Mr Gibbons—I do not know. Certainly, its existence is known—

Senator CHRIS EVANS—I certainly have never claimed to have a copy or not to have a copy.

Senator HEFFERNAN—No. But even the process of transmission—

Mr Gibbons—That has been in the media. I am aware of that. The minister mentioned its transmission in the House.

Senator HEFFERNAN—Usually your sources dry up.

Mr Gibbons—Yes. But he did not mention its contents or release it.

Senator CHRIS EVANS—You will get back to me on who compiled it and whether or not it was clear that it had come from OIPC?

Mr Gibbons—It certainly went from OIPC investigations branch to the SAID desk in Alice Springs and that was confirmed by communication with the SAID desk.

Senator CHRIS EVANS—Yes, that was not the question I asked, though. You said you would take that on notice.

Mr Gibbons—Yes.

Senator CHRIS EVANS—Thank you. Can I just go to Mr Andrews appearance on *Lateline* and ask what involvement the department had in briefing him or providing advice to him before his appearance or supporting him in his appearance?

Mr Gibbons—You are aware he put out a public statement?

Senator CHRIS EVANS—Yes. I was asking you as a departmental official about your role or the role of the department.

Mr Gibbons—Mr Andrews informed us that he had been approached by *Lateline*, who were aware of him because of his submission and evidence to the coronial inquest into deaths due to petrol sniffing that had been conducted in 2005. They informed him that they were doing a story about abuse, substance abuse, et cetera for a future program and wanted him to talk about the issues that he had discussed before the coronial inquiry and in his submission. He asked whether it would be appropriate for him to do that.

Senator CHRIS EVANS—Who did he ask?

Mr Gibbons—It came to me. I am not sure if I was the first person it came to.

Senator HEFFERNAN—Did the ‘et cetera’ that you talk about include child abuse?

Mr Gibbons—I do not recall. I should say that he was keen to do so. He had some concerns that he expressed at the time that related to his safety, but he felt that this was an important issue. He felt very strongly about the—

Senator HEFFERNAN—You have got to get used to death threats in that business.

Mr Gibbons—He felt very strongly about the issue and he wanted to do it, as I recall. My concern was to establish whether it would be consistent with the APS Code of Conduct. As I recall, I asked him to outline broadly what it was he would be saying, if he were to appear, to give me his speaking points and I would have that examined and advise him of our position. He provided me with a document that covered the area he would canvass if he appeared. I examined it. Others examined it. I concluded that it did not contain reference to any material he had obtained since joining the department. It related exclusively to the period he worked in the Northern Territory in his role in Mutitjulu, and that the comments in it would not put him at odds with government policy. I was concerned that the document would be checked by our legal team to ensure that any comments that he might make would not involve him in any litigation for defamation, et cetera, so I had it examined from that angle.

Senator CHRIS EVANS—Not a defamation action against the department but against him personally?

Mr Gibbons—Against him personally. I consulted with a number of my colleagues, including the secretary, and informed him that, if he wished to proceed, he could do so and he subsequently appeared. On the afternoon that he recorded the interview, I recall informing the minister.

Senator CHRIS EVANS—You informed the minister on the afternoon he appeared. Did he appear live or was it prerecorded?

Mr Gibbons—No, it was prerecorded.

Senator CHRIS EVANS—So you had informed the minister before that?

Mr Gibbons—I had not spoken to the minister before it, but I had informed someone in the minister’s office of his request of me.

Senator CHRIS EVANS—And did you seek the advice of the minister’s office?

Mr Gibbons—I discussed it with the minister's office.

Senator CHRIS EVANS—Someone senior in his office, I presume? It is a serious matter, obviously.

Mr Gibbons—Yes, it is a serious matter.

Senator CHRIS EVANS—You discussed it with them. Did they provide any advice to you about whether they were comfortable with it going ahead?

Mr Gibbons—We do not normally disclose advice. That is between officers and the minister's office.

Senator CHRIS EVANS—Was there any stage in this process when Mr Andrews was advised that it was best he not do this?

Mr Gibbons—Mr Andrews was counselled that this was something that he was doing as an individual and not as an officer of the department.

Senator CHRIS EVANS—There was no particular view put to him other than the protection of the department's interests; is that a good way of putting it?

Mr Gibbons—I will take that on notice. There were a number of views around at the time and I had better check my facts before I respond to that.

Senator CHRIS EVANS—What I am interested to know is whether any advice was provided and whether in fact at any stage he was advised not to do it. What was the result of your inquiries in terms of compliance with the APS Code of Conduct?

Mr Gibbons—There was no breach of the APS Code of Conduct.

Senator CHRIS EVANS—Was this advice to him based on an understanding that his identity would remain secret?

Mr Gibbons—No, it was not an issue if he wanted to speak openly as Mr Andrews. Our interest was whether what he would say would bring him into conflict with the APS Code of Conduct.

Senator CHRIS EVANS—Did you know he was going to appear anonymously or not?

Mr Gibbons—Yes, at the end I did.

Senator CHRIS EVANS—At the end?

Mr Gibbons—I think that issue arose towards the end because he was concerned about the repercussions for his own safety if he were to appear other than anonymously, as I recall.

Senator CHRIS EVANS—But from your point of view, it did not matter to you and you did not provide advice either way.

Mr Gibbons—I cannot recall, actually, at the time. My main interest was to ensure that he was not representing the department. He understood that he was speaking as a private individual and that his comments related to his experience before he joined the department.

Senator CHRIS EVANS—Just to be clear: you did not advise him that it was okay from the department's point of view on the basis of anonymity?

Mr Gibbons—I recall making it clear to him that if he wanted to appear anonymously we did not raise an objection to that. The issue for us was whether he was in breach of the APS Code of Conduct.

Senator CHRIS EVANS—I am looking at it the other way. Was your decision based on the fact that you had been assured he would be anonymous or not? Was that a consideration in your decision making?

Mr Gibbons—No; only in respect of my interest for his general wellbeing.

Senator CHRIS EVANS—I am just trying to understand the departmental attitude. The advice you provided to him was not that he could only appear if his identity was kept anonymous.

Mr Gibbons—In reading the material that he provided to us, it was clear that he had already made the information available in a public forum—namely, the coronial inquiry—and so long as he confined his remarks to that period of time, we could not see any problems in terms of the APS Code of Conduct.

Senator CHRIS EVANS—Can you just confirm for me when Mr Andrews became employed by OIPC?

Mr Gibbons—I think in early February 2006; I have not got the exact date, but it was around then.

Senator CHRIS EVANS—Would you mind taking the date on notice?

Mr Gibbons—Certainly.

Senator CHRIS EVANS—Following the *Lateline* interview, I gather Mr Andrews then went on an official visit to Mutitjulu; is that correct?

Mr Gibbons—He went to a number of communities and Mutitjulu was one of them.

Senator CHRIS EVANS—I think I recall the *Lateline* show was on 2 June. Is it true to say that on 5 June Mr Andrews went on a work visit that included visiting Mutitjulu?

Mr Gibbons—I think so. I think he was already in the field at the time of the *Lateline* interview. I think he had been to South Australia—

Senator CHRIS EVANS—He was in Canberra at the time of the interview though, I gather?

Mr Gibbons—Yes, but the interview was recorded several weeks or a week before it was broadcast.

Senator CHRIS EVANS—Perhaps you could give me the date that these discussions with you occurred and the *Lateline*—

Mr Gibbons—I will take that on notice to get the accurate dates.

CHAIR—We did agree that we would hear from the Tiwi Land Council at this time. If you do not mind returning to this issue, perhaps we can interpose—

Senator CHRIS EVANS—Yes, I have finished.

CHAIR—Thank you. I think we have a chance to come back to this issue after lunch.

Mr Gibbons—I have a quick answer to that last question.

CHAIR—Certainly, if you want to give that.

Mr Gibbons—I am advised that the interview was recorded on 2 June. Mr Andrews was in Mutitjulu on 5 June and the program aired on 21 June.

Senator CHRIS EVANS—He did the interview, then went on official business and it did not appear until after that?

Mr Gibbons—That is right.

Senator CHRIS EVANS—I will come back to that, thank you.

CHAIR—I thank the officers for giving us that evidence. I would now like to invite representatives of the Tiwi Land Council to the witness table, please.

[12.32 pm]

Tiwi Land Council

CHAIR—Welcome. We thank you for your presence. I now invite senators to ask you questions.

Senator CROSSIN—Mr Hicks, looking back through the records, I was wondering if the Tiwi Land Council had ever appeared before an estimates committee before.

Mr Hicks—No, we have not, and thank you for the privilege of observing the processes of government. It is a long way to come but I think it is a privilege to be able to participate in how the nation works.

Senator CROSSIN—Given the activities on the island over the last 12 months I thought there might be some questions we could ask you about what is happening up there. Perhaps I should start while Senator Kemp is here and ask you about—this is totally unrelated to your annual report—how the football team is going. How are the new Tiwi Bombers are going?

Mr Kalippa—We are doing pretty well. We only have seven games this year and we have won three so far by a comfortable margin.

Senator CROSSIN—The arrangements are that you are playing seven of the 21 games this year, but hopefully you are getting into the competition full-time next year.

Mr Kalippa—We hope that that will happen.

Senator CROSSIN—I am assuming funding might be a restriction there.

Mr Kalippa—That is a problem we will have, because it is going to cost twice as much next year if we are going to go into the full session with the NTFL.

Senator CROSSIN—I am sure he has got his message. He was a bit upset, perhaps, that you were training footballers to go into the Essendon Football Club and not Carlton, but I did tell him that Tiwi Islanders had good taste.

Senator Kemp—I think I asked you why you were called the Tiwi Bombers rather than the Tiwi Blues.

Senator CROSSIN—I am sure they would be open to negotiations if you started to talk funding dollars.

Senator Kemp—I appreciate your raising the issue of funding because I have been pressured on a number of occasions to do more for the AFL in the Northern Territory. I wondered whether I could generate any interest from you on that issue. We are in discussions, as you know, with the AFL in the Northern Territory and, like all these things, we have to wait for the outcome of those discussions and see what happens. But we are very much aware down south of the enormous quality of the Tiwi Island footballers, I have to say, and very much admire the skills displayed by many people from the Tiwi Islands. It is something I will take a particular interest in.

Senator CROSSIN—Mr Hicks, thank you for making the flight down. I know it is a long way and I appreciate it. For my purposes, I thought it would be good to get some facts and figures on the record in *Hansard* about a range of issues. We have your annual report from last year, and there is another one due to be tabled fairly soon, I take it?

Mr Hicks—Yes, there is. It is ready, I think, whenever the House is ready to receive it, but it is all boxed up here.

Senator CROSSIN—It includes what has been happening on the islands with respect to Great Southern Plantations, the aquaculture business and Matilda Minerals. Do we know how many Tiwi people are now employed full time in jobs in all of those businesses?

Mr Hicks—Yes, we do. Sadly, there will be an announcement made tomorrow that Marine Harvest, the largest aquaculture producers in the world, are leaving the Northern Territory entirely. They have had some dilemmas and delays in accessing sea-cage farming sites. They advise us they require 6,000 tonnes of product per annum to be viable. They can achieve that partly but not entirely on the Tiwi Islands. They are not prepared to wait any longer. They are announcing in the media tomorrow, I think, that they will be withdrawing their activity from the Northern Territory and relocating in Singapore, or one of those countries in the Malay Peninsula. The mining company got approval to proceed with mining in September and they have advertised for six Tiwi positions, which are all fully paid. I think production starts next week.

Mr Hicks—Great Southern Plantations purchased the business from Silvertech—the forestry activity. They employ three full-time Tiwis, who are based in the camp. Sadly, one of them was killed at sea last week. They have two there who are working 12-hour shifts, seven days on, four days off. They are taking home \$1,783 every 12 days. We are hoping more will be attracted to that work. We have another 14 apprentices who complete their apprenticeship in forestry stage II or III in November, I think, this month. In addition to that we have another 10, so that is 27. Great Southern Plantation has advised us that, in coordination with Tiwi College, it is funding the forestry school within the college. We are hoping that through the access and the linkages between the industry and education there will be a lot more jobs, right through the management of the company.

Senator CROSSIN—Who negotiates the employment and training on the Tiwi Islands? Is it the local government association, yourselves, or the training board?

Mr Hicks—It is largely through the training board. Mr Tipungwuti is the chairman of the Tiwi Islands training board, which was facilitated by the land council. He may be better able to answer that.

Mr Tipungwuti—I think that it is hard to get a lot of workers out there, particularly in Indigenous communities, but we try our best to encourage them to get out and do real jobs instead of hanging around on government handouts and the community development employment programs. But we are doing well. There are a lot of workers out there currently taking part in that. As Mr Hicks said earlier, there are 14 apprentices finishing at the end of this year who will be going on to a full-time wage. It is pretty good.

Senator CROSSIN—How many employees does the Land Council have?

Mr Hicks—We employ seven: three are based in Darwin—me, the environment land manager and our finance secretary—the three managers on the island and our chairman, which makes seven. Great Southern funds land management offices are accredited as staff to the land council, although we do not in fact pay them. Great Southern commit—and I think you will see it in the report currently embargoed—around \$400,000 a year for those workers.

Senator CROSSIN—Do you have any representation on company boards?

Mr Hicks—Yes. Our own companies include Tiwi Barge Pty Ltd, Port Melville and Pirntubula Pty Ltd, which is the holding trustee company of the Tiwi Islands Community Trust. Those directors include four Tiwis, an accountant, a lawyer and a forestry expert.

Senator CROSSIN—I do not see any reference to Pirntubula in your last couple of annual reports. What is the relationship between the TLC and that company?

Mr Hicks—It is not a related entity, and our advice from the Australian National Audit Office is consistent with that. The Tiwi Islands Community Trust was established in 1986 on advice from the Northern Territory government, which gifted the remains of the Caribbean and cypress plantations, which were developed both by the Commonwealth and the Territory after the Second World War through until 1986. The land council has no ability to engage in liabilities or undertake risky functions. They are appropriately part of the commercial world. However, we used to report these activities, and the trust itself has developed assets—part ownership of the barge company, ownership of the Barra Base facility and its ownership of pine trees. It would have an asset base of about \$4 million, but it is not a function of the land council, and it is effectively owned on trust for the Tiwi people through a commercial structure.

Senator CROSSIN—Has it been renamed from the Tiwi Islands Community Trust to Pirntubula?

Mr Hicks—There is the Tiwi Islands Community Trust. The trustee company of that trust is Pirntubula Pty Ltd.

Senator CROSSIN—Under what legislation is it registered?

Mr Hicks—Under ASIC, under the Corporations Law.

Senator CROSSIN—Where does it mainly get its revenue source from?

Mr Hicks—It does not really get much revenue anymore—or ever really. It was used by the Tiwi to engage in relationships. The first was a coastal barge company. The services to the Tiwi Islands were from Darwin through a company called Barge Express, which in 1987, I think, determined that the Snake Bay area was not a viable operation and they stopped going

there. The Tiwi leaders sought an alternative so that Snake Bay could remain in service. That led the company into a joint venture with the Sanfords, who operate Tiwi Barge. It runs at a profit, but the profits have been ploughed back into buying another barge and, currently, we are discussing the succession of the Sanfords in that particular business.

Senator CROSSIN—You do not report any annual report to this federal parliament because Pirntubula reports to ASIC; is that correct?

Mr Hicks—It is a commercial company. The trees that were gifted to the Tiwi people are not assets of the land council. They are assets of the people. You will note in the annual report we advise that \$428,000 is received by the landowners each year from various entitlements in terms of their use of land. That effectively is their money. It is not statutory money. It is not money from mining. It is not caught under the Land Rights Act or any legislation. It is their money from the benefit and the use of their land.

I think it may be helpful for you to know that Mr Kalippa—Cyril Rioli, as he then was—was the founding chairman of the land council in 1978. There was a very clear determination of the Tiwi leadership to overcome and divorce itself from welfare. Cyril and subsequent leaders, particularly Jimmy Tipungwuti, were absolutely determined that welfare was the single greatest harm that was occurring to Tiwi people and that they must overcome it. Their reasoning was that the strength of traditional society was, in fact, their reliance and their use of land, and that the tool to manage the land traditionally was the culture itself. As the reliance upon the use of land stopped, the tools to manage it started to decay, and we have had a hundred years of custody of land. Now there are very clear signs that, as Tiwi people rely again upon the use of land and can see the benefits accruing from that use, there is a rejuvenation of the integrity of the society. I believe the goals, ambitions and the vision of the leaders has been very clear, and that is the purpose of securing this income in the hands of the people who own it. They must be rewarded. These are not moneys that flow under any statutory obligation as we understand it.

Senator CROSSIN—On the ASIC website an annual return is listed. The last one I can find there is March 2003. Do you have to provide a return yearly, and have you lodged one since 2003?

Mr Hicks—Are you talking about Pirntubula?

Senator CROSSIN—Yes, Pirntubula.

Mr Hicks—Yes, I lodged one in May because the directors were changed.

Senator CROSSIN—So the ASIC website is out of date?

Mr Hicks—I would be confident that they are up to date, but I will check that.

Senator CROSSIN—I am not suggesting it is your records. If you are saying you lodged one in May, then the ASIC website must be out of date.

Mr Hicks—The last contact we had was in May 2006, yes.

Senator CROSSIN—You are the company secretary, are you not, at Pirntubula?

Mr Hicks—Yes, I am.

Senator CROSSIN—Is that an appointed or elected position?

Mr Hicks—An appointed position.

Senator CROSSIN—Is it a paid position as well?

Mr Hicks—No, I do not get paid for being secretary. I do get paid for doing some legal work for the company and I have been paid through the years when perhaps money has been available.

Senator CROSSIN—So how many board members are there?

Mr Hicks—I think there are now eight directors.

Senator CROSSIN—How many of those are from the Tiwi Islands and how many are Indigenous?

Mr Hicks—Those from the Tiwi Islands are Indigenous. They include Andrew, Cyril, Matthew Wonaeamirri, and Walter Kerinaia. That is four. They include a representative from Matilda Minerals, a representative from Great Southern, and a private chartered accountant. How many is that, seven?

Senator CROSSIN—Yes, and yourself.

Mr Hicks—No, I am not a director. I am a secretary.

Senator CROSSIN—Is there any mechanism to inform people on the Tiwi Islands about minutes of the meetings or the activities of Pirntubula?

Mr Hicks—Yes, there is. Years ago we published a booklet on the company. We have not done much since because nothing much has happened to the company. It has not received any income. It has accumulated assets. It has a bit of money that comes in from Tiwi Tours, which is about \$18,000 a year. It has no debts. It has had money through the years that have paid off debts, and accumulated assets, particularly the construction of the Barra Base, which is worth about \$1 million. It has entered into agreements for the harvest and sale of timber. It had an agreement with a company producing cypress oil and received about \$100,000 for that.

Senator HEFFERNAN—What is the arrangement with Southern Plantations for the land use?

Mr Hicks—The land use money?

Senator HEFFERNAN—Is it an annual lease, a 50-year lease or a 100-year lease?

Mr Hicks—There are 30 by 30-year leases.

Senator HEFFERNAN—Does it have an escalation clause?

Mr Hicks—Yes, it does. It is pegged to a review to market in 2008.

Senator HEFFERNAN—Would you be able to provide a copy of the lease to this committee?

Mr Hicks—I am sure I could. The minister's office would have copies.

Senator HEFFERNAN—How much a year do you get out of that?

Mr Hicks—In the last year, \$428,000.

Senator HEFFERNAN—That is just for the lease of the land?

Mr Hicks—That is the lease money.

Senator HEFFERNAN—How much land is there?

Mr Hicks—It must have been nearly 20,000 hectares. The current rate is \$17 a hectare.

Senator SIEWERT—Could you just clarify that. That is with GSP?

Mr Hicks—Yes.

Senator SIEWERT—The \$482,000 goes to the company rather than TLC?

Mr Hicks—No, it does not go to the company at all.

Senator SIEWERT—It goes to TLC?

Mr Hicks—No.

Senator SIEWERT—It goes to the owners?

Mr Hicks—The land council is obliged to receive and receipt the money. It does that and places the funds in what is called a land use account. There are 15 of those. There are five fund managers for each group who are able to certify expenditure on those funds.

Senator HEFFERNAN—Is this a growing business; for example, will they lease a bit more next year and the year after?

Mr Hicks—Absolutely. I believe the \$400,000 last year will probably be \$1.6 million in the next 12 months.

Senator SIEWERT—What size do you reckon?

Mr Hicks—I cannot do it in my head, but about 35,000 hectares.

Senator SIEWERT—At the moment there is a lease for 20,000 hectares?

Mr Hicks—Yes.

Senator SIEWERT—And next year you are expecting that to go up to 35,000 hectares?

Mr Hicks—It includes the pine leases, which are already plantation. As we harvest the pine for sale and hopefully make some money, that land is then available for the forestry lease.

Senator HEFFERNAN—What will they put back on that—softwood?

Mr Hicks—Acacia, I would imagine.

Senator SIEWERT—Mr Hicks, where in your last annual report would I find the amount for the land use account? I do not know whether you have a copy of it with you.

Mr Hicks—This is not taxpayers' money. I think these are moneys that belong to the Tiwi, however, we do note them here.

Senator SIEWERT—You do. On page 72 there is a footnote. What is the accountability mechanism for the receipt of the \$428,000 and the payout of that money?

Mr Hicks—The Australian National Audit Office does audit the income into the account. The expenditure of it is not something that is a Commonwealth responsibility because it is not the Commonwealth's money. I thought I might have brought some accounts here. They are

tabled at ongoing meetings of the groups. We now have a mechanism, as you will read in the new annual report, of posting that information to computers on a page that the owners can access in each of their communities in terms of the transparency of that money.

Senator HEFFERNAN—If the price is going to go that way instead of this way, is there a part of the mob that has traditional ownership that you call—

Mr Hicks—Yes, I am sorry. There are eight land-owning groups on the Tiwi Islands. I brought our natural resource management strategy here, if you wanted to see it. Basically, there are eight land-owning groups. As rewards come in from the use of that land, the groups are seeking their best resource advantage and instead of eight there are now 15. Historically, as our managers have observed, it may not be a new interest in a market economy in trying to find your best advantage. It may in fact be a traditional characteristic that existed a hundred years ago.

Senator HEFFERNAN—So are there some groups and part of the mob that miss out altogether because it is not suited for—

Mr Hicks—There are, although the forestry company has determined to invite owners of all groups to determine what area of land, if any, they would like to plant. The first few years of the project it was, as Senator Crossin would know, just one group. It is now four and it will be extending to the entire eight groups, we understand, once various applications are made and approvals are given.

Senator HEFFERNAN—In terms of the land that the old pine is on, when you say you hope to get a quid out of it, how do you sell that—as logs?

Mr Hicks—Yes. It has not been easy, and we have sent shipments of logs to southern China. Those logs have not made any money. In fact, we have lost money.

Senator HEFFERNAN—Why is that?

Mr Hicks—The initial shipment went out, I think, in 2003 and that was about the time that the shipping boom in China exploded. The contracts for barges were based on \$20,000. These are not the exact figures.

Senator HEFFERNAN—Yes, but the principle of it—

Mr Hicks—They ended up getting screwed and they had to pay \$80,000 or \$90,000.

Senator HEFFERNAN—Who are ‘they’?

Mr Hicks—We had employed Silvertch, the operators of the project. We had an agreement with them to harvest the timber and share the revenue from it.

Senator HEFFERNAN—Did they share the pain as well as you, or did they get their fees and then you took the pain?

Mr Hicks—No, we did not take the pain; they took the pain.

Senator HEFFERNAN—What went wrong? You put them on a ship—

Mr Hicks—It was the wrong ship. In fact, in the annual report, which is tabled, it says it was a barge. It was that barge that was—I do not know about ‘appropriate’—not a very economic way to ship timber to southern China.

Senator HEFFERNAN—Were they sold alongside or delivered up there?

Mr Hicks—No. They were sold up there, and I think part of the problem was that—

Senator HEFFERNAN—They had you.

Senator CROSSIN—I am conscious of the fact that you have come all this way, and I did want to get some evidence that could be used. Mr Hicks, you were interviewed for the ABC on 29 September. Can I just go back to earlier this year, when 15,000 tonnes of logs were exported with a reported value of \$1.5 million. Would that have been under Silvertech? Is that 15,000 tonnes of logs the first shipment we are still talking about in 2003?

Mr Hicks—Yes. These shipments were 7,000 tonnes. There certainly was a hope that it was going to make money; however, it did not.

Senator CROSSIN—On 29 September you did an interview on the Northern Territory *Stateline* show where you said six shipments of logs had gone from Tiwi to Asia. Is that the number now?

Mr Hicks—It is seven, as of this week.

Senator CROSSIN—Therefore, is it red tiwi? Is that the kind of wood it is?

Mr Hicks—That was part of the problem—the marketing of this product. It was not known in China when they developed this red Tiwi label. However, the logs that have gone out now are pine logs and not eucalypt.

Senator HEFFERNAN—The early ones were eucalypt?

Mr Hicks—Yes.

Senator CROSSIN—To date, what is the total income or revenue that has been derived from the logs?

Mr Hicks—If you had asked me the question on Monday, the answer would have been nil. We had a loss of \$600,000. If you ask me today, before we left Darwin we ascertained that \$75,000 would be received for this shipment and that is the first money that has been made by the Tiwi for sale of timber.

Senator HEFFERNAN—Up there or down here?

Mr Hicks—In Darwin. You mean in Tiwi Islands?

Senator HEFFERNAN—Alongside or—

Mr Hicks—No, \$75,000 in Darwin, of which \$40,000 is going to the football team.

Senator CROSSIN—Thank you for getting that on the record with the minister still here. You have to sell trees in order to get into the football team. Is there a problem in actually selling logs overseas rather than having a processing plant on the island and sending it off in planks, or is the market demanding logs for chipping?

Mr Hicks—You are challenging my professional skill. I know that it costs \$55 a tonne to ship from Melville Island to Hainan Island in southern China. It costs \$110 a tonne to ship from Melville Island to Mount Isa. I think the sorts of dynamics that make trade with mainland Australia less attractive than trade into Asia include the transport costs. However, I

think milling on the Tiwi Islands is something that the company is currently investigating. There are apparently advantages in having square logs rather than round ones in terms of the packaging of it, and there are ongoing opportunities for labour and sawmilling.

Senator HEFFERNAN—Which company is doing this?

Mr Hicks—This is Great Southern Plantations.

Senator HEFFERNAN—You have had seven shipments and one has made a profit?

Mr Hicks—Yes, one has made a profit.

Senator HEFFERNAN—How many hectares are involved, and how much landscape have you cleared?

Mr Hicks—Some of it was waste product from two particular cyclones. They tried to harvest that; they lost money.

Senator HEFFERNAN—With respect to your Southern Plantations contract, which you are going to help us with, why are you buying into the loss end of the deal? Why do you not get Southern Plantations to get someone else to market you, pick up the rent, and the work? How many jobs are there in all of this?

Mr Hicks—That is exactly what we do. They are taking the entire risk.

Senator HEFFERNAN—When you say, ‘We hope to make a profit on the export of these logs’, do you mean Southern Plantations?

Mr Hicks—If we make a profit, I guess they do. They sat with the managers and the Pirntubula—

Senator HEFFERNAN—Is this an MIS arrangement—a managed investment scheme?

Mr Hicks—That is how Great Southern manage their—

Senator HEFFERNAN—Market the tax rort?

Mr Hicks—There are apparently 2,100 Australians who own a plot of trees on the Tiwi Islands.

Senator HEFFERNAN—What does it have to do with you as to whether they make a loss or a profit out of the product? Do you lease them the land?

Mr Hicks—No. As part of our legal agreements, timber harvested—this is not their acacia timber; that is the managed investment—from the clearing or from the plantations is shared on a fifty-fifty basis—the same as carbon credits, should we be able to secure those as well.

Senator HEFFERNAN—Once you finish the first rotation, then it is over to the MIS?

Mr Hicks—Once the acacia trees, which are the subject of the MIS, have grown to a point to be harvested, which is between eight and 10 years, that is the ownership. However, the Tiwis are entitled to a—

Senator HEFFERNAN—I would be interested to have a little chat to you afterwards about all of this.

Senator CROSSIN—I am sorry, I did not bring you down to have little chats with Senator Heffernan. I know people want to go to lunch. I think there has been some important

information today that you have put on the transcript. I think that will be useful and might clarify some issues for people.

Senator SIEWERT—Earlier you touched on the proposed expansion of the amount that is going to be involved in plantations. I understand there have been some public statements by the company that there could be an expansion of up to 100,000 hectares. Is that true and, if so, where will the proposed expansions be?

Mr Tipungwuti—There are proposals that may be going through in the near future, but the expansion will not be on Melville Island. It is just about at its core peak now, and the traditional owners of Bathurst Island are requesting that GSP take their activities over to Bathurst and do the rest of the expansion over there.

Senator SIEWERT—How much will that be on Bathurst? Do you know yet?

Mr Tipungwuti—Probably another 30 per cent.

Mr Hicks—Maybe 20,000 hectares. Are we legally obliged to be absolutely correct? We are giving you an average here.

Senator SIEWERT—If you are telling me as much as you know, that is fine.

Mr Hicks—That is really what we know—that the plantation may use finally 10 per cent of the land and that the Tiwis are saying that they are going to need to use about that to secure sustainable work and life on the Tiwi Islands.

Mr Tipungwuti—May I add that that no clearing takes place on the Tiwi Islands without full consultation with the traditional owners. Those meetings go on for weeks and weeks. We have had hundreds of meetings in the last year on its own, and it cost the land council money. But the community out there and the traditional owners need to understand what they are getting into. They come back and they approach the investors through the management committee of the land council and say they want this investment to go forward, and then we will just facilitate that to their needs.

Senator HEFFERNAN—These blokes can make a quid without production.

CHAIR—Thank you very much for your appearance here today and for the time you have taken to answer our questions. We are very grateful for that contribution to the work of the committee.

Proceedings suspended from 1.15 pm to 2.16 pm

CHAIR—We are still in output 1.1.

Senator CHRIS EVANS—Mr Gibbons, you were telling me that Mr Andrews recorded the *Lateline* interview on 2 June but that was not aired until about 21 June. Then he was sent on departmental business on 5 June, which involved also going to Mutijulu. For how long was he there?

Mr Gibbons—Over lunch I obtained a few more dates, which I will provide. You asked me when he commenced with the department. I am informed that it was 27 February 2006. He was in Mutijulu between 6 and 7 June, not 5 June as I previously advised. I think he made two visits to the community over two days. Prior to that I think he was in South Australia, as I said.

Senator CHRIS EVANS—What was the purpose of his visit to Mutijulu?

Mr Gibbons—I wanted a report on how the community was travelling and in particular the reforms to governance to which the organisation had committed. I sent him out to investigate and report, along with some other tasks in another location.

Senator CHRIS EVANS—So he went out on your instructions? Was this part of his normal job or did you send him because of his experience in Mutijulu?

Mr Gibbons—At that time he was in the branch responsible for engagement with Indigenous communities. I sent him in accordance with his normal responsibilities to look at a number of communities, Mutijulu being one of them.

Senator CHRIS EVANS—I have read reports and seen statements that Mr Andrews was a bit concerned about his safety—he had received a threat against him et cetera and was concerned about that. If he did, that obviously would be unsettling and worrying. I am a bit surprised that he was sent back into the community by the department.

Mr Gibbons—I do not believe that he was concerned that in the course of a visit to a community in the company of a number of people he was at risk. He was concerned, as I understand it, based on his earlier experience when he and his wife received threatening and harassing calls et cetera, that that would resume. I am not in a position to comment too much about that. It is something that we have only discussed in a general way.

Senator CHRIS EVANS—I appreciate that. I am not seeking to cover that ground. You were aware of the concerns that he had about his safety?

Mr Gibbons—Yes.

Senator CHRIS EVANS—And you took the decision to send him back in there?

Mr Gibbons—Yes.

Senator CHRIS EVANS—With whom did you send him back in?

Mr Gibbons—He went with another officer.

Senator CHRIS EVANS—Is this the same officer who has since had their home raided?

Mr Gibbons—It is the same officer who is currently the subject of an investigation by the police and an internal disciplinary matter.

Senator CHRIS EVANS—Is that officer on suspension?

Mr Gibbons—I am not dealing with it. I am not sure of the status of the officer, but it is not something that we would at this stage want to discuss any further until the outcome of the inquiry.

Senator CHRIS EVANS—I will not take you to the content or who said what to whom. Is this officer currently under suspension?

Mr Wood—Yes, he is currently suspended.

Senator CHRIS EVANS—On full pay?

Mr Wood—That is correct.

Senator CHRIS EVANS—Is the investigation being carried out by the department or the police?

Mr Gibbons—The investigation is in the hands of the police.

Senator CHRIS EVANS—So you referred a matter to the AFP?

Mr Gibbons—That is correct.

Senator CHRIS EVANS—When did you refer that matter to the AFP?

Mr Gibbons—I do not have that information. We can obtain it for you.

Senator CHRIS EVANS—All right. Perhaps someone can have a look and see if they can find the date for me. Had there been an internal investigation that preceded your referring the matter to the AFP?

Mr Gibbons—As I understand it, there was a short examination to establish whether there were grounds to believe that confidential material had been released without authorisation. On the discovery that there was information to support that, the matter was handed to the police. That is standard procedure.

Senator CHRIS EVANS—Was that as a result of a complaint by Mr Andrews?

Mr Gibbons—I cannot recall how it arose. Several documents were involved.

Senator CHRIS EVANS—Did it arise out of the visit to Mutijulu?

Mr Gibbons—I think the information that was released was broader than that.

Senator CHRIS EVANS—Was the inquiry related to the outcome of the visit to Mutijulu?

Mr Gibbons—The inquiry was related to the unauthorised release of information.

Senator CHRIS EVANS—I do not want to press you much further. Is there a connection between these matters and the visit to Mutijulu?

Mr Gibbons—There is to the degree that some of the information that was released without authority was related to reports from that visit.

Senator CHRIS EVANS—So there was a connection. Did the AFP investigation, to your knowledge, involve a raid on this officer's house looking for material?

Mr Gibbons—I am not the best officer to ask that. Mr McMillan is probably the person best placed to talk about that.

Mr McMillan—The matter was referred to the Australian Federal Police on 10 July, and I understand that a search warrant was executed at the home of the person of interest.

Senator CHRIS EVANS—Thank you for that. Has the department received any feedback or report back from the AFP, or is the investigation ongoing?

Mr McMillan—The investigation is continuing.

Senator CHRIS EVANS—Is there any ongoing action or activity by the department, or is it just awaiting the report of the AFP?

Mr McMillan—The investigation is ongoing. When the police require anything from the department, we will provide it.

Senator CHRIS EVANS—But you are not initiating anything or you do not have an investigation of your own in parallel?

Mr McMillan—No, the investigation is in the hands of the Australian Federal Police.

Senator CHRIS EVANS—You will not be taking action, I presume, until you have heard back from the AFP in terms of the officer's status?

Mr Wood—The Public Service Act and other guidelines do require the suspension to be kept under review. So those normal processes do continue.

Senator CHRIS EVANS—But at the moment the only activity is essentially with the AFP; is that fair?

Mr Wood—Yes.

Senator CHRIS EVANS—Mr Gibbons, was part of Mr Andrews's charter in attending Mutijulu to obtain records on any of the individuals that were alleged to have been involved in any criminal behaviour?

Mr Gibbons—No.

Senator CHRIS EVANS—So he was not sent to seek information?

Mr Gibbons—Correct, he was not.

Senator CHRIS EVANS—Did you receive an email from Mr Andrews in which he referred to the fact that he was seeking to gain police records of people about whom he had concerns?

Mr Gibbons—I received an email that said that, as I recall, someone unknown to me had suggested that, if we were interested, a particular document might be available to us. I believe it is the document that was circulating generally within the community among a number of people. It is a document that turned up on the ABC *Lateline* program. It is a document that subsequently arrived in our hands anonymously. It is a document that I had an interest in receiving as a public official responsible for spending public moneys, given that the person involved was an employee of an organisation delivering services funded by the Commonwealth and had been an office holder of that organisation. I passed the document, when it arrived, having already reviewed the contents on a television program, to the investigations area. I cannot remember whether I asked or whether they as a matter of course informed the Northern Territory Police that we had the document. To my knowledge, that is where it has ended.

Senator CHRIS EVANS—Was this document a criminal record?

Mr Gibbons—It was.

Senator CHRIS EVANS—So one would assume that the Northern Territory Police already had it?

Mr Gibbons—I do not know the answer to that.

Senator CHRIS EVANS—Who holds criminal records?

Mr Gibbons—I am not quite certain.

Senator CHRIS EVANS—I would have thought the police.

Mr Gibbons—I am not quite certain. I assume that in the Northern Territory it is the Northern Territory Police, but I wanted them to know, because we do exchange information, that the document had arrived. I think I asked that it—

Senator CHRIS EVANS—At first blush it seemed to me it was a document they would already be in possession of—criminal records of people in the Northern Territory?

Mr Gibbons—I was not transmitting the document to them; I was informing them that it had come into our possession.

Senator CHRIS EVANS—I see. But you were actively seeking it?

Mr Gibbons—No, we were not actively seeking it. I said I had an interest in that interview.

Senator CHRIS EVANS—I will quote you. You said you had ‘an interest in receiving’ it.

Mr Gibbons—Yes.

Senator CHRIS EVANS—But not an active interest in receiving it.

Mr Gibbons—I was not soliciting it but, having arrived, it was of interest to me.

Senator CHRIS EVANS—So when Mr Andrews told you he was out there looking for it while working on departmental time and departmental instruction, did you respond to him in any way?

Mr Gibbons—No, I did not.

Senator CHRIS EVANS—Did you think it appropriate that a departmental officer was actually out there touting for someone’s criminal record?

Mr Gibbons—The email, as I recall it, did not give me the impression that he was touting. It suggested to me that it had been offered.

Senator CHRIS EVANS—I will quote the email:

A source in Central Australia has agreed to provide me with a physical copy of Mr X’s official criminal record. If I am able to obtain this document, I will provide it to you immediately on my return.

As to how active you describe Mr Andrews in that, clearly he was in the Northern Territory with an interest in obtaining that document and providing it to you, according to his email. Had you discussed the question of this criminal record with him before he went to Mutijulu?

Mr Gibbons—I do not believe so.

Senator CHRIS EVANS—But you knew it existed prior?

Mr Gibbons—No, not at that time.

Senator CHRIS EVANS—So the first knowledge you had of the criminal record was when the *Lateline* program aired it?

Mr Gibbons—The content of the criminal record, yes.

Senator CHRIS EVANS—Did Mr Andrews provide you with the document eventually?

Mr Gibbons—I believe I just said that it came into the department anonymously and it was drawn to my attention immediately. I passed it to the investigations unit.

Senator CHRIS EVANS—That means you do not know whether Mr Andrews was the source of it. Do you know the source of it?

Mr Gibbons—I do not know the source of it and neither does Mr Andrews.

Senator CHRIS EVANS—I take it, therefore, that he was unsuccessful in getting a copy of that document when he visited the Northern Territory on that occasion?

Mr Gibbons—I will correct this if I am wrong, but I do not believe that he pursued the matter. I think the matter came to my notice later when the document arrived. It arrived anonymously. I do not know from whom. My understanding from a brief conversation with Mr Andrews about it was that he does not know the answer either, and the person who mentioned that it might become available did not know from whom it would become available. But given that I am told it was in circulation in a number of locations in the region, it could be anyone.

Senator CHRIS EVANS—Did you respond to Mr Andrews's email in relation to the matter of the accessing of this person's criminal record?

Mr Gibbons—You asked me that earlier, and I said I did not.

Senator CHRIS EVANS—Sorry, I just want to be clear. Did you seek any advice as to whether it was appropriate for a departmental officer to be seeking someone's criminal record?

Mr Gibbons—I do not believe that he was seeking the criminal record. I did establish by talking to people in an appropriate area of the department that we do have an interest in receiving such information, not in soliciting it but in receiving it.

Senator CHRIS EVANS—Does that mean you got some legal advice?

Mr Gibbons—I did not get legal advice from general counsel, but I did consult a lawyer.

Senator CHRIS EVANS—Sorry, I did not hear that.

Mr Gibbons—I did consult a lawyer, but I did not go formally to a general counsel and ask for a formal advice.

Senator CHRIS EVANS—This is a lawyer inside the department?

Mr Gibbons—Yes.

Senator CHRIS EVANS—That was as to the appropriateness or otherwise of your seeking or receiving or dealing with this person's—

Mr Gibbons—Whether we had a legitimate interest, in having received the information, in having it. As I said, given the individual was an employee of an organisation delivering services funded by the Commonwealth and had been an office bearer in that organisation, there was a legitimate interest.

Senator CHRIS EVANS—That was the advice you received?

Mr Gibbons—Yes.

Senator CHRIS EVANS—When did you receive that advice? Was it after the email from Mr Andrews or after you received the document?

Mr Gibbons—It was after I received the document.

Senator CHRIS EVANS—So you did not take any action when you received the email from Mr Andrews?

Mr Gibbons—No. Sorry, I do not recall doing anything. I will check, and if I am wrong, I will come back to you.

Senator CHRIS EVANS—I am just trying to get the sequence of events. When you received the document, you sought advice as to what you could and should do with it and on the basis of that advice you gave it to your investigations unit, who forwarded it to the Northern Territory Police. Is that right?

Mr Gibbons—Not to forward it to the police, to tell them that we had it. I suppose at that point it was a bit academic because it had been broadcast all over Australia.

Senator CHRIS EVANS—What did your investigations unit do with it then?

Mr Gibbons—Filed it.

Senator CHRIS EVANS—They just notified the Northern Territory Police by phone that they had it?

Mr Gibbons—I do not know how they notified it. Maybe Mr McMillan can enlighten us there.

Mr McMillan—A call was made to the Northern Territory Police and, as it happens, we thought it appropriate to let them have a copy of what we had so that they would know what it was that we had. Subsequently there was a further call to make sure that they had what we had—by which I mean, a copy of the document to which Mr Gibbons has been referring.

Senator CHRIS EVANS—So you did send them the document?

Mr McMillan—Yes, that is right.

Mr Gibbons—I stand corrected.

Senator HEFFERNAN—If you receive information in whatever form that gives rise to your forming a view of a potential act of criminality, under the Crimes Act, unless you are a prescribed person, you commit a felony and you are a felon yourself unless you do something about it. Have you done anything about it?

Senator CROSSIN—It is somebody's criminal records. I would have thought it would be a massive breach of the Privacy Act.

Senator HEFFERNAN—That is a different issue. This is all pretty tricky stuff for the person who receives it.

Senator CROSSIN—Yes, it is.

Senator CHRIS EVANS—Maybe the investigations unit could tell me when they received the copy of this person's criminal record.

Mr McMillan—As far as I can recollect, it was on or about 20 or 21 June.

Senator CHRIS EVANS—I thought we had evidence that the *Lateline* program did not go to air until 21 June.

Mr McMillan—That is why I am saying I cannot recollect in connection with the *Lateline* program whether it was 20 or 21 June.

Senator CHRIS EVANS—I am not asking you when the *Lateline* program was; I am asking you when you received—

Mr McMillan—That is the best of my recollection. It was on or about 20 or 21 June.

Senator CHRIS EVANS—Would you mind taking on notice the exact date you received the copy?

Mr McMillan—Yes; I can certainly take that on notice.

Senator CHRIS EVANS—Mr Gibbons, are you able to tell us when you received it?

Mr Gibbons—I have no idea. I will have to check that.

Senator CHRIS EVANS—You had an idea earlier that it was well after the *Lateline* program.

Mr Gibbons—I thought it was. I may have received it a day or two after it arrived; I am not sure.

Senator CHRIS EVANS—Who received it first, the investigations unit or you?

Mr Gibbons—I will have to check that. I will come back to you on that.

Senator CHRIS EVANS—Do you still think it was a fair while after the program was aired, or are you now less confident about that and would rather check?

Mr Gibbons—Having heard what Mr McMillan said, I would prefer to check.

Senator CHRIS EVANS—Perhaps you could check the date you first saw it, the date it first arrived inside the department, if you were not actually the first person to receive it, and whether it first came to the investigations unit or to you. Could the investigations unit let us know when they received it? Then we will have a clearer idea of the time line. Did you consult the minister's office at all about this matter?

Mr Gibbons—About the document?

Senator CHRIS EVANS—About the criminal record issue.

Mr Gibbons—I think I spoke with the minister's office after the *Lateline* program about the implications of the information aired on that program. Given that that document was aired on that program, I presume I spoke about it, but I do not recall doing so specifically as a result of receiving this document.

Senator CHRIS EVANS—You may well have discussed the *Lateline* program and its contents with the minister's office.

Mr Gibbons—I did discuss the *Lateline* program with the minister's office.

Senator CHRIS EVANS—But you do not recall alerting them to the fact that you had actually received the document?

Mr Gibbons—I do not recall, no.

Senator CHRIS EVANS—Did people discuss with Mr Andrews the receipt of the criminal record? Was he involved?

Mr Gibbons—I think he probably was at some point.

Senator CHRIS EVANS—In what capacity?

Mr Gibbons—In general discussion about the circumstances in Mutijulu. We were gravely concerned about what was going on in Mutijulu. All intelligence that came into our possession was generally discussed in the context of how we might respond to best help and answer the calls for help from many people out there who felt quite powerless in the face of abuse, intimidation, et cetera.

Senator CHRIS EVANS—Did you make the criminal record available to anybody but the investigations unit?

Mr Gibbons—I will have to check that. I will come back to you on that.

Senator CHRIS EVANS—Perhaps you could let me know whether you made it available to the minister's office as well as part of that.

Mr Gibbons—I do not think I made it available to the minister's office but I will check that. It may be that it was made available to another department that also funded the organisation involved, but I will check that.

Senator CHRIS EVANS—I suspect it is best not to name that particular organisation, because it would probably identify the person. I am happy not to identify that organisation. Did Mr Andrews return to Mutijulu after that trip in early June?

Mr Gibbons—I do not believe so.

Senator CHRIS EVANS—Who took up the contact and community engagement following that trip?

Mr Gibbons—I think the next visit was undertaken by the group manager responsible for the leadership development program, Ms Kerrie Tim, and her branch manager, Mr Richardson.

Senator CHRIS EVANS—When did they go to the community?

Mr Gibbons—I will have to take that on notice. I cannot recall the date. Kerrie is at the table, so she can answer that.

Ms Tim—We first went to Mutijulu on 1 and 2 August this year.

Senator CHRIS EVANS—Why was Ms Tim chosen? Leadership development does not sound like the sort of area for crisis intervention in the community.

Mr Gibbons—Crisis intervention is a multifaceted thing. Part of our support for the community has been capacity development support, for women in particular. We have been running successfully a number of programs right across the country for the last 12 or 18 months, including for women from Mutijulu, and we are planning to expand that program. We wanted to do a number of things, one of which was to look at expanding the number of women who participate in the program in Mutijulu, but we also wanted to look at some

capacity leadership support for men. That is why a team of both Ms Tim and her branch manager, Geoff Richardson, went out there to talk about getting that under way, with the ICC manager from Alice Springs.

Senator CHRIS EVANS—With respect to the decision to formally intervene in the control of the community at Mutijulu, I understand that on about 3 July the corporation was verbally informed that funding to the community had been frozen; is that correct?

Mr Gibbons—We are getting into matters that are before the court, so I will need to be careful here.

Senator CHRIS EVANS—I just want to establish the time line, not who said what to whom.

Mr Gibbons—The funding agreements with the particular organisation expired on 30 June. The issue before us was whether or not we would negotiate new funding agreements, not a suspension of existing funding or a cancellation of existing funding agreements, and the timing that you have suggested sounds correct.

Senator CHRIS EVANS—So you took a decision to suspend their funding or to not make any more funds available—pending what?

Mr Gibbons—We are talking about an organisation, not the community. As a funding organisation, we came to the view that the organisation was not capable of delivering the services that we were prepared to fund. We made representations to the registrar on that matter and decided not to make further offers of funding in the absence of an administrator. I think that is about as far as I can go at this stage.

Senator CHRIS EVANS—But you informed the community of that before you then sought the registrar's engagement?

Mr Gibbons—I do not have the answer for that, and I think it is not appropriate, given that these matters will be examined in the court later this month.

Senator CHRIS EVANS—I will have a rest there, Chair. I know a couple of others would like to have a go.

Senator SIEWERT—Can you tell me what process was used to appoint the administrator?

Mr Gibbons—No, I cannot. That is a matter that is before the courts. It did not involve me.

Senator SIEWERT—Sorry?

Mr Gibbons—The decision to appoint an administrator was not taken by me.

Senator SIEWERT—Who was it taken by?

Mr Gibbons—The registrar.

Senator SIEWERT—So I can ask the registrar that shortly when they appear?

Mr Gibbons—No, it is a matter that is sub judice. The decision is being challenged in the Federal Court. There is a hearing I think on the 15th of this month.

Senator SIEWERT—You should be able to answer these questions, I presume, because there is an administrator in place at present, is there not?

Mr Gibbons—There are three organisations in Mutijulu; all three have administrators. One is challenging in the Federal Court the decision to appoint an administrator, and there are constraints on the powers of the administrator pending the resolution of that matter in court.

Senator SIEWERT—But in the case of the one that is being challenged, that administrator is in fact in place at the moment?

Mr Gibbons—Yes, with limited powers.

Senator SIEWERT—Could you tell me how much that administrator is being paid?

Mr Gibbons—No, I cannot. I do not have that figure.

Senator SIEWERT—Is it a publicly available figure? Would it be available to me if I asked the registrar?

Mr Gibbons—We can take that on notice.

Senator SIEWERT—You can take it on notice rather than my asking the registrar shortly?

Mr Gibbons—I can do that, yes. We will ask the registrar to provide the information.

Senator SIEWERT—Could you tell me what proportion of the budget the council administrator takes?

Mr Gibbons—Sorry, I do not quite understand the question.

Senator SIEWERT—The administrator is being paid a certain amount of money. I would like to know how much that is as a percentage of the total budget for the council. I know that you have said the funding cycle finished, so perhaps you could say what the figure would have been last year?

Mr Gibbons—The two things are quite separate. As I understand it, the registrar pays for the administrator. I can be corrected if I am wrong. We pay the organisation to perform services for us. Following the appointment of the administrator, albeit with restricted powers, we have entered into a funding agreement with the administrator and money is flowing for a number of purposes.

Senator SIEWERT—To?

Mr Gibbons—To the administrator, who stands in the shoes of the council, who is in effect legally the organisation.

Senator SIEWERT—In terms of the proportion of money flowing through the administrator, what is that percentage compared with what they would have had in the past, before the administrator was in place? I am referring to the 2005-06 financial year.

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

Senator SIEWERT—Are you able to tell me what services funding is currently being provided for?

Mr Gibbons—Notionally an allocation to assist the organisation to manage municipal services. Some funds are available for the continuation of various childcare services, noting that at this point in time the childcare centre that we are funding has not yet been handed over by the builder. We are a number of weeks away from that, as I understand it. There may be

some other services but, off the top of my head, I cannot remember, so we can take that on notice.

Senator SIEWERT—Is the administrator based in the community?

Mr Gibbons—No, I think the administrator in this case is based in Perth.

Senator SIEWERT—Why is the administrator not based in the community?

Mr Gibbons—Administrators are not normally based in communities. The administrators legally stand in the shoes of an organisation that is under administration, and the staff of the organisation report to the administrator. In the case of the organisation in question, all of its staff have left, or the key staff have left, which has left a vacuum. It was our intention, once an administrator had been appointed, to support the rehabilitation of the organisation with funding for a competent CEO and a development coordinator, but until the matter is resolved in the court the government is not prepared to do that.

Senator SIEWERT—You said there are three organisations that have an administrator?

Mr Gibbons—Yes.

Senator SIEWERT—One of those is being challenged. What are the other two?

Mr Gibbons—There are two other organisations and they have a lot of tentacles. One covers the college there, and that is of interest to our colleagues in the Department of Education and Training. Another is responsible for the health clinic. Those other two organisations are managed by the same administrator.

Senator SIEWERT—Did you say the health clinic and the school are being administered by the same—

Mr Gibbons—They are two different organisations, but the administrator is the same in both, I understand.

Senator SIEWERT—You do not mean the same one for the council?

Mr Gibbons—No.

Senator SIEWERT—So there are two administrators, one for the council and the other for the school and health clinic?

Mr Gibbons—That is correct.

Senator SIEWERT—The first one is based in Perth. Where is the other one based?

Mr Gibbons—I do not know.

Senator SIEWERT—If it is possible, Registrar, could you tell me how much they are being paid?

Ms Beacroft—Could you just ask that question again?

Senator SIEWERT—We have just been told the same administrator is administering the health centre and the school?

Ms Beacroft—Yes. Eamonn Thackaberry is the administrator for two of the three corporations: the college and the health service.

Senator SIEWERT—Where is he based?

Ms Beacroft—He is from Perth but he spends a lot of time at Mutijulu.

Senator SIEWERT—So both of the administrators are from Perth?

Ms Beacroft—Correct. They are both from panels that we have.

Senator SIEWERT—They are both from the same firm?

Ms Beacroft—No. We have a panel of people who potentially are administrators, and it just so happens that those two are from Perth.

Senator CHRIS EVANS—Could you take on notice for me how many times and when they have actually visited the community?

Ms Beacroft—Yes, I can do that.

Senator CHRIS EVANS—Thank you.

Senator SIEWERT—How much are they being paid?

Ms Beacroft—I can take that on notice. Some of that information has already been provided to various people.

Senator SIEWERT—That would be appreciated. Can you tell me which services are being provided? I presume that the college is being run—

Ms Beacroft—Correct.

Senator SIEWERT—but can you tell me what health services are being provided?

Ms Beacroft—Yes, I can provide you with some information now about that if you want, and I can provide more detail. The health service has three nurses and is just employing a CEO clinical manager. It has a 24/7 emergency service and a bus that runs people up to the Yulara Flying Doctor Service. It does not have sufficient funds to have its own doctor.

Senator SIEWERT—The centre does not have a doctor?

Ms Beacroft—No, and it is 20 minutes from Yulara. They have an arrangement with the Flying Doctor Service there, which does have doctors. That is in very broad terms what the service is like.

Senator SIEWERT—Have they ever had a doctor there?

Ms Beacroft—I would have to check that. It is not currently funded to have a doctor, but I can take that on notice.

Senator SIEWERT—That would be appreciated.

Mr Gibbons—I think the last time it had a doctor was in 2002, from memory.

Senator SIEWERT—Is that because of funding or because they could not get a doctor?

Ms Beacroft—It is because of the funding model.

Senator SIEWERT—You have already taken on notice the issue about how many times they have visited the centre.

Ms Beacroft—Yes, and I have picked up a few of the other questions that you asked as well, about dollars.

Senator SIEWERT—Thank you.

CHAIR—Are there any further questions in this outcome group?

Senator CHRIS EVANS—I am conscious of the time, so I might move if it is okay to take up with Mr Harmer those couple of issues I raised with him before. Is now the right time, Mr Harmer? The first was concerning the grant to the origin greats. I want to declare first that I am a Union man.

Dr Harmer—So you do not like the idea of grants to origin?

Senator CHRIS EVANS—No, I just want to make it clear. I want to understand where this one came from, out of what pot you paid it, to whom and on what basis?

Dr Harmer—I will ask Ms Gumley to answer the question.

Ms Gumley—The Former Origin Greats were involved in our work on Mornington Island. In some of the early work that we did on Mornington Island, we observed that there was a very low level of engagement from families, in school, and a lack of activities for families and kids to be involved with. Substance and alcohol abuse was very high, and young people on the island experienced a very high level of boredom. The school seemed to have little by way of community support. It had worked with our staff in discussing the things that would spark some interest. Two key things really stand out as areas that do draw the community's interest on Mornington. The first is sport, especially Rugby League, and the other is the Woomera Dance Group, which is quite famous from that area. In looking at how we could get engagement with families, we had done some work with the principal and also in looking at what were the areas of interest. A proposal was put forward by the Former Origin Greats, a group of retired Rugby League players in Queensland, around working in Mornington on very intensive, structured and regular activities for young people. They provide 90-minute activities three times a week in the afternoons—in fact, they often go on for much longer than that—two hours a day during vacations. They provide a range of different sports and healthy activities. They talk to kids about options after school and why going to school is important. There is a no school, no FOGS system in place. It uses the elite retired Rugby League players to motivate the kids to go, to get the families involved, and it uses local people as the coaches and trainers. A grant of \$557,000 over 12 months was provided to the Former Origin Greats.

Senator CHRIS EVANS—\$550,000?

Ms Gumley—\$557,500 over 12 months.

Senator CHRIS EVANS—I only had the \$306,000 figure. Was that for the last financial year?

Ms Gumley—Yes, it is split over two years. A total of \$348,437 has been spent to date. That is \$278,750 in 2005-06 and so far \$69,688 in 2006-07.

Senator CHRIS EVANS—Your website says that you were going to spend \$306,625 between 18 May and 30 June. Is that consistent information or does that seem a bit different?

Ms Gumley—It may have just been that one payment moved into the next quarter. I would need to check that.

Senator CHRIS EVANS—For a period of 43 days they are receiving \$306,000?

Ms Gumley—No, across the 12-month period they are providing structured activities three times a week, 90-minutes each afternoon, and two-hours vacation care on the weekends.

Senator CHRIS EVANS—I am trying to get a sense of it. On the face of what is on your website, from 18 May to 30 June, you have paid FOGS \$306,000. I make that to be 43 days at 7,000 bucks a day, which sounded pretty good work, so I just wanted to check whether I was getting it right or not.

Ms Gumley—I would need to check what is on the website. I have not gone back to check what is on the website. There were some set-up costs in establishing the project. It is a remote site. We needed to get equipment up there and set up the arrangements. I would need to go back and check what is on the website.

Senator CHRIS EVANS—Perhaps you could take it on notice because, at first blush, for a couple of hours after-school care a day, seven grand seems a pretty good wicket.

Ms Gumley—We will take that on notice.

Dr Harmer—It is good when you are—

Senator CHRIS EVANS—I may not have been great; I am a former player, though, and I am available.

Dr Harmer—We will note that.

Senator HEFFERNAN—I do not think you quite reached legend status, though.

Senator CHRIS EVANS—No, but I am about the same size as a few of them, from what I have seen. And my nose is crooked, so I meet most of the criteria. So the total of the contract is actually \$557,000, and that is for one year, is it?

Ms Gumley—For a 12-month period. It crosses two financial years.

Senator CHRIS EVANS—And that is on the hours that you have taken us through?

Ms Gumley—Yes, that is correct.

Senator CHRIS EVANS—Clearly, the origin greets are not all living at Mornington Island, so I presume people are employed to provide the service?

Ms Gumley—They are. The FOGS have a subcontracting arrangement with a firm that provides trained staff. Local staff are employed as well. Part of the arrangement is that those local staff receive formal accreditation so they can carry on the skills they actually use.

Senator CHRIS EVANS—So FOGS have actually subcontracted the work?

Ms Gumley—FOGS have subcontracted some of the work. Some of the costs stay with FOGS so that they are able to take the elite players up, maintain the contact for the kids with the elite players. There are also some others who are the Primary After—

Senator CHRIS EVANS—The service delivery is done by a contractor?

Ms Gumley—School Sports, under the guidance and with the interaction of the FOGS.

Senator CHRIS EVANS—What is the name of the company actually providing the services?

Ms Gumley—Primary After School Sports.

Senator CHRIS EVANS—Is that a related company of FOGS?

Ms Gumley—I would have to take that on notice. I think it is an affiliated company. I am not sure if it is part of the FOGS group.

Senator CHRIS EVANS—Is the FOGS group a for-profit organisation?

Ms Gumley—I would have to take that on notice.

Senator CHRIS EVANS—Is that the only contract you have with FOGS?

Ms Gumley—Yes, as far as I am aware.

Senator CHRIS EVANS—Is there any other organisation or government body funding or helping to fund the Mornington Island project?

Ms Gumley—It certainly has very strong support from the Queensland state government and the local school, because of its involvement in getting kids back into school and engaging, and it is now being run in close collaboration with the Police Citizens Youth Club that has just been re-started. The Queensland Police Commissioner is the Queensland State Government Community Champion on Mornington Island, and he has been very impressed with the effort so far. It is still early days, but the results from the increase in school attendance seem pleasing. He is seen to have the PCYC operating jointly with them.

Senator CHRIS EVANS—How did this project come about, and what program is it paid under?

Ms Gumley—The funding is through the Shared Responsibility Agreements Implementation Assistance Program, which funds a number of things, including SRAs. It also funds some of the other community development, regional engagement and planning work that we do with communities.

Senator CHRIS EVANS—Is there an SRA framework for this?

Ms Gumley—Mornington Island is one of those strategic intervention sites that Mr Gibbons was talking about before. It is part of a program that we are negotiating with the Queensland government for a broader strategic intervention.

Senator CHRIS EVANS—But there is no SRA?

Ms Gumley—Not at this stage. It will probably be covered through a shared responsibility agreement that covers off different facets of community life. This was one where there was thought to be some good opportunity for engagement with families, getting kids back involved into school and showing kids, I suppose, that there is merit in making the effort in school so that you have some options later in life.

Senator HEFFERNAN—What percentage of the kids go to school?

Ms Gumley—The program has been operating since April, and school attendance has increased from around 48 per cent in the third term of 2005 to around 59 per cent in the third term of 2006. They have had an 11 percentage point increase.

Senator HEFFERNAN—Is that primary school?

Ms Gumley—I would need to take that on notice. I think it is primary and junior high.

Senator HEFFERNAN—So 40 per cent of the kids in the place do not go to school?

Ms Gumley—That would seem to be the conclusion, yes.

Senator HEFFERNAN—They face a great future.

Ms Gumley—Hopefully, through the involvement of—

Dr Harmer—Mechanisms like this are absolutely targeted to try to get more of them to come to school.

Senator HEFFERNAN—I applaud you.

Senator ADAMS—I would like to back up what you are saying in that respect. We went to Mornington Island as part of our petrol-sniffing inquiry, and it was incredible what was going on with the rec centre and that people were involved in the Police Citizens Youth Club. The kids were really starting to move. It is a good news story. It is not a question, but I think it is worth saying that.

Ms Gumley—I have just received advice that the FOGS are a not-for-profit entity.

Senator CHRIS EVANS—Do you know about the company that is actually doing the work, Primary After School Sports?

Ms Gumley—No, but I could take that on notice.

Senator CHRIS EVANS—Can you tell me where the initiative came from?

Ms Gumley—The program was established following a visit by the minister to Mornington in February of this year. As part of that visit, former players Gene Miles and Kevin Walters and the current Australian representative player Sam Thaiday—I think that is his name—were part of the trip. The players got a great response on the day. At the time the minister asked the mayor and members of the community if they would like to see that type of program as a way of getting the kids back into school. They did; there was agreement around that. They thought that would be a good idea. The Former Origin Greats provided a proposal to run a sports based program in March 2006 using their subcontractor, Primary After School Sports, and the profile of the retired elite players as the incentive for the kids and adults to get involved. As a result of the proposal and the department's assessment of the proposal and providing recommendations to the minister, the minister made a grant to the Former Origin Greats and the program started.

Senator CHRIS EVANS—Do those things normally get approved by the minister under the SRA fund? You do not usually need to go that high up to get authority, do you?

Ms Gumley—No, there is a departmental delegate that signs off. I suppose on this one it was around the issue of its being a strategic intervention. We have also in some other locations similar sorts of initiatives in place. We have work with the Australian Football League under way and also with the Indigenous Enterprise Partnerships, which is a similar sort of corporate partnership type arrangement.

Senator CHRIS EVANS—Dr Harmer, can I ask you about the fraud stuff, following our discussion last time. I have obviously had this issue raised with me; there is some concern about how the department handled this particular matter that we discussed last time—the alleged fraud and the investigation.

Dr Harmer—Senator, which—

Senator CHRIS EVANS—We had quite a discussion about internal fraud at FaCSIA. I think you told me that the person had resigned. It related to the purchase of goods by an official from a company operated by her husband—obviously I do not want to use the name. I think last time you knew who I was talking about.

Dr Harmer—Yes. I remember the case.

Senator CHRIS EVANS—I presume you still know who I am talking about?

Dr Harmer—Yes.

Senator CHRIS EVANS—I understand that they were suspended on full pay in November 2004 and remained so until May 2005. I think you told me you got an Ernst & Young investigator to investigate the case—is that right?

Mr Hunter—That is right. The matter was investigated by Ernst & Young, and we provided further information to you in our question taken on notice following the last hearing.

Senator CHRIS EVANS—Can you confirm for me that the investigator actually recommended that the person be dismissed for the misconduct?

Mr Hunter—My recollection of the particular case and the process involved was that in fact the determination of the action to be taken was not a matter for the investigator but for the person referred to as the authorising officer, who is an officer of our department who, with the assistance of advice provided by the investigating officer and also by our people branch and by our legal services branch, then reached a view as to what was an appropriate action in the light of the result of the investigator's report. My recollection is that in this particular case the determining officer reached a conclusion that, if I recall correctly, dismissal would be appropriate.

Senator CHRIS EVANS—Sorry, I did not hear the last bit.

Mr Hunter—I think the determining officer reached a view on this occasion that dismissal would be appropriate.

Senator CHRIS EVANS—Can you confirm for me that Ernst & Young recommended that they be dismissed?

Dr Nicolaou—I understand that the officer concerned was advised of a hypothetical scenario that if the matter were referred to the Director of Public Prosecutions, if the person was subsequently found guilty, she would need to resign from the Australian Public Service. Soon after, the officer concerned resigned.

Senator CHRIS EVANS—I will get to that stage. I want to go back. I asked you a quite specific question, which I do not think we have reached yet: whether or not the Ernst & Young investigator recommended that the person be sacked for misconduct. That is quite specific, and we will follow the process through.

Dr Nicolaou—I will have to check that out. I am not sure.

Dr Harmer—We will take that on notice.

Senator CHRIS EVANS—You do not have the documents here?

Dr Harmer—We will see what we have.

Mr Hunter—My answer to you before—and we will in fact check this—is that it is my recollection that that is not actually the role of the investigating officer. The role of the authorising officer who receives the investigating officer's report is to determine what action might be necessary.

Senator CHRIS EVANS—Perhaps you will take that on advice.

Mr Hunter—It may be that the investigating officer offered a view.

Senator CHRIS EVANS—Would you take that on advice for me?

Dr Harmer—It would not be normal for us—

Senator CHRIS EVANS—No, I understand what you are saying. I still would not mind an answer to the question, but I take what you are saying about the process. It is not counterintuitive. So the report from the investigator goes to the determining officer—is that the phrase you used?

Dr Nicolaou—Yes, the determining officer.

Senator CHRIS EVANS—When did that happen?

Dr Nicolaou—I do not have the exact date. I will have to take that on notice.

Senator CHRIS EVANS—I thought the good thing about giving you a run-over of this last time was that this time you would turn up all prepared. Do not tell me we went through—

Dr Harmer—We can probably get the date reasonably quickly, but it is difficult to predict exactly where you are going to go with the questions.

Senator CHRIS EVANS—You flatter me, Dr Harmer. I thought I was entirely predictable.

Dr Harmer—Not at all.

CHAIR—Can you predict where we might be going in terms of the time?

Senator CHRIS EVANS—I would have predicted I would have got the answers in two minutes and we would have moved on, but I am having difficulty because apparently this line of questioning is unexpected. I see the officers writing busily, so I do not know what that means.

Dr Harmer—We are just making sure that we know what you have asked.

CHAIR—Your shopping list.

Senator CHRIS EVANS—Given the discussion we had about questions on notice last time, I would rather get them now if I could. So we do not know when the determining officer got the file, but the determining officer made a determination, and that determination was what?

Dr Nicolaou—As I understand it, the determining officer met with the officer concerned and, during that meeting, the officer was advised that if the matter were referred to the Director of Public Prosecutions they might choose to continue to pursue it, even if the officer concerned resigned. Soon after, the officer did resign. So it was a hypothetical situation put to the officer concerned.

Senator CHRIS EVANS—So basically you did a deal to let them resign?

Mr Hunter—It is not really within anyone's power to prevent a person resigning.

Senator CHRIS EVANS—No, but you just told me exactly what you did, which is what I have been told you did, which will be of great interest to everyone charged with social security fraud around the country. You got them in and said, 'We have a report that says you have committed a fraud, and we are giving you the opportunity to resign.'

Dr Nicolaou—No.

Dr Harmer—It is inaccurate to say we did a deal. I just want to correct the record. It is inaccurate to say that we did a deal to let the person resign. We object to that.

Senator CHRIS EVANS—The officer said to me that the determining officer met with the person, indicated to them that if the matter were referred to the DPP criminal charges might follow and that basically that would not occur if they resigned. Did any action follow once they resigned? That is the proof of the pudding, is it not? What happened after they resigned?

Dr Nicolaou—I think the matter was closed.

Senator CHRIS EVANS—Yes.

Dr Nicolaou—But the situation was that the officer was entitled to be advised of the department's intentions.

Senator CHRIS EVANS—You said that they met with them. I asked you what the determining officer had determined, and I did not get an answer. What did the determining officer determine? What did they find? What did they propose to the department that you do?

Dr Nicolaou—I will have to look at the files again.

Mr Hunter—It is a matter of natural justice in such cases that, once the department receives a report on such a matter and reaches a preliminary view as to the action it is likely to take, my understanding is that it is required to advise the person against whom the complaint is made in order that they have the opportunity to put their side of the matter. So we are under an obligation to share before the proposed action is taken. That is my understanding.

Senator CHRIS EVANS—Absolutely. I agree with you totally, and I am sure a lot of Aboriginal corporations would be very pleased to hear that that is the department's policy. But what I am asking you—

Mr Hunter—That is not a departmental policy.

Dr Harmer—It is a Public Service wide policy. What Mr Hunter is saying is that we followed the process we are required to and, during that process, which we are required to follow, the officer chose to resign, which we cannot prevent.

Senator CHRIS EVANS—That is right, but I did not ask you that question. I asked you: what did the determining officer determine was the appropriate action that should be followed by the department prior to meeting with the officer to give them natural justice?

Mr Hunter—Dr Nicolaou has said he will take that on notice and we will check the file to make sure that we transmit that to you accurately.

Senator CHRIS EVANS—You do not know?

Mr Hunter—I do not personally know.

Dr Harmer—We do not have it here, but if we can give you an answer during the afternoon we will.

Senator CHRIS EVANS—It seems to me you ought to know what you found. You had an investigator, you had a determining officer and you are telling me that you do not know.

Dr Harmer—We do not have it here, is what we are saying. We will try to get it for you. It is a big department with a lot of staff.

Senator CHRIS EVANS—It is, but you have an officer here who is obviously familiar with the file and has the paperwork in front of him. But the key question is: did you think you had a prima facie case against this person?

Senator HEFFERNAN—Are we talking about a criminal matter?

Senator CHRIS EVANS—Yes.

Senator HEFFERNAN—You do not have to send anyone five days notice to say, ‘Mate, we’re coming to talk to you.’ You just knock on the door, arrest them and then say, ‘Here are your rights, and what do you have to say for yourself?’

Senator CHRIS EVANS—The suggestion here is that the person was called in, they were allowed to resign and the case was dropped.

Senator HEFFERNAN—If it is a criminal matter, with great respect, that is how half the dopes get away.

Mr Hunter—Why don’t we do as we have offered: take the matter on notice, and if we can answer it today we will?

Senator CHRIS EVANS—All right.

Senator HEFFERNAN—Would you agree that, if you thought I had murdered someone and had evidence, and you were the correct authority, you would not ring me up and say, ‘Mate, we are coming to talk to you about that murder we think you committed.’ You would just knock on the door and grab me.

Dr Harmer—Indeed.

Senator CHRIS EVANS—You are going to find out what you determined before you met with the officer. Having met with the officer, and the officer having resigned—and I would not mind the dates of those events—I gather you are telling me that you took a decision to not pursue the matter any further.

Mr Hunter—That is my understanding, but we will check that for you also.

Senator CHRIS EVANS—Can you also confirm whether or not you determined that a fraud had been perpetrated against the department and the Commonwealth?

Mr Hunter—Yes.

Senator CHRIS EVANS—Can you confirm for me that this person was on full pay whilst suspended from November 2004 until May 2005?

Mr Hunter—We have already provided you that information, yes.

Senator CHRIS EVANS—I am just checking. That is right, is it?

Mr Hunter—That is correct, yes.

Senator CHRIS EVANS—That would seem to indicate that the resignation was in May 2005, but you will come back to me with that. Could you also check whether or not before the determining officer met with the officer they had sought any higher authorisation to pursue a course of action? Did they consult with the secretary et cetera about how they ought to proceed? We will come back to that.

CHAIR—Are there many more questions in output 1.1? Does anyone have any more questions in that area?

Senator SIEWERT—I have a few questions about Davenport and the community council there. But, in the light of the time, I will put them on notice.

CHAIR—That would be helpful. I think it might be convenient, in that case, if we break for some afternoon tea and resume at 20 minutes to four. There being no further questions on output 1, we will resume at 3.40 on output 2.1, Support for the aged.

Senator SIEWERT—I still have questions on outcome 1. I will put the questions for 1.2 on notice, but I have one on output 1.3, for ORAC.

Mr Yates—Take the left-hand column, whereas the final column, for 2006-07, refers to the full year budget for each of those programs in the year ahead.

Senator CHRIS EVANS—So it is last year's and then there is—

Mr Yates—Some of the programs were underspent. There was a carryover of resources into 2006-07. That is dealt with in the portfolio budget statements that deal with amounts carried over from one financial year, but they were not significant amounts on the whole.

Senator CHRIS EVANS—And the underspend figure?

Mr Yates—I was not sure which of the underspends you were specifically—

Senator CHRIS EVANS—It is the total at the end.

Mr Yates—Is that the \$7 million?

Senator CHRIS EVANS—Is that just a normal underspend?

Mr Yates—Yes, that was a fairly minor underspend overall when you look at the totals that were involved.

Senator CHRIS EVANS—Thanks for that.

CHAIR—We will have questions by Senator Siewert on output 1.3.

Senator CHRIS EVANS—Mr Chairman, I think the officer was doing one more.

CHAIR—I am sorry.

Mr Yates—There is one more here.

CHAIR—Yes, another one.

Ms Bryant—Chair, in response to two further questions raised this morning: I have a list of the first 18 SRA reviews, which I can table today. I can leave that with you. A further question you asked was the amount available for the shared responsibility implementation assistance program in 2005-06. That figure was \$28.8 million.

Senator CHRIS EVANS—And this year's is 20?

Ms Bryant—This year's is 34.57.

Senator CHRIS EVANS—Where did we get the 20 from before?

Ms Bryant—I said 25, I think, earlier. On average, the figure going forward is about 25. In 2005-06 there was an amount originally appropriated of 24.8. Then an amount of \$4 million was rephased from 2004-05 into 2005-06, taking the total to 28.8 available in that year.

Senator CHRIS EVANS—The figure in 2006-07 includes in fact \$9 million which was rephased from 2005-06 into 2006-07 and that is set out in our portfolio budget statements.

Senator CHRIS EVANS—To rephase means it was not spent and it has been rolled over into next year's budget?

Ms Bryant—That is correct.

Senator CHRIS EVANS—Thank you, Ms Bryant.

CHAIR—We will now deal with output 1.3.

Senator SIEWERT—I want to follow up on the issues specifically around Mutitjulu in terms of the administrators. I appreciate the sensitivity around some of these issues, but I would like to know when the three administrators were appointed and what is the process that is used to appoint them.

CHAIR—Senator Siewert, would you move a bit closer to the microphone. It is a bit hard to hear you.

Senator SIEWERT—Sorry, Chair. I would like to find out about the process of appointing the administrators for the three services—and I appreciate there were two administrators—the timing of when they were appointed and on what basis the decisions were made to appoint administrators. I understand only one of them is before the court.

Ms Beacroft—Yes, that is right. There is one matter before the courts. That is in relation to the Mutitjulu Community Aboriginal Corporation. I cannot really discuss that. That court hearing is on 15 and 16 November in the Federal Court in Sydney, so I will leave that matter for the moment, although in relation to that I can confirm that the administrator was appointed on 19 July.

Senator SIEWERT—I understand you cannot tell me how much the administrator is being paid.

Ms Beacroft—I think we took that question on notice previously. We can do that. I have taken that one on notice.

Senator SIEWERT—As for the other two services you have, on what basis was the decision made to appoint administrators for those three services?

Ms Beacroft—One of those, which is the Mutitjulu Community Aboriginal Corporation, I will not discuss—

Senator SIEWERT—Yes. I appreciate that.

Ms Beacroft—apart from confirming the date of the appointment of the administrator. With the Ngaanyatjarra Aboriginal Corporation, which is the secondary college, the administrator there was appointed on 28 April. I am speaking very broadly here. There was obviously a show-cause notice that was served, but just very broadly the college was trading at a loss. There was a failure to comply with provisions of the legislation that I administer and regulations, its own rules and its constitution, and it was also in the interests of members and in the public interest because of some service issues. That is broadly speaking about the college. The other one is the health service. Once again speaking very broadly, there was a failure to comply with our legislation, the regulations under it and its own rules, and also there was the public interest because there were service issues there as well of a clinical nature.

Senator SIEWERT—When was the administrator appointed there?

Ms Beacroft—The health service administrator was appointed on 16 March.

Senator SIEWERT—You said earlier that the administrators were appointed through a process of a panel. If I understand it correctly, there is therefore a panel of names that is kept that you then go to when you are seeking an administrator. How do you then appoint them from the panel?

Ms Beacroft—I want to clarify that question. There is a process where we appoint an administrator, regardless of who that person might be; there is a statutory process. But you are asking how do we choose the actual administrator?

Senator SIEWERT—Yes.

Ms Beacroft—Our office is subject to the Commonwealth procurement guidelines. Quite a while ago we did a competitive process which was advertised in the paper all around Australia and invited people to put in expressions of interest, which were scrutinised. We have panels for various services and for the statutory work that we do, and they are on our website so it is a very transparent with lists. We select from the relevant panel. In this case, if we are appointing an administrator we select from that panel. There are many entities on there, and in this case we chose two Perth based entities for the three corporations at Mutitjulu.

Senator SIEWERT—So you have selected a panel through the competitive process. Do you then go to another one or do you go to the panel to see which best meets the needs of the particular circumstance?

Ms Beacroft—That is right. To some extent we roll through the list, which is something that is fair under the Commonwealth procurement guidelines. Obviously people go on the panel with some expectation of getting work. But we do look at the experience of the

administrators—if they have any specialties around which corporations they administer—and indeed whether they are available, because a lot of these people are quite busy. It is that sort of thing. So we do also try to tailor. Both the administrators in Mutitjulu are quite experienced, which was an issue that we looked at.

Senator SIEWERT—Thank you.

Senator HEFFERNAN—Chair, may I ask one more question?

CHAIR—Yes.

Senator HEFFERNAN—I want to address the process. If there is a complaint against someone, how do you differentiate whether you ask for a ‘please explain’ or you arrest?

Mr Hunter—Normally when a serious complaint is made which might involve a criminal activity, the police are consulted on the way in which it would be handled. One seeks to make a determination fairly early in the piece as to whether the matter is likely to be a criminal matter or a code of conduct matter.

Senator HEFFERNAN—So you have made up your mind before you knock on the door?

Mr Hunter—You cannot finally make up your mind because you have not completed the investigation.

Senator HEFFERNAN—I know, but you do not have to have been the judge and the jury when you knock on the door. How many times has someone been just straight-out arrested versus asked for a ‘please explain’?

Mr Hunter—In the Department of Families, Community Services and Indigenous Affairs?

Senator HEFFERNAN—Yes.

Mr Hunter—I cannot answer that question. I would have to take that on notice.

Senator HEFFERNAN—Yes, do that.

Dr Harmer—To put it in perspective, there are very, very few cases where something like that happens.

Senator HEFFERNAN—Yes, I realise that. There has been a spectacular example in Sydney of what should not have happened.

Dr Harmer—Yes.

Mr Hunter—I should say one would not reach a conclusion.

Senator HEFFERNAN—It worried me when you said about that natural justice, which I applaud but—

Mr Hunter—Yes, but the point in time at which you would exercise that grant of natural justice would be a point in time at which you had reached a conclusion that a criminal act had not been undertaken.

Dr Harmer—I am planning to get an answer to the question, particularly around the criminality, this afternoon.

Senator HEFFERNAN—It just seems to me it was not answered when it perhaps should have been.

CHAIR—I take it we have now completed output group 1 and we will therefore take a break and resume at five to four, at which point we will begin output group 2.1, Support for the aged.

Proceedings suspended from 3.39 pm to 3.59 pm

CHAIR—The Senate Community Affairs Committee is resuming its hearings into the Department of Families, Community Services and Indigenous Affairs. We are now on output group 2.1, Support for the aged.

Senator CHRIS EVANS—As I indicated, I will only cover one of the areas I wanted to because I have used up more than enough time and the committee has pressing matters which various senators want to come in on. I want to follow up question on notice No. 166 in which I asked about optical surveillance in the detection of welfare fraud. I asked a question in three parts. I got an answer which was ‘yes’—not ‘yes, yes, yes’, but ‘yes’—which seemed to be brevity at its best. I just wanted to tease out what ‘yes’ might mean.

Dr Harmer—I will get the person from the responsible area. I am assuming, while he is coming, that ‘yes’ means ‘yes, yes, yes’.

Senator CHRIS EVANS—That was my first question. I know there are departmental cut-backs, but I thought the other two yes’s might help.

Dr Harmer—We are looking to be very efficient in the extreme.

Senator CHRIS EVANS—Although human services would, of course, charge for the extra yes’s; it would have tripled the bill.

Mr Rosenberg—The answer is, ‘Yes.’

Senator CHRIS EVANS—Yes, yes and yes?

Mr Rosenberg—Indeed.

Senator CHRIS EVANS—What is your involvement with the covert optical surveillance in terms of your clients? I gather that Centrelink does the actual surveillance.

Mr Rosenberg—That is correct.

Senator CHRIS EVANS—What is your role? Do you set the policies?

Mr Rosenberg—Only at the very broad level. Essentially it is an operational matter. Centrelink make decisions in consultation with us about areas of risk, but they then decide exactly where and who to target and when and where the risks really are.

Senator CHRIS EVANS—I will come back to the risks, but you do not then have to authorise any particular activity?

Mr Rosenberg—No, we do not.

Senator CHRIS EVANS—Do you pay them as part of your cost arrangements for this activity?

Mr Rosenberg—Not specifically. We obviously purchase from Centrelink a whole range of compliance activity, but, apart from some of the obvious specifics through budget

measures, they make operational decisions about how to best exercise their resources on issues like this.

Senator CHRIS EVANS—So you do not know what they are charging you for covert optical surveillance.

Mr Rosenberg—We know broadly what they are charging us for compliance effort, but not down to that level of detail, no.

Senator CHRIS EVANS—What are they broadly charging you for compliance effort?

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

Dr Harmer—We will take that on notice.

Senator CHRIS EVANS—Have you got a guesstimate? I will not try to hold you to a figure. I am just trying to get an idea.

Dr Harmer—Would you have a ballpark figure, Simon?

Mr Rosenberg—It is probably safer if I get it to you.

Senator CHRIS EVANS—Just if you thought it was around \$20 million or some other figure, that would do me. So the policy about how they pursue, et cetera, is for them, and they do not need any authorisation from you. How do you go about identifying the risks with them? What is your engagement with that?

Mr Rosenberg—In terms of the areas of risk to—

Senator CHRIS EVANS—Yes.

Mr Rosenberg—That is part of our policy process, and that includes obviously consultation with Centrelink about how their current business is travelling, where particular areas of risk might be opening up and intelligence they get. That then feeds into the process of where they might want to re-target with input from us.

Senator CHRIS EVANS—What input do you provide?

Mr Rosenberg—If you are talking down to the level, as I think you may be, of whom there might be surveillance on, we do not provide any.

Senator CHRIS EVANS—No, but, for instance, do you say, ‘We think we have got an issue with carer payment because we have got more claims than we thought we would have’?

Mr Rosenberg—Certainly, yes.

Senator CHRIS EVANS—Just describe for me what your engagement with that is.

Mr Rosenberg—I can give you an example. You mentioned the carer payment. As you are aware, one of the measures from the last budget was the carer payment—where people went into nursing homes and therefore the carer payment needed to cease; but, for a range of reasons, sometimes carer payments will continue even though the person was getting all their needs met through the nursing home.

Senator CHRIS EVANS—Yes.

Mr Rosenberg—So we did the policy work and the risk analysis, including with Centrelink, to work out how we might organise an automatic process of stopping payments so that debts would not be incurred unnecessarily.

Dr Harmer—To clarify—I am confident that I am right on this—we do liaise with them about risk areas but we do not design the mechanism.

Senator CHRIS EVANS—I am interested in how you identify the risks. Is that done by comparing what you thought was a target population for a particular benefit and then looking at whether its take-up rate is higher than you might have expected?

Mr Rosenberg—There are a whole range of ways we do this, but one of them, for instance, is with the rolling random sample surveys. We look at how that is tracking and where there are issues with payments perhaps not being quite as accurate or as complete as we would like.

Senator CHRIS EVANS—What do you mean by that?

Mr Rosenberg—There is always an element, usually a very small element, of payment inaccuracy. What we would do is look at the returns of Centrelink, highlight where those are and then work with them on how we might better refocus the effort to close down that risk.

Dr Harmer—What Mr Rosenberg is saying, I think, is that we get quite a lot of data from Centrelink about their operations, including from their random sample surveys, data on recipients, amounts paid out et cetera. We have a capacity, because it is an important compliance function for us overall, to look at that and to suggest areas where Centrelink might need to put more effort in.

Senator CHRIS EVANS—Do you get reports back from Centrelink about their compliance activity?

Mr Rosenberg—We do, and we also have regular discussions at a program level about how things are tracking for particular payments and programs.

Senator CHRIS EVANS—Do you have an idea of the level and sort of activity they are applying to your clients?

Mr Rosenberg—In the broad, yes; and occasionally where they or we think there is a particular area of risk, we will go in with a bit more forensic detail to discuss it.

Senator CHRIS EVANS—What are the sorts of high-risk areas in your area at the moment?

Mr Rosenberg—I have mentioned one already that was the subject of a recent budget measure. Another one that we also looked at recently was the real estate assets held by pensioners as a second property. We put a measure in the last budget to make sure that this one was handled better than it had been in the past.

Senator CHRIS EVANS—That was a compliance measure.

Mr Rosenberg—Yes.

Senator CHRIS EVANS—Yes, I can remember that.

Ms McKay—In the annual report we actually provide some information on estimates from the random sample surveys and payment accuracy. It is on page 318 at table 3.8. It gives you two payment types—our main aged pension payment and the degree of accuracy.

Senator CHRIS EVANS—What does that mean? So this is a rate of inaccuracy for payments that were not properly claimed?

Mr Rosenberg—There are a range of reasons for the inaccuracy, but usually it is a variation up or down. They are generally very small variations from what the correct rate of payment should have been.

Senator CHRIS EVANS—Is that necessarily a compliance issue? Sorry, it is a compliance issue but it is not necessarily—

Ms McKay—It is the data that drives our—

Dr Harmer—It is not necessarily the fault of—

Senator CHRIS EVANS—It is not necessarily a deliberate error.

Mr Rosenberg—There are a whole range of reasons for error. Sometimes it is about the willingness or ability of the customer to comply and other times it could be an administrative error.

Senator CHRIS EVANS—What can you tell me about optical surveillance of your client base by Centrelink?

Mr Rosenberg—I cannot tell you much in detail because essentially it is, as I said, an operational issue for Centrelink.

Senator CHRIS EVANS—Is there more of it than there used to be?

Mr Rosenberg—For our client base, probably not. Compared to Employment and Workplace Relations we have a fairly stable client base. There is not a great deal of churn, so it has probably been a fairly stable risk profile, apart from those couple of things I mentioned recently.

Senator CHRIS EVANS—Has there been any sort of major change in the sort of compliance activity that Centrelink are undertaking on your behalf that you know of?

Mr Rosenberg—Probably the major change I could mention is more of a theme rather than a specific, and that is a move to much more of a focus on prevention. In fact, the annual report, a couple of pages on, uses those categories. It talks about prevention and detection. From the point of view both of the customer and also obviously the government, it is much better if we can prevent the erroneous payments or the debts arising before they arise rather than try and pick them up afterwards and then take remedial action. One of the things we have done recently is actually work with the other policy agencies—DEWR, DEST and DVA—to get a sort of agreed process of how we can better set up prevention measures that are going to be hopefully common across all agencies with Centrelink.

Senator CHRIS EVANS—Thank you for that.

[4.12 pm]

CHAIR—As there are no further questions in output 2.1, we will move to output group 2.2, Support for people with disabilities.

Senator McLUCAS—I want to go to some questions about the disability advocacy program. The time for comments on the consultation paper that was put out in September closed on 27 October. Is that still the process that we are following?

Ms Winzar—Yes, that is the timetable we are working on.

Senator McLUCAS—How many comments did we receive?

Ms Winzar—I think as of yesterday afternoon the count was 75. There might be a couple of late ones which we will get over the next few days.

Senator McLUCAS—So that would mean that almost every disability advocacy program itself made comments and maybe some other people as well.

Ms Winzar—Yes. I think from memory there were about 60 comments from our funded advocacy organisations, of which there are 71, and some comments from state governments and other interested parties.

Senator McLUCAS—Are those comments going to be published?

Ms Winzar—I do not think we have got that far yet. We are going through them at the moment and drawing them together into a sort of collective picture, but we have not turned our mind to that question yet.

Senator McLUCAS—If you could take that on notice we would like to be provided with those comments but, if you did not indicate that to the people commenting, it is an issue you could think about. It would be useful to the committee for us to receive copies of the comments that have been received in response to the consultation paper.

Ms Winzar—Certainly. If we did it would be a consolidated assessment, I think, of all of the comments rather than providing you with copies of each of the submissions. I will take that on notice.

Senator McLUCAS—Thank you. You have started pulling together what the themes are. Can you give us an indication of the flavour of the comments?

Ms Winzar—Yes. Pretty much I think the written submissions echo the feedback that we had in the face-to-face consultations which also occurred during the last month. On the whole I would say that there is certainly support for reform of the program. There are a couple of areas where views are quite divided. One of those is whether or not an 1800 national call number would be effective. I think there is a bit of concern that that might replace face-to-face advocacy, which is not the intention. The intention is that it be used as an add-on for those who are not in a position to access any advocacy services at the moment; at least, there would be a point of referral. The other area where we have had quite a few representations is around the issue of specialist advocacy services, mainly around those that deal with particular disability groups. I would say that overwhelmingly those organisations have made some fairly strong cases for why there should continue to be funding for specialist advocacy services.

Senator McLUCAS—Was the issue of systemic advocacy raised in the comments that have been received?

Ms Winzar—Yes. And the systemic advocacy organisations, not surprisingly, have argued the case for maintenance of the effort around systemic advocacy. Equally, we have received submissions that have said there certainly needs to be more individual, one-on-one advocacy.

Senator McLUCAS—What is the process now?

Ms Winzar—The process now is that we will collate all of those written submissions and pull them together with the feedback from the face-to-face consultations and then we will put a proposal to the minister about which bits of the consultation paper we think there is broad support for and should be progressed and where we might have to do some further finetuning.

Senator McLUCAS—That is happening on one line. At the same time we have 71 disability organisations currently operating. Is that correct?

Ms Winzar—Yes.

Senator McLUCAS—Have any indicated to you that they cannot continue to operate in the current climate?

Ms Winzar—Not to me. I understand that there is one organisation in Victoria which is reviewing whether or not it wishes to continue to provide advocacy services.

Senator McLUCAS—Do you know why that is the case?

Ms Winzar—No, I do not, I am afraid.

Senator McLUCAS—Does anyone here know why?

Dr Harmer—No.

Senator McLUCAS—So there is only one that has indicated that it possibly will not continue.

Ms Winzar—There is only one that I am aware of.

Senator McLUCAS—I understand that all 71 will have a funding offer made available to them by mid- to late-November.

Ms Winzar—That is correct.

Senator McLUCAS—Will that be a generic funding offer?

Ms Winzar—Yes, it will. All organisations that we currently fund will be offered an 18-month funding agreement.

Senator McLUCAS—Will it basically follow the principles—let us call them that—of what a better advocacy program would look like in the consultation paper?

Ms Winzar—Some of those principles and approaches that are in the consultation paper can be already reflected in that new funding agreement, and some will have to be developed over the next 12- or 18-month period.

Senator McLUCAS—Sorry, Ms Winzar. I am talking about the funding offer that will be offered in the next fortnight.

Ms Winzar—Yes. Understood.

Senator McLUCAS—Sorry. Okay.

Ms Winzar—For example, regarding the issue around improving the performance framework and the level of monitoring of what advocacy organisations do, some of that can be reflected in this next funding agreement. We will improve the level of information that we capture from advocacy organisations, but some of that will also need to be developed further as we go through this next 12- to 18-month period.

Senator McLUCAS—I am trying to understand what the contract is going to look like.

Ms Winzar—Yes. It will offer them continued funding for the 18-month period. It will be conditional on a number of things. We will be asking all funded advocacy organisations to give us a plan for how they propose to improve access by Indigenous people and people from culturally and linguistically diverse backgrounds to advocacy programs that they run, not just relying on the couple of specialist organisations to provide equitable service to those particular target groups. For a couple of the larger organisations which at the moment theoretically operate across the whole state, we will be asking them for a plan to improve services to people in rural and remote parts of the state. We are looking at the extent of detail that might be required in that plan and when it would be delivered, but our early thinking is that we would like to see those plans probably within that first six months of that 18-month funding agreement. We will also be asking organisations to give us a little bit more detail about how they do the work that they do. For example, at the moment we collect just the total number of clients that they see and the number of cases which are resolved during the last quarter, but we do not have any sense about whether or not all of the clients that the organisation sees are, for example, in the Sydney metropolitan area or whether or not they do in fact service outside the metropolitan area. So we will be asking for that level of detail as well.

Senator McLUCAS—One of the elements of the better advocacy program is that all of these services, I imagine, are going to deliver good services to all people with a disability, so there will not be that specialist role that some services have, no matter what their disability type, language or cultural background. Does that mean that services that are specifically providing advocacy to certain types of disability will be precluded from being able to sign up to the contract in a fortnight?

Ms Winzar—Not in this initial 18-month period. The sort of thing that we have been talking about, for example, is that an organisation that is specialising in dealing with people with a brain injury could be doing a little bit more work to educate other advocacy organisations about the certain issues that are faced by people with brain injury and their families, and so improving the quality of advocacy services to that group of clients across the whole of the advocacy sector and not simply relying on those few brain injury specialist organisations that we have.

Senator McLUCAS—Have you received the barrage of letters from people with a brain injury that I have received?

Ms Winzar—I do not know if I have received the same barrage, but I have received a barrage, yes.

Senator McLUCAS—There is a lot.

Ms Winzar—There are a lot.

Senator McLUCAS—And they make a very good case for why you need a specialist service.

Ms Winzar—Indeed.

Senator McLUCAS—Did you read the *Hansard* evidence in the CSTDA inquiry?

Ms Winzar—Yes, I did—from Headway Victoria.

Senator McLUCAS—Yes. The case is very strong that people who exhibit the behaviours of people with a brain injury require a very specialised service and often not in contact with other people.

Ms Winzar—That is correct.

Senator McLUCAS—So why are we pursuing this policy that will ensure that people who are very, very angry and who are very agitated are going to have to use a generic type service and, I suspect, cause conflict both for the people with disability who are brain injured and for other people with disability as well?

Ms Winzar—That is not what we are asking. We have raised the issue about what, on balance, is the relative merit and relative disadvantage of having specialist services that operate within the confines of one group of people with a particular disability. We recognise that there are strengths, but we also recognise that those services are not distributed across the whole of Australia, and there are many people with a brain injury who cannot access an advocacy service which has that specialist function. Therefore we need to find a way to make sure all advocacy organisations have some capacity to deal effectively with that group of people.

Senator McLUCAS—So the people in Victoria who have been fortunate to be served by Headway Victoria will now not be able to be served because someone in Queensland cannot get to Headway Victoria.

Ms Winzar—No, that is not what I am saying at all.

Senator McLUCAS—It is.

Ms Winzar—No, it is not.

Senator McLUCAS—That is what we are going to end up with, because we are not going to have Headway Victoria.

Ms Winzar—I beg to differ. There is no intention to defund Headway Victoria. They will be offered an 18-month funding agreement consistent with all of the other funded advocacy organisations.

Senator McLUCAS—But they will not be able to comply with the conditions.

Ms Winzar—Yes, they will.

Senator McLUCAS—How?

Ms Winzar—We are not requiring them to see everybody who comes to their door. We are not requiring them to abandon their specialist focus. What we are going to ask them to do is to help us educate other advocacy organisations to lift their performance in dealing with that group of clients as well.

Senator McLUCAS—Have you tested that philosophical approach of making sure that everyone is generic?

Ms Winzar—I am sorry. I thought I had just covered that. We have got some feedback through the consultation process that people are very strongly supportive of retaining specialist advocacy organisations. It is not our intention to defund those organisations or to require them to remove their specialist focus. It is, however, our intention to lift the performance of all advocacy organisations so that they are more able to deal with those groups of people that have particular disabilities.

Senator McLUCAS—We should not be talking about Headway Victoria, but I am sure they will not mind. What will the contract that you will offer Headway Victoria, which is currently a specialist advocacy service for people who are brain injured, require them to do?

Ms Winzar—It will require them to do similar things to our requirements for other advocacy organisations, including the ones that I have mentioned, which is to come up with a plan to improve access by Indigenous people and those from culturally and linguistically diverse backgrounds to their service. If they represent themselves as providing services across Victoria, we will be particularly asking them to tell us how they are going to improve their services to areas outside metropolitan Melbourne. In terms of their specialist knowledge we will also be asking them how they can work with other advocacy organisations to lift their capacity to assist those with a brain injury.

Senator McLUCAS—Let us then go to the money, and this is not just Headway Victoria. Are the 71 organisations all going to be offered the same amount of money?

Ms Winzar—As they are getting at the moment?

Senator McLUCAS—Yes.

Ms Winzar—We have not actually discussed the financial arrangements yet. Probably for this next 18-month agreement, if there are any adjustments, they will be small ones.

Senator McLUCAS—Let us go back to Headway Victoria, then. You have not discussed any financial arrangement. Let us just say they get the same amount of money. How do you expect that they will do that very increased and broadened piece of work compared to what they are currently doing?

Ms Winzar—I am not sure that the increase is that significant. In the first instance we are going to be asking them to come up with a plan for improving services in rural Victoria, and we are also going to be asking them to assist in educating other advocacy organisations. That might be through the conduct of one or several workshops. It is up to them to come up with some ideas on how they might do that. But I would certainly think it was in their interests to be helping us to improve the performance of the other advocacy organisations in the state.

Senator McLUCAS—I am sure they would love to, but I do not know if it is realistic to think that a couple of workshops might teach someone how you work with the specific group of people that they work with.

Ms Winzar—I am certainly open to suggestions; if Headway has any, then, by all means, I would encourage them to put them forward.

Senator McLUCAS—I want to put it on the record again that we probably should not have been using Headway as this specific example, but it is a group that has advocated very strongly, certainly to my office. Will the larger organisations that are going to have to work in regional and rural areas get the same amount of money as well?

Ms Winzar—Yes, they will. It really depends on the organisation, the state that they are involved in and the extent to which their services are effectively reaching into those rural parts of the state already. As I indicated, some of the performance monitoring does not allow us to distinguish between the effectiveness of their services to the metropolitan area and the effectiveness of their services to the rest of the state. That will be a first step to try and improve that view.

Senator McLUCAS—I understand you are going to evaluate the program when you are six months into it.

Ms Winzar—We will have a look at how things are going.

Senator McLUCAS—In this 18-month funding block?

Ms Winzar—Yes. That is correct.

Senator McLUCAS—What happens when they are failing?

Ms Winzar—I would like to be a bit more optimistic in the approach than that.

Senator McLUCAS—You are giving them the same amount of money and telling them they have much more work to do—a huge amount—that is why I use the word ‘when’. It is not an ‘if’.

Ms Winzar—If there are any organisations which at the six-month point we think are not delivering a quality of service consistent with the funding that we are providing, we will talk to them about ways in which we would like to see them improve their service or, perhaps in the most extreme cases if they decide that they are not up to the job, we would look at redistributing that funding to other advocacy organisations in the state which might be able to better provide a service.

Senator McLUCAS—We are setting them up to fail, Ms Winzar. If we are telling them that we have got to change their work program in such a huge way but giving them the same amount of money, and evaluating them six months in, I can just foresee a whole range of services that are going to fail.

Mr Hunter—I understand the point that you are making.

Senator McLUCAS—I cannot see that this strategy is going to achieve that objective, Mr Hunter.

Mr Hunter—It would not be in anyone's interest to set anything up to fail. The objective is to set them up to succeed. It will take some adjustments.

Senator McLUCAS—I am not a conspiracy type of person but I am starting to get very close to that, I am afraid. Certainly the secretary is starting to feel that way as well.

Ms Winzar—I would be very surprised if there were any advocacy organisations that we currently fund that could not, within that first six months of funding, come up with a plan to improve Indigenous access and for those from culturally and linguistically diverse backgrounds. All we are asking in that first six-month period is that they come up with a plan to improve rural and remote servicing in their state. I do not see that as a particularly onerous requirement.

Senator McLUCAS—The plan is going to have to be delivered within the current budget arrangements. If we are going to be sensible about this, if people are going to honestly draw up a plan that is going to have any chance of success, they have got to have an ability to know what the financial arrangements are going to be. They are being told that they are going to be funded at the same level or around about the same level for the next 18 months, as I understand it.

Ms Winzar—That is correct.

Senator McLUCAS—You have got a bucket of money. You can spread it very thinly and deliver very limited services, or you can apply it in other ways. This is going to ensure that that money is spread extremely thinly.

Ms Winzar—The consultation paper does indicate that there are areas where more investment will probably be required to get to the advocacy program that we would like to have, but I think it is also an issue of concern for us that, at the moment, on average an advocacy episode costs around about \$1,200, which is a reasonably high price. That is on average, so some of the quite short advocacy episodes are counted, just as the very long ones such as legal advocacy which might take many months to deal with are counted. We believe that there is room to improve performance within the current funding envelope.

Senator McLUCAS—Is that the only measure of success or effectiveness that you are using at the moment, cost per episode?

Ms Winzar—No, of course not. It is one indicator.

Senator McLUCAS—What other measures are you using?

Ms Winzar—The other indicators include the number and proportion of cases that are closed within a three-month period and the overall number of people that are assisted, either by inquiries, onward referral or actual face-to-face advocacy.

Senator McLUCAS—Do you think that those measures of effectiveness have acceptance in the advocacy sector?

Ms Winzar—I know some of them do not, and particularly Citizen Advocacy have said that it does not capture well the sort of work that they do. Perhaps there are some other indicators that we could look at there, like the number of citizen advocates that are enrolled

with that particular organisation or the number of new citizen advocates that are recruited in a quarter, as well as the number of people that they have on their books as ongoing clients.

Senator McLUCAS—I imagine a systemic advocacy service that had taken a matter, say, to the Federal Court would have a very high cost per episode measure.

Ms Winzar—They would be, and I think they are the ones that are quite easily explainable.

Senator McLUCAS—Yes.

Ms Winzar—But I suspect the number of cases which are taken to the Federal Court by advocacy organisations are quite few.

Senator McLUCAS—That is right, but my point is that, as a cost per episode measure, it is very hard to compare someone trying to find someone a house with a matter of access to a building.

Ms Winzar—Quite right.

Senator McLUCAS—I am wondering how useful as a measure it is.

Ms Winzar—As a global measure I would agree with you that you can get some skewing, but I think what it tells us is that we need to get a better handle on what it does cost to find someone a house, what it does cost to deal with unmet demand for services of one sort or another and what it does cost to deal with someone who is at risk of being thrown in jail. We do not have any sense about any of that at the moment through the current data that is collected on the advocacy program. We have some very high-level indicators. We do know the sorts of issues that advocacy organisations deal with state by state, and they vary enormously. Some of that variance is because of the particular service environment in the state, some of it is because of the particular orientation or focus of the advocacy organisations in that state.

Senator McLUCAS—I think there is general acceptance amongst the sector that there is support for reform, the first point you made. I am just thinking that the reform is going to occur as a result of a complete collapse and we will just have to start again. That is a comment rather than a question, I suppose. Can we have a copy of the generic contract that is going to be offered to the current funded organisations?

Ms Winzar—Yes, you can.

Senator McLUCAS—Is that possible to get today?

Ms Winzar—No, it is not. We are still drafting it.

Senator McLUCAS—Thank you. What is the view of the department of the role of systemic advocacy in the future?

Ms Winzar—We believe systemic advocacy is an important part of the advocacy system. The issue for us is that at the moment it is a question of balance, so that in some states where we see a large demand for individual one-on-one advocacy we see that a fair amount of the money that goes into that state for advocacy services relates to systemic advocacy. It seems to us that there is a case for reviewing whether or not we have actually got the balance and direction of funding right. Queensland would be a case in point, where we know that the demand for advocacy services one on one well outstrips availability of individual advocacy

services, yet almost a third of the advocacy funding in that state goes to systemic advocacy. We do think there is a need for some change in Queensland in how that funding is directed.

Senator McLUCAS—I think you would probably get a level of agreement from people with disability and their advocates. I wonder whether this is the way to resolve an imbalance in Queensland.

Ms Winzar—It is quite disproportionate to other states.

Senator McLUCAS—Yes, I know, but why are we throwing the whole baby out instead of dealing with this imbalance in Queensland?

Ms Winzar—If I had to strike a rough figure, I would say perhaps somewhere in the order of 10 to 15 per cent of the overall advocacy funding might be directed at systemic advocacy.

Senator McLUCAS—Nationally.

Ms Winzar—Nationally. In a number of states that would mean we would have to probably increase the level of funding to systemic advocacy because there is not that much spent in those states. In Queensland, however, it would mean reducing the amount of money that we spend on systemic advocacy and diverting it potentially to individual or family advocacy.

Senator McLUCAS—Is there a view that you are going to sit down with the advocate organisations in each state and try and talk to them about how you get a better mix?

Ms Winzar—We have got a lot of that feedback through the consultation process and, for the most part, we have had good representation in each state at each of the public consultations with the funded providers.

Senator McLUCAS—So you are looking at sitting down with the groups and saying, 'Okay. This is what the department's view is of the imbalance, or where we are. We are going to bring in a new system right over the top,' and then just wait until some fall out and then patch it up? That is the strategy that I see that the department is pursuing.

Ms Winzar—I feel that is an unfair characterisation. We engaged a consultant to review the advocacy program at the beginning of this year. The consultant undertook some public consultation as well as consultation with funded providers, funded both by us and by others. The feedback we got from that was that the consultation had been inadequate, so we issued a further consultation paper and we have recently, in the last month, had a further round of discussions particularly with funded providers but also with state governments, who have a clear stake in this as well. I think the direction of change is well understood by the funded advocacy organisations, and certainly they have made their various views about the direction clear to us. On an individual basis around their funding agreements, we will negotiate one on one with each of those organisations.

Senator McLUCAS—When will you be offering the contracts to the organisations?

Ms Winzar—As you indicated, our target was mid- to late-November, and I am hoping for earlier rather than later.

Senator McLUCAS—You are aware of the issue of people with rent agreements having difficulty making decisions about whether or not they can continue, because they are unsure about their funding stream?

Ms Winzar—Yes, but as I indicated, and as Minister Cobb has announced, all of the existing funded providers will be offered an 18-month funding agreement.

Senator McLUCAS—Do you know how many staff have been lost from the advocacy services since this process began?

Ms Winzar—No.

Senator McLUCAS—Did you attempt to find that out?

Ms Winzar—Have I tried to find out? No.

Senator McLUCAS—Do you have any anecdotal information about the number of people who have left?

Ms Winzar—I am aware of one organisation. I believe it was a Victorian one where at least one staff member was reported to have left. I have not verified that information.

Senator McLUCAS—The CSTDA inquiry has heard of significantly more. I turn to the wording of the consultation paper of September 2006. Can you explain to me why on page 4 the language is phrased nebulously? It says:

From January 2007, current service providers could be offered 18-month funding agreements ...

Ms Winzar—Because it is a consultation paper and it proposes things in the conditional sense rather than in a directive sense.

Senator McLUCAS—Are you then not surprised that the services were not of the view they were going to be funded?

Ms Winzar—I cannot remember the date of Minister Cobb's announcement, but I believe it was within a few days of the consultation paper being issued, and he certainly made it clear that all existing providers would be offered an 18-month funding agreement. I am afraid I did not bring a copy of that press release with me.

Senator McLUCAS—I might have it here.

Ms Winzar—So if they were confused or uncertain, that uncertainty should have only persisted for a matter of a few days.

Senator McLUCAS—Do you think that they would read a politician's press release and take it as gospel rather than a government discussion paper?

Ms Winzar—Is that a question?

Senator McLUCAS—It was. It had a question mark on the end. Then the 'could' changes to 'will' when the performance review is going to be undertaken of all organisations. That is the second-last paragraph. It is an inconsistent document. It is very vague: 'It might happen. We might think about this,' and then you are definitely going to have a performance review six months into it. I am just a bit confused by the tenor of the document. Why could it be so adamant that we are definitely going to have a performance review but we 'may' actually offer you a contract?

Ms Winzar—There are two ways of reading a sentence that says, ‘current service providers could be offered an 18-month funding agreement’. It could mean current service providers will not be offered an 18-month funding agreement or it could mean that they will be offered a 36-month funding agreement. That potentially, I suppose, was a source of confusion. Certainly something that we did decide early on was that, regardless of how the new agreements were framed and what time period they were going to cover, we would want to do a review after the first six months.

Senator McLUCAS—They are going to be offered a funding agreement mid- to late-November. How long will they have to review that?

Ms Winzar—As long as they get it back to us by 31 December.

Senator McLUCAS—Then they will have funding from 1 January.

Ms Winzar—Yes.

Senator McLUCAS—It will be about the same as currently?

Ms Winzar—Yes. As I indicated, if there are any adjustments they will be at the smaller end.

Senator McLUCAS—Is an indexation going to be applied?

Ms Winzar—There is both an indexation factor that is applied, which is, dare I say it, wage cost to index, and there is an efficiency dividend that applies to these programs.

Senator McLUCAS—What is the efficiency dividend at the moment?

Ms Winzar—It is 1.25 per cent.

Senator McLUCAS—And what is WCI 2?

Ms Winzar—I think it is 1.8 per cent, but I will check that for you.

Senator McLUCAS—So the total increase will be not very big, 0.55? I hope there are no wage increases.

Ms Winzar—Yes.

Senator McLUCAS—What about the naming of services? Do they all have to change their names now?

Ms Winzar—No. There is not a requirement that they change their names, but there will be a requirement, and I should have mentioned this before, that they acknowledge the support of the Australian government. That is a standard condition of their funding agreements, but I must say it is one that has not been particularly well enforced. We will also be promoting the program under a single name so that people who are seeking advocacy can at least find it.

Senator McLUCAS—There are no extra funds for rebadging or new stationery?

Ms Winzar—There will be no requirement for them to put new signs outside their shopfronts or issue new stationery. As they re-order stationery we would expect that that acknowledgment be included. Likewise, if they are placing advertisements in the paper for events, services or recruitment, we would also expect that acknowledgment to be employed.

Senator MOORE—Is that in a standard format?

Ms Winzar—It will be in a standard format, yes.

Senator MOORE—So you will give them the guide in terms of the programs?

Ms Winzar—Yes, we will give them the words to use.

Senator MOORE—At the bottom of the page or something, ‘We receive funding,’ or, ‘We gratefully,’ just something like that?

Ms Winzar—Yes.

Senator McLUCAS—Could you give me on notice a list of all the services that are currently funded, the type of advocacy that they deliver and the funding that they have? You have indicated they are all currently open and functioning, with one exception. By the time you answer this question, if any of them are not continuing I would like to know. I would also like to know which are the ones that are going to have to provide the state-wide services. You said earlier that there will be a generic contract and that everyone will have to provide a plan for Indigenous people and CALD communities. Will those organisations that have to provide the state-wide service have an extra condition in the contract?

Ms Winzar—Yes, they will.

Senator McLUCAS—Right.

Ms Winzar—They are organisations which purport to provide services state wide, so we are asking them to come up with a plan on how to improve that delivery.

Senator McLUCAS—Will the 1800 number be functioning by July next year?

Ms Winzar—Yes, we are aiming for it to be available from the middle of next year.

Senator McLUCAS—That is going to be a competitive tender?

Ms Winzar—We have not gone to that process yet, but that would be my expectation, given that it will not be a small amount of money.

Senator McLUCAS—Does that money have to come from the same \$12 million?

Ms Winzar—No, additional funding will have to be found for that function.

Senator McLUCAS—It will be new money?

Ms Winzar—Yes.

Senator McLUCAS—How much money have you budgeted? Have you done any work on what it is going to cost to deliver?

Ms Winzar—No, we have not done a costing as yet.

Senator McLUCAS—Just for the record, what is the purpose of the 1800 number?

Ms Winzar—The 1800 number is not to replace face-to-face advocacy services but simply to augment them for those who are in areas where there is no advocacy service at all and to provide an information and referral service to people seeking direction about how to get an advocate as to where they can find one.

Senator McLUCAS—It will provide advocacy over the phone as well as referral?

Ms Winzar—If it is out of Queensland and there is no other option, then that is probably what we will ask them to do, yes. It is going to be better than what they have access to at the moment, but it is admittedly not perfect.

Senator McLUCAS—It is not clear for me. Is it not clear yet in the department about what the role of 1800 number is?

Ms Winzar—No. The purpose of the number is essentially to improve the reach of the advocacy program for those who do not have access to advocates at the moment. In many parts of the country there are no outreach or visiting advocates available. There are many local country telephone directories where, if you look up to find a disability advocate, you will not find one and there is nobody you can turn to for advice about even the simplest of matters. For those people some of this will provide an in-fill. It will also be able to refer people to existing advocacy services where they do have coverage. Equally, in some cases it will, hopefully, be able to refer people to advocacy services certainly that we do not fund. They may include even things like legal aid centres, if that is the nature of the issue.

Senator McLUCAS—So it is referral and advocacy. But we are also asking the statewide organisations to become statewide?

Ms Winzar—To improve the reach of the services into rural and remote areas of the state, yes.

Senator McLUCAS—We are going to have a statewide organisation and then a 1800 number?

Ms Winzar—Yes, we are. It is going to be difficult for advocacy organisations, even if they improve their statewide coverage, to make sure that they reach all parts of the state and particularly to reach all parts of the state when people need a service. If you have a visiting service into Stanthorpe or Warwick, or somewhere like that, on two days a week, that is fine. But if the person needs advocacy on the day you are not there, they either wait around until next week when the advocate turns up or they can hop on the phone.

Senator McLUCAS—Let us use Queensland, as we both come from there. In Queensland we are going to ask one organisation to become the statewide advocate to fill in all the holes where we know we will never get an advocacy organisation. I think that is a reasonable plan. But at the same time we are going to fund another entity to be on the telephone.

Ms Winzar—We know there is no hope of funding face-to-face advocacy in every town in Australia.

Senator McLUCAS—Yes.

Ms Winzar—We know that. But we also want to try to improve the services in those areas where there is no advocate at the moment. Asking existing statewide services to improve their coverage is not going to be sufficient.

Senator McLUCAS—Especially if you give them the same amount of money.

Ms Winzar—At the moment if you need an advocate in Queensland outside the hours of 9 to 5 Monday to Friday, you will not get one.

Senator McLUCAS—That is right.

Ms Winzar—But you can ring the Complaints Resolution Referral Service in Sydney, which operates from eight o'clock til eight o'clock seven days a week. So, that is an example of where there is some capacity for a telephone service to provide some extra coverage when advocates cannot deal with the issues.

Senator McLUCAS—We are talking at cross-purposes. Thank you.

Senator SIEWERT—Other than CPI, do I understand it properly that there will not be any additional funding for statewide groups to provide these services?

Ms Winzar—To begin with, all we are asking for in the first six months of the next funding agreement is that statewide services deliver us a plan to improve services across rural and remote areas of the state. We are not even necessarily asking them to increase their service provision; we are simply asking them to come up with a plan to do so.

Senator SIEWERT—With the expectation that they will get more funding to operationalise that plan?

Ms Winzar—That would be something we would consider once we saw the plan.

Senator SIEWERT—We are talking about WA?

Ms Winzar—Right.

Senator SIEWERT—How could you possibly expect services that are largely based in Perth—there are some regional services—to do anything beyond that in WA without committing up-front to additional services? They need to know the resources that are going to be available to them to enable them to know how to cut their cloth. If you are saying to them to come up with a plan to roll out services but are not telling them how many resources they are going to have, I know what I would say.

Senator McLUCAS—I will have the gold taps. I will put in a great submission.

Senator SIEWERT—It is blue sky stuff.

Ms Winzar—It is a starting point for discussions about what is reasonable and affordable. I think most of the advocates in WA would agree with you that coverage outside the metropolitan areas is extremely patchy and limited.

Senator SIEWERT—So when you go to them are you saying, 'Tell us how much it will cost to provide services to these areas'?

Ms Winzar—We are not asking for a costed plan necessarily at this point; we are asking for ideas as much as anything. We are asking how they can improve the quality and the extent of their service at present. Some of them should be able to do that within their existing funding buckets because some of them are not working as hard or as effectively as other advocacy organisations. Others are absolutely topnotch, they are doing a fine job and the only way they could extend their services would be if they had extra funding to do so. And there is every shade in between.

Senator McLUCAS—How do you evaluate that? How do you make that assessment, given that earlier you talked about cost per episode, about the number of cases closed—and that is a very contentious measure, given that some advocates will tell you that cases never close, they go on forever; that is the nature of advocacy for people with disability—and the

number of people who have been assisted? You are comparing the number of people assisted—that is, the number of people who have walked through the door between a systemic advocate and an individual advocate. You cannot compare them. It might be 1 to 2,000.

Ms Winzar—I am not attempting to make that comparison, but I think I can draw a comparison between two individual advocacy organisations and look at the volume of people going through. I can look at the extent of case closures and I can look at the profile of issues that those organisations deal with and I can form a judgment about which one is being more effective: apples and apples.

Senator SIEWERT—Are you talking to the clients to see if they think they are getting quality of service from these organisations?

Ms Winzar—Interestingly enough, we ask each advocacy organisation that we fund to do an annual self-assessment, which includes the quality of their service and which we would hope involves some client satisfaction surveys. We also have a series of five-yearly external audits of advocacy organisations, and to some degree that offers some capacity to pick up some client satisfaction measures. But I would be the first to admit that we have a long way to go in that area before we get a true sense about whether or not advocacy services are delivering the sort of services that their clients expect.

Senator SIEWERT—That leads me onto another issue. I will come back to the 1800 number in a minute. With regard to the consultation that was carried out over the latest discussion paper, we asked you during the hearings for the agreement about whether you were actively seeking consultation with people with disabilities, and I understood that the answer was no. It seems to me from the number of submissions that you have had that you have had them mainly from groups, not from people living with a disability.

Ms Winzar—That is probably true; I have not checked the origin of those representations.

Senator SIEWERT—So we have a consultation paper and we are talking about delivering services to people with disabilities, but the people with disabilities themselves have not been able to participate in the process?

Ms Winzar—That is not entirely true. The consultancy that we engaged to do the first part of the evaluation spoke to—I think from memory—about 60 people with disabilities, carers and family members.

Senator SIEWERT—I understand that many people have a lot of issues about the way that consultation was carried out as well. I have had a number of people complain to me about that process as well as the limited nature of the time frame that people were given to be consulted, the rushed nature of the process and then the lack of feedback as well as the lack of input from advocacy groups and people with disabilities.

Dr Harmer—Hopefully, we do our best with consultation across a range of areas and rarely do we have people saying there is enough consultation or that they had enough time. That is a fairly standard—

Senator SIEWERT—This discussion paper went out for a month—one month! There were a lot of complaints about the original period of consultation and on this paper the people living with disabilities had very little opportunity—one month—to comment on it. That is for

a group of people who find it very hard in the first place to engage in consultation processes. For my 2c worth, I would say that is inadequate consultation.

Senator Kemp—I do not know whether it applies in this case, but I think we have had this discussion before—that consultation does not mean agreement with people. Because you consult it does not mean you agree. I make no reflection on this issue, but often groups do say that there was not enough consultation when they have not got the decision that they wanted.

Senator SIEWERT—I accept that, but when you have not even got a submission from people with a disability saying, ‘We don’t like this,’ that points to the lack of a sufficient period of consultation. I am not saying that all the submissions would have said that but, with respect, I do not think you can run that argument in this particular case because we have not even got the submissions from people saying whether they like it or not.

Ms Winzar—The only other relevant piece of information here is that we have also talked to a number of the peak organisations, including the Federation of Disability Organisations, which is the peak consumer representative, to get their views on these proposed changes. I accept that it is difficult to do effective consultation with some people with disability, but certainly those consumer organisations have given us some valuable input as well.

Senator SIEWERT—You are aware that some people asked for a forum to be held so that people could go there and talk about this? Are you aware of that request?

Ms Winzar—No, I am not.

Senator SIEWERT—My understanding is that it was a request put in directly to the minister.

Ms Winzar—I am afraid I do not know about the request for a forum.

Senator McLUCAS—The minister has not passed that on?

Ms Winzar—Not to me, no.

Senator McLUCAS—Dr Harmer?

Dr Harmer—Possibly it went somewhere in the organisation. It would not necessarily be with Ms Winzar; maybe it was with one of her officers. She is saying she does not know personally about it.

Senator McLUCAS—Ms Winzar runs this program.

Dr Harmer—Yes. It is possible—

Senator McLUCAS—I just do not know where else you would ask.

Dr Harmer—It is possible it has come to her group manager, for example. I do not know.

Senator SIEWERT—We will follow that up.

Dr Harmer—We have answered the question about whether—

Senator McLUCAS—Yes, I think you have. Mr Cobb to the group manager? I don’t think so.

CHAIR—Are there further questions?

Senator SIEWERT—Yes. I will try to be quick. I will return to the 1800 number. Given that the states are so different—and that is part of the problem; we have identified pretty clearly during the hearings on the agreement that the states do vary considerably in the services they provide—if they are doing more than just directing people to advocacy services but are providing advocacy for those that cannot get to another advocacy service, are you confident that they are actually going to be able to provide that level of information given the different circumstances in each state?

Ms Winzar—I think call centres and telephone contact points can operate in a number of different ways. In Western Australia at the moment there is a free call number for disability advocacy which seems to operate, according to the feedback that I have had, reasonably effectively across the state, notwithstanding its geographic dispersion.

Senator SIEWERT—But that is for our state; they are not trying to cross jurisdictions?

Ms Winzar—And notwithstanding the different distribution and availability of services in a particular region. I must say I do find it a little difficult to understand why, if a telephone service can operate effectively on a state-wide basis, it cannot operate across state boundaries, because I am not sure that the issues that advocates are asked to deal with are, on the whole, that much different in their nature. The contact details for each state will be different, obviously, but they will be different in a particular region within a state as well.

Senator SIEWERT—Have you tried to get carers in a specific state? In Victoria one person we spoke to had to go through three different service providers to get carers for a week. He dealt with three different service providers to get carers to cover one week. In Western Australia you do not necessarily have to deal with three. It is hugely complicated.

Ms Winzar—It is hugely complicated.

Senator McLUCAS—A consistent message out of the whole CSTDA inquiry is that, just by the nature of the way disability services have developed over Australia, they are incredibly different. There is no express desire through the current CSTDA to change that, as far as I can see, but simply to recognise that those differences occur. That is the point I was trying to make earlier. You are going to establish, apparently, a state-wide service in the way that Senator Siewert is talking about, and one state organisation is going to deliver a service that will probably be based on a phone number in Queensland. You cannot go to Birdsville to deliver an advocacy service. You just cannot do it. It will be a phone number. Then, over the top of that, we are going to put another phone number. I just cannot see the logic of the double funding of it.

Ms Winzar—It is true that in Western Australia there is a free call phone number, but in a number of states there are not free call phone numbers. I think the 1800 number is an important part of the overall strategy for advocacy, but it is by no means the sole focus of the reforms that we are hoping to make to the program.

Senator McLUCAS—I would say that the advocacy groups are saying that the money that the government is proposing to spend on a national 1800 number would be better spent on those services that are going to provide state-wide services. But that is my presumption.

Ms Winzar—That is a view they have expressed, yes.

Senator SIEWERT—Can I just go back to the issue of the 18-month funding process. My understanding from the discussion that you have just had with Senator McLucas is that 18 months of funding will be offered under a new contract that seems to me be a halfway house between the old process and the new one, with some specialty advocacy groups being required to also liaise with other advocacy groups to increase their awareness of that certain disability. What happens after that 18-month period? There are two issues here. One is the point that they will no longer be funded and the other is that, if not, what is trying to be accomplished by just offering 18-month contracts?

Ms Winzar—There are two questions there. Let me deal with the second one first: what is expected to be accomplished by offering an 18-month contract? To provide us with some time to prepare some of the longer term changes to the program which we feel are needed, including those issues like rebounds in funding across states or improving the amount of funding that goes to both individual and family advocacy et cetera, that will give us and the advocacy organisations time to work through some of those changes in great detail and hopefully we will come up with a program that is significantly better than the one we have now. What will happen at the end of the 18-month period? We are intending, as the consultation paper indicates, to go out with a competitive selection process for advocacy services. We would hope that somewhere about the middle of next year that process would start, with a view to having advocacy services with a much longer contract operating from I think July 2008 onwards.

Senator SIEWERT—I have two follow-up questions, and then I will stop. One is: are you going to use the current funding distribution process? It sounds like what you are doing is offering more or less the same amount of money to the same services that exist at the moment.

Ms Winzar—Yes, we are not proposing to rebalance any of the funding across states or organisations at this point.

Senator SIEWERT—It will be into the future, though?

Ms Winzar—Yes, we would hope so.

Senator SIEWERT—Do you know what formula you will use then?

Ms Winzar—That is something we have not had detailed discussions with government about. We do know, for example, that Queensland is underfunded relative to other states. We know that South Australia and Tasmania are overfunded relative to other states. What we need to consider is the additional funds that come in from state government for these sorts of services and thus what the total provision of advocacy looks like in each jurisdiction. Then we need to, I suppose, make a bit of a judgement about whether there are some critical mass issues that need to be attended to. After that we will have a think about where extra funding might need to be injected or where there seems to be an adequate amount.

Senator SIEWERT—My last question is around the whole issue of systemic advocacy. We know that that is a controversial part of the discussions at the moment. If systemic advocacy is cut, is there an acknowledgment or awareness of the fact that that will more than likely increase the need for individual advocacy?

Ms Winzar—Yes, that is one side of the coin. The other side of the coin is that at the moment there is not much connection in a systemic way between the outcomes of individual advocacy in terms of the issues they deal with, or the problems that clients are presenting with, and the capacity of those systemic organisations and the peak bodies to take those issues forward to the various levels of government. In addition to the funding that we put into systemic advocacy organisations we also spend something like a little over \$1 million a year in funding peak body organisations to represent the interests of people with disabilities of one sort or another. At the moment we do not provide any information to those groups from the individual advocacy organisations which would assist them in being stronger systemic advocates themselves.

Senator SIEWERT—Rather than getting rid of systemic advocacy, would it not be better to improve that communication? Also, my other question—I told a lie before that it was my last question—

Senator Kemp—I am sorry, misleading the Senate is very serious.

Senator SIEWERT—It is a supplementary question.

CHAIR—Well wriggled out of!

Senator Kemp—I do not know about that, Mr Chairman. Could we have a ruling on this?

CHAIR—I am used to this.

Senator SIEWERT—It was a pretty broad statement you made about that lack of connection between individual advocacy and systemic advocacy. Surely that is not the case in all states or all agencies?

Ms Winzar—It probably is not the case at all. But I must say that, when we provided some information to the reference group which assisted us with reviewing the Social Options consultancy report—this was data drawn from the individual advocacy organisations on the sorts of issues they dealt with and the sort of demand that was experienced and where demand was not being met—the expressions of surprise came from right around the table. That included a range of organisations, and systemic organisations were well represented at that process. There is no mechanism at the moment which would allow them to have a good window into individual advocacy outcomes.

Senator SIEWERT—Is that an area that you are looking at trying to facilitate and help?

Ms Winzar—Yes, and certainly to pass that information on to the peak bodies as well.

Senator EGGLESTON—I would like to ask some questions about federal disability legislation. The background to it is that I have a friend who married a paraplegic in the UK who was an Australian Army officer who had an accident there. They have come back to live in Western Australia. Her husband continually says that the standards of facilities in public buildings, Commonwealth buildings and so on for disabled people are far below the standards that pertain in the United Kingdom. I know that there are jurisdictional differences between the states and the Commonwealth governments—you can take this on notice—but what overall differences are there between Commonwealth-required standards of facilities for disabled people and people in wheelchairs and those under UK legislation, and perhaps also under the European Union standard, if such a thing exists?

Ms McKenzie—We will take that on notice.

Senator EGGLESTON—Thank you.

Senator McLUCAS—I have one question, and that goes to the inclusion of advocacy in the current negotiations around the CSTDA. Advocacy is notionally a joint responsibility between the state and the Commonwealth and I am sure you have had a look at what the activities of the various states are. I mean, some states actually found 1800 numbers, for example. What role does your section have in feeding in requests for agreement around advocacy services in the negotiations that are currently under way?

Ms Winzar—As you say, advocacy is a joint responsibility of the Commonwealth and the states. Negotiations on a future CSTDA have not actually commenced yet.

Senator McLUCAS—Haven't they?

Ms Winzar—No. There are a lot of processes to be gone through before we get to that point. My understanding is that there have been some discussions by telephone at least between disability administrators in each state and at Commonwealth level around a future agreement. Whether or not there has been any significant firming up about what might be in or out of those discussions, I am not certain.

Senator McLUCAS—Does the Commonwealth have a view about what would be desired in terms of an optimum agreement around advocacy funding?

Mr Hunter—That is an open question at the moment. The Commonwealth is considering its position in relation to its negotiating position on the Commonwealth State Territory Disability Agreement. Obviously, in considering its position it will be considering where advocacy sits in that agreement.

Senator McLUCAS—I thought we would have started, but apparently we are about to start negotiating an agreement that is going to come online on 1 July next. I am bemused that we would be reorganising the federally funded disability advocacy program when on a parallel track we have the opportunity to look at joint funding of disability advocacy services that does not look like they are going to mesh.

Mr Hunter—All I am saying is that it is an open question at this stage, and the government has not reached a view about it.

Senator McLUCAS—Are you planning for the left hand not to know what the right hand is doing?

Mr Hunter—No, both hands are—

Senator McLUCAS—I am sorry; it is just not looking as if there is a plan here.

Mr Hunter—We are working on a plan.

Dr Harmer—We are working on a plan. After all, there is a negotiation between the Australian government and the states. It would be very unwise for us to talk publicly about our negotiating position in advance of those negotiations.

Senator Kemp—We might have to call on you, Senator, to help us with these state Labor ministers, actually.

Senator McLUCAS—It is easy—just swap seats. With that, I will shut up.

Senator MOORE—Thank you, Mr Hunter, for making sure we had it in the right area. That is always a good start. We have a couple of questions generally about where FaCSIA fits with the Department of Health and Ageing in the pursuit of the COAG agreement. I am sure you will look at the *Hansard*, but we asked similar questions to Health and Ageing last night, so there will be general questions placing you in the system and then some specific questions about what you are actually doing. So, where do you fit?

Mr Lewis—I did listen to DOHA's comments yesterday so I will, perhaps, refer to and draw from some of those. We sit on an IDC with DOHA, DEWR and DEST—Education, Science and Training; Employment and Workplace Relations; and Health and Ageing. I think, as they mentioned yesterday, that IDC includes AGs, PM&C, Treasury, Finance and so on. Other members, such as Human Services, Centrelink and others come to those now and then. We meet every four to six weeks to talk across all 19 measures in terms of progress. As you can imagine, the Cabinet Implementation Unit from PM&C is extremely interested in how the measures are tracking, and it also attend those meetings. We report on progress as part of the process through the CIU.

One of the things that is key in those meetings is that we look at the 12 outcomes that were published in the action plan as key measures. Many of those relate to the three FaCSIA measures that we have. We have personal helpers and mentors, for about \$285 million; respite places, for \$224.7 million, so \$225 million roughly; and \$45 million for community based projects. We undertook a national consultation process in every state and territory, including some regional centres—Albany and Townsville. We had over 1,000 people attend those consultations; they were very well attended. We invited people through press ads and other processes. We had many consumers, many carers, colleges of psychiatry, the Australian Psychological Society, divisions of general practice and the AMA and, as a matter of course, we invited state colleagues from the mental health area of the health departments in each state, except Queensland because it is now in communities, to come along and talk about what the state was doing consistent with the state's commitments in the COAG mental health action plan. We have had overwhelming positive feedback on that process—many, many emails and phone calls—from consumers and carers about how they see the models developing and with suggestions about how we might progress in different ways. Drawing on some of the comments that were made earlier, there is a difference of opinion and approach for each state government. Each state jurisdiction has a view about how they operate in their state, and they are all in different stages of progress, as you can imagine.

There were two flagships in the action plan, one was the care coordination flagship, of which one of our measures is a key part, certainly in some states. The second flagship was collaboration across governments—that is, the Australian government and/or state or territory governments. Regarding the progress to date, I think in every state without exception we have had good, cordial relations around where we are going. I have now, as of last Monday in WA, five or six states which have made a commitment—and I think Jan Bennett mentioned this yesterday when you asked her about mental health nurses. We have a commitment from all of those states. We will have those from the remaining three in terms of proposing some sites that might be appropriate particularly for looking at the care coordination model in the state

but including rationale from the state perspective about why they might be appropriate and also an indication of the commitment from the state consistent with the action plan and/or other intents that the state may have progressed further since the action plan about how they might commit to sites was released.

Senator MOORE—That is a good overview. We got a box this morning with your name in it. Is mental health a new section?

Mr Lewis—It is a new branch. The money was available from 1 July, so the branch has been running for about three months. In that time we have met with premiers departments in some states four or five times and in others once or twice, but we have met and consulted in all states to date, so it has been fairly hectic, as you can imagine.

Senator WEBBER—Is this the first time there has been a dedicated branch for mental health in this department?

Mr Lewis—It is.

Dr Harmer—It is a new area for us.

Senator MOORE—How many bodies are there in your unit?

Mr Lewis—At the moment, 25. We are funded to have around about 33 or 34. We have just undertaken a recruitment exercise and hope to bring more people on. We anticipated that the work would come in several ways and that we would start now going into more of an implementation phase, so we anticipate taking on some more people.

Senator MOORE—That is a funding plan, because the programs that the department is involved in are over five years?

Mr Lewis—They are.

Senator MOORE—Is the staffing looking at a five-year staffing profile, or is it year by year?

Mr Lewis—In administrative dollars there is a little bit more in the first two years, as you would expect, in setting up a new program or two. Each of the measures is funded for three months of operational activity in administered money this year, and then it ramps up quite quickly. For example, the personal helpers and mentors measure goes from 100 this year for three months to another 300 next financial year, and from then on I think it is 400 and 100 to peak at the fifth year.

Senator MOORE—I saw that in the yellow book. I just wanted to see what the profile was in terms of the plans to go through. I think it has been very helpful to have had the briefing from the department beforehand. We appreciate the support from the minister and also the department to allow that. It just makes it easier when you get those general things out of the way first, so it makes this more focused. One of the things we talked about last night with Health and Ageing, because as you know they have a series of fact sheets on their website, was the definition of mental illness. One of their fact sheets lists a whole range of conditions that fall within the ambit of the program, and a couple that do not—

Senator WEBBER—And then their catch-all mental—

Senator MOORE—Other mental illnesses as required.

Senator WEBBER—Yes.

Senator MOORE—They are going to go away and have a look at that. One of the things we do find consistently with disabilities and, particularly, with mental health areas is that the labelling is important and also can be very divisive, so we asked about that. We are interested in how mental illness will be defined to determine FaCSIA's client group. Will the clinical definitions be used in terms of determining who is able to access the services and, if not, will it be a non-clinical process of functional ability or disability, which is used in a lot of other areas in this industry also? Can you have a go at that one?

Mr Lewis—Obviously, we work closely with Health on their approach to defining mental illness. I heard the statistic of 16.6 and the others that they provided to you. In looking at defining severe mental illness we have drawn on the Wisconsin statute that was referred to, I think, in the mental health action plan which does recognise functional disability in a mental illness context and gives a list. I could read it out to you, but I can table it if you like?

Senator MOORE—It might be easier to do that, yes.

Mr Lewis—The short answer to your question is that we do anticipate that a clinical diagnosis would probably soon be in place for most of the people we deal with in the measures defining a severe mental illness in a clinical sense. However, what we are saying—and we have from the consultation that it is important—is that there may be a smaller proportion of our customers who may have stepped out of the system, dropped out of the system or be disconnected in some way from the system. They may be in homeless shelters or they may be in some other environment that brings them back into contact with the system such that they have access to a personal helper or mentor, and the intent is that there be some form of screening mechanism. We are talking to the Australian Institute of Health and Welfare about how we might best do that. We have also had discussions with the college of psychiatry. I am a member of the mental health steering committee, which is a subcommittee of AHMAC, and that is all directors of mental health nationally. We are going to be talking to them about how we might have a tool—and this would be a new instrument, nationally—which we would be able to use to screen entry into the programs but which would allow us to give some comfort to the state and territory jurisdictions that the people we are dealing with are at the severe end of the spectrum such that, if there is a state and territory jurisdiction to provide some form of service, be it housing, community support or some other service, they have a sense that they are the right people who need that care. That is something that each state and territory would obviously have a view on, and we are working with each of those jurisdictions through the premiers process.

Senator MOORE—I know that it is particularly early days in the program and I want to ask you some questions about the trial sites, to the extent that the choice—successful or otherwise—of the trial sites will set the flavour for the whole program. In terms of the three programs for which FaCSIA is responsible, the threshold level for people to be able to access care at this stage seems to be fairly undefined. I know that you just said that we are looking down the track at getting a tool process working, but at this time, with the expectations that have been built up around this whole program, people are already self-defining whether they are severely in need of help or whether they are moderately in need of help. Personal carers seem to be available for people with severe need, but in terms of respite care and the other

programs, it does say that priority should be given to severe disabilities. Is that an issue that has come up? It has come up in our discussions?

Mr Lewis—That has not come up quite in that way. What has come up is that in the respite measure there has been concern expressed about the distinction between mental illness and intellectual disability. For those working in the arena there are different schools of thought. There are many different sections: there is mental illness, co-morbidity, intellectual disability—it can go on and on. We can classify people in all sorts of ways or they classify themselves in all sorts of ways. So that is an issue for us in the sense that we need to work through how best to think about proportions within the umbrella of mental illness, because it is a mental health measure. That is something we are still to work through in terms of finalising our thoughts on that. We have got some views on it and we will be sharing those with the minister and getting some feedback on how the minister sees that.

Senator WEBBER—I would be interested in getting some more information on that and your definition of severity. Particularly when you are looking at some of those co-occurring issues, perhaps the substance abuse might be quite severe but the mental illness might not be. It seems to me that those people are not going to be picked up in any of these programs. They are not going to be picked up in health and they are not going to be picked up here unless they develop a quite severe mental illness as well. There is not much of a preventive approach.

Mr Lewis—Everyone would agree that even 900 at a national level would not address all need or prevention need. Inasmuch as we can we are thinking about how best to make it effective for as many as we can within a zone and working with the state to do that. I should add that colleagues in the Department of Health and Ageing are talking about some of the parallel measures—which comes back to your earlier question—the mental health nurses, the independent living money and the community. We have assisted DHA with the suicide prevention tender assessment and we are working with them on the early intervention for children and parents measure—colleagues and other groups in FaCSIA are going to be in a working group around that. I am trying to give you some comfort that there will be some cross-fertilisation and then there is the layer that the state is putting in. What the Australian government has to implement is only one part of this much broader picture.

Senator MOORE—As with so many FaCSIA programs—and we had a discussion this morning on Indigenous issues—no program fits in one box. Importantly, through this whole process mental health is not in one area. Although one area has to take the lead and be involved, there is an amazing need for all of the programs to cooperate to continue to provide services. Within FaCSIA itself I know that you have in other areas interbranch arrangements. There is an acknowledgement that housing, child-care and Indigenous areas all have mental health issues. Is there anything in place at the moment within FaCSIA to do that?

Mr Lewis—There is. We have a mental health internal advisory group and it has membership right across FaCSIA.

Senator MOORE—Is that different from the one that you mentioned before?

Mr Lewis—It is different.

Senator MOORE—Structurally I am getting a bit lost with how many groups there are.

Mr Lewis—The IDC is across departments.

Dr Harmer—It is between different departments.

Senator MOORE—And AHMAC is another one?

Mr Lewis—Yes.

Senator MOORE—And there is another one?

Mr Lewis—There is the Mental Health Steering Committee, which is national. Directors of mental health is a subcommittee of AHMAC. Within FaCSIA we have a mental health advisory group, which is made up of branch managers across FaCSIA and, in some cases, group managers, for example, from OIPC.

Dr Harmer—This is a new mechanism for us because of the fact that we now for the first time have a responsibility and a program around mental health.

Senator MOORE—That gives it focus, which is good.

Mr Lewis—It recognises that issue. It is much broader.

Senator MOORE—We talked about the trial sites, and of course there is going to be a variation. Clearly, one model is not going to fit all. We also talked about the qualifications of the people who will be providing the support in the areas. That is always a difficult issue when you are looking at prescribing as opposed to recommending. So in the areas where you are going into trial sites, both for the personal carers, the NGO work and so on, is there an expectation that people will have to have formal experience or qualification in some form of mental health support, which opens another big door as to which one?

Mr Lewis—Some people in the team will need some experience and/or qualification, but not everyone in the team. We are thinking of a team approach of four to five people in sites so that there is peer support for people within the team, review and also continuity for customers, who will need to be able to talk to someone when they have to. We do think that there needs to be some expertise in managing the complexities and the duty of care issues in such a role. We have taken on board the mental health consumer network advice that there certainly should be some peer support membership of those teams. By that I mean people who have experienced some form of mental illness.

Senator MOORE—There is no way that you are going to escape that.

Mr Lewis—That is what we are saying.

Senator MOORE—As you know for the mental health area, the role of consumers and also the state experience has been so mixed in terms of the genuine involvement as opposed to closing down, so it is really good to address this at the very start. FaCSIA's involvement is a threshold issue?

Mr Lewis—Yes. There are obviously schools of thought at each end of the continuum—coming back to your other point—and the mixture would reflect the site and the particular issues in the site. To work through some of the site issues, for example, we have a workshop planned the week after next with the Northern Territory government to work through how we might address particular Indigenous demands and needs in Indigenous sites. We are trying to

think quite creatively about how we might address the team composition and the particular issues in different sites, but peer support is certainly something that we have taken on board.

Senator MOORE—Do you have an expectation of how many trial sites you will be wanting to get up and running?

Mr Lewis—We have funding for 100 personal helpers and mentors this financial year for three months. We are hoping to have about 20 from March in the next calendar year.

Senator MOORE—From March next year, allowing for that period over Christmas where nothing much happens. So you are hoping to have some places set up and ready to go in early March and then the necessary PR process to tell people it is going to happen. So 20 set up or 20 people working?

Mr Lewis—No, 20 sites set up.

Senator MOORE—The idea is that there will be a group of people working within each site?

Mr Lewis—Yes. If the timeframe is, as you have pointed out, quite tight, that leads you to looking at auspicing bodies—and not necessarily NGOs—from the non-government sector.

Senator MOORE—It has to be non-government, doesn't it?

Mr Lewis—Yes, that is right.

Senator MOORE—That is the only limitation?

Mr Lewis—It is not going to state or territory governments; it is going to non-government services.

Senator WEBBER—You and I have discussed this before, but I just want to officially place on record that there are some significant communities in my home state of Western Australia where there are significant mental health issues and the only auspicing bodies could be the state government. There are no divisions of general practice or anything else out there. You could go to the local GP's office, I guess, but that would be about as good as it got unless you went to the state funded health system to auspice it. Just going back to the teams, given the fact that we say that these teams are only going to deal with people with a defined severe mental illness and there are going to be teams of four or five, is there a thought as to the balance and composition of that team? You need that peer support, but if you are dealing with people with a severe mental illness, you would probably need more than one trained mental health worker in your team.

Mr Lewis—That is where I come back to the point about the team reflecting the demand and the need. The other thing that is important in this is that, in talking with the state and territory jurisdictions about where we put the first sites and in terms of where they are prepared to put their investment as well—coming back to your earlier point—there may not be existing services but that does not mean that they will not be put there over the next five years. That is the first point. The second thing is that, in terms of the mix of people, you would expect that there would be a range of skills. We have had recommendations that a certificate IV as a minimum in mental health would be mandatory. We have had different advice that you need perhaps a few people with those skills but you certainly need specific

skills for their roles. We are not talking about clinical services here. We are talking about a community casework type role in an outreach context that brings together a range of other services, including the clinical. What skill sets are required is determined a bit by the site and what is around.

Senator WEBBER—Determining the skill set will then determine the amount of money that is needed to establish the site, because the more mental health workers you have, particularly in remote and regional areas, the more money it is going to cost you.

Mr Lewis—We have had advice from non-government organisations and we have talked to the Victorian government about how they fund similar types of services. Block funding type arrangements that give flexibility to providers but have outcomes clearly stated give the flexibility for them to employ. They may not employ five. They may employ 10 part-time people and they may be people who have retired or have the skill sets that are most appropriate to the mix. They may decide that they need two or three highly skilled people and perhaps three or four part timers. The way that the non-government service structures some of the internal engineering around the funding allocations gives that flexibility. That is advice that we have taken on board in terms of thinking about the model.

Senator MOORE—We talked about the fact that each site will be different because it will be determined in consultation with states, who will know their business and know whether it will be an inner-city place at a small community with a lot of need or a large regional area. The way I read the budget, it is one big bucket of money and then the way the money is going to be expended is more flexible. Will you carve up the X billion dollars amongst the number of sites you want to set up, or will there be more flexibility about that?

Mr Lewis—We will have to reflect in some ways, and with flexibility, some of the costs associated with the locality. For example, if you are in a very remote or a large distance travelling site, you may need some more money for travel costs. Working through what that might mean in block funding will obviously influence the quantum. There is some flexibility around vehicle and other support, which would need to be looked at.

Senator MOORE—Flexibility for salary and incentive to get people to go to a difficult area?

Mr Lewis—Not in the money as it stands, but there is a capacity for us to work through with the auspicing body what it might mean for them. In terms of how they might be selected, they are going to have to have some strategies about how they would address this.

Senator WEBBER—I am sure even Senator Eggleston would back me up on this. If you are dealing with the north-west of Western Australia, I would suggest you revisit that approach; it is not up to auspicing bodies to all of a sudden be a bit more creative about the way they find the money to get the necessary professionals into those areas. You just have to pay up front, because half the time you have to get them out of Perth. Unless the department is perfectly happy to have an entire team without a mental health professional in it, you may need to revisit that.

Mr Lewis—The states and the territories will want to have sites that we can do this work in. What we learn from those sites, recognising that there will be a variety of conditions and

people, will then influence how we reapproach the next phase. This is where the ramping up and the staggering of the implementation gives us some flexibility. I take your point.

Senator WEBBER—There are a lot of other issues that we want to ask about, although we did promise you when you came to brief us that we would not spend all of estimates talking about this. But just one final question on this particular aspect from me: when do we finish rolling out the 100 sites? I am a bit concerned as this is a program over five years. If we are going to be still rolling them out in the fourth year, then we are going to have a site that is only going for one year, and that creates an expectation that is difficult.

Mr Lewis—There are 900 personal helpers and mentors, of which in the first financial year we have 100. Of those 100 there would be 20 sites.

Senator MOORE—Is there flexibility with this?

Mr Lewis—Yes.

Senator MOORE—There is a five-year plan which people are all working madly to do. I know that you have to have a business plan to get started and I know that the first round is how you described it, the respite will be separate, and that it is looking at existing processes. But, within that five-year budget, is this a program that allows flexibility between it? Can those areas move within the five years or is it your expectation as a department that the funding is very much on an annual basis for the five years? That will determine how you make decisions. I just want to add one thing: if you have got people raring to go in this industry and they want to go, one of the problems will be if you have to say, ‘No, you have to wait until next year.’

Mr Lewis—At the moment the money is allocated on a yearly basis for the five years—obviously, depending on how we go in the first year. We will learn a lot about the capacity of the sector and also learn about the readiness to implement. At the moment, that is how the funding is allocated. It does ramp up quite quickly into the second year.

Senator MOORE—I have seen the forward year estimates.

Mr Lewis—In the third year it peaks. The money is rolled out by the fourth year and the fifth year is a continuation. In terms of contractual arrangements, the expectation at this stage—this, again, is to be discussed more broadly—is that a two-year term would not be unreasonable to give incentive to engage but also capacity to have continuity for the sites. That is not locked in and certainly that is the thinking that we are doing.

Senator MOORE—What is the administrative process of delegation? You will call for tenders, and with this part of the three programs, in which FaCSIA is the lead agency, it would be a FaCSIA tender?

Mr Lewis—It may be an application process of a tender, but there will be an invitation process of some sort. It would be a FaCSIA process.

Senator MOORE—At what level is assessment and delegation for approval?

Mr Lewis—The minister would be the one who would have a view.

Senator MOORE—It is ministerial?

Mr Lewis—He would have a view but the department would make recommendations.

Senator MOORE—Who signs off?

Mr Lewis—In the final instance?

Senator MOORE—Yes. Who decides the successful tenderer? Is that a departmental delegation in this case?

Mr Lewis—That would be defined by the procurement plan. It may well be me. It may well be a group manager. It certainly would not be at a section head level. I would say it would be at an SES level.

Senator MOORE—Has that already been agreed?

Mr Lewis—The procurement plan has been designed around the design of the program, and that will include a probity plan and a probity process, which will be transparent.

Senator MOORE—We have had other discussions in other programs with FaCSIA in the past about concerns on the timing of tenders, not just the length of time but also the period over which it is being done. In this case you are working straight towards the Christmas period, which, for a lot of areas, is a difficulty in terms of peak load and so on. Is that something that has been considered?

Mr Lewis—Yes. You have a number of options then. You have a request for interest process that might give you a precursor to people pre-registering and pre-accrediting themselves in terms of the formal invitation process. Alternatively, there is a longer lead time but starting before Christmas, which gives them more time to develop applications around a strategic sense of how they might operate. As you say, Christmas is pending; starting early is important. In terms of timing, we are looking at late November to early December to have that first engagement. But as to what that might look like, I cannot give you a categorical answer. I do take your point.

Senator MOORE—Respite care has caused a lot of discussion, because it is something that people have been asking for for a long time. It is anticipated that people with defined mental illness and also people with intellectual disability will both have access to this plan. We have talked about—and I know in the CSTDA discussions about this—people with a minimum dual diagnosis or some form of disability that has mental illness as well. What is the idea in terms of proportion of places and who will make the assessments? What are the difficulties around that whole area? The area is not easy anywhere, but this is a particularly controversial one.

Mr Lewis—We are doing a lot more work on that one at the moment and taking on board the consultation feedback.

Senator MOORE—Did you get much in your consultation process on this particular issue?

Mr Lewis—In structuring the consultation we had a preliminary session and then we split people by voluntary engagement into workshops. They then had an hour or, in some cases, two hours to workshop from their perspective how each of the measures might work. People did divide up into those groups, so we did get a lot of information. We have only concluded those about two weeks ago, whilst doing the COAG consultations at the same time. We have got some work to do.

Senator MOORE—It is ambitious to say on your website that you will have all of this up by mid-November?

Mr Lewis—It is doable, but we have got a lot of work. It means that we are working hard.

Senator WEBBER—And now you know your website has got at least one reader.

Senator MOORE—From the way I read the preliminary information, the other services under FaCSIA that are in this box do not have dual access for people with defined intellectual disability and with mental illness. The respite care one is the only one.

Mr Lewis—That is the only one.

Senator MOORE—It is almost like it is a whole different level of consultation. You may or may not have heard some of the discussion in the previous session about consultation in areas of disability.

Mr Lewis—Yes.

Senator MOORE—That is already a little difficult. In terms of the consultation that you have done to date, to the best of your knowledge, allowing that it is recent, has there been a lot of input around this dual area?

Mr Lewis—I attended as many of them as I could. There were two that I could not attend. It depends on what people state their condition to be. It was neither appropriate nor was it our intent to ask people to state their condition, but we did have people at those workshops who, to the bystander, were disabled and who came along to talk about the respite measure. We did not ask people to self-label so we do not know how many people were either mentally ill, intellectually disabled and/or both, and/or with co-morbid other conditions or substance issues. It is hard to answer that categorically. People with mental illness are saying: ‘We have not had this sort of respite. This is something that we really would like to have and we want it all to ourselves.’

I am going to characterise here. The people with intellectual disability are saying, ‘We want some of this.’ You have people in between, right across the continuum, depending on how you segment it. If the argument is that this is for mentally ill people then we may need to have some sort of protocol that states, ‘If you have a clear mental illness, you would get perhaps priority access,’ but recognising that already people who have a mental illness are accessing some of the disability respite places through the disability programs. There may well then be some capacity for those programs that are not full with people who have a mental illness, in terms of the places that we allocate, to then apportion them to people with an intellectual disability. But giving some flexibility around that is going to be the key. The front-end protocols and pathways around that are quite sophisticated in terms of how we might address this. We will not meet everyone’s expectations. That is quite clear. Trying to work through how best we might meet the expectations of as many people as possible who have a mental illness, and people with an intellectual disability and/or co-morbid, is going to be hard.

Senator MOORE—Are the existing respite services through Health and Ageing?

Mr Lewis—They are under the HACC program.

Senator MOORE—Is there going to be crossover between those services and this one? Is this going to be caught up into the network so that everyone will know what is around?

Mr Lewis—We have talked to the Department of Health and Ageing. We have talked to the Home and Community Care people. We have talked to them about how they currently manage the CCRCs—the Commonwealth Carer Respite Centres—and we have an understanding from them that they already are thinking about how they might broaden and be more flexible in how they currently manage the CCRCs. All the indications are that this would be something we could do through Commonwealth Carer Respite Centres in a brokering role but allow greater flexibility; rather than just have a day or night place, give a capacity for a day or two or three hours, perhaps going to a movie or something, that might constitute respite for the purposes of that individual.

Senator MOORE—Have the details of the respite plans been worked out yet or is it still 24 hours in-house—

Mr Lewis—It is going to be a variable continuum. If people want a place overnight or a day place, that may well be their wish. They may wish to have a couple of hours once a week, and that might be something quite specific that they seek. For example, we have looked at models in Victoria which are outdoors. There is a company in Victoria called Outdoors Inc., which has been running quite successful respite services for mentally ill people for some years. They have this model where they take people out white-water rafting and doing all sorts of exciting things that are unique. There is a program up north, as someone mentioned, that has been running some of the consultations. It takes Indigenous people out bush and gives them a respite experience in that way.

Senator WEBBER—Within that the magic figure of 15,000 has been mentioned. Given that you have got that broad definition, is respite where someone is taken out to the movies for a couple of hours counted as one of the units of 15,000, or is it 15,000 families that you are going to assist?

Mr Lewis—The 650 places was a year by 26 people where each client got two weeks. What we have done is to say that is a little bit arbitrary, but that is a way to cost something. We have worked through how we might be more flexible in using those places. In a sense you could get more than 15,000 and you may get less than that, depending on the demand.

Senator MOORE—Is that a model that has been created especially for this program or was it a pre-existing model?

Mr Lewis—We have talked to our respite colleagues in the Disability Housing Group about how they currently work through respite, and we have talked to DoHA. We have come up with what we think in the mental health arena might address the need from the consultation feedback we have had. We have not locked in to it, but we are obviously working through it.

Senator MOORE—As part of the work that you are doing and also in the cross-agency process, has anyone looked at doing a full audit of current, existing services in this area? I am not just talking about respite but about what is active in the mental health field.

Mr Lewis—I cannot comment on that. It has not come up yet, but there is certainly the mapping work that we have been doing in conjunction with each state jurisdiction. A working

group was established under the COAG Premiers committees. Care coordination is one of the first items that these Premiers committees looked at. In every jurisdiction we set up a working group to which DoHA, DEWR, DEST and other members were invited, and state NGOs working in this area, to do mapping of what was existing in the state. In a sense we have done something like that, but we have done it at a state level with the state government and the territory government.

Senator MOORE—The scary thing is something like that did not exist beforehand, and that kept coming out in the consultations that we had when we did the committee work. No matter whom we asked, there was no-one that could say, ‘This is what exists in Queensland or Western Australia.’ In many ways that is an incredibly important step that this COAG agreement has led to.

Mr Lewis—Yes. We have a product of the mapping in each state in that regard. What we have said is that, although we have a first phase of work, we have asked each jurisdiction to maintain the working group and to have it reconvene to be able to further that work. So, yes, we have got that capacity.

Senator MOORE—We will put some specific issues on notice, because it is the kind of thing that can come in that way. We are very keen to continue getting information about everything, naturally, but particularly for this point on mental health. We will be getting that working process going. Who has the responsibility for evaluating how it is going?

Mr Lewis—DoHA mentioned yesterday that they have that overall role. In addition to the 12 key outcome measures that are in the action plan, we have a cross-departmental group on evaluation and monitoring, of which we are members. As Nathan Smythe said yesterday, when he talked a bit about each measure having its own measurement, we will obviously have our own measurement of our implementation.

Senator MOORE—So FaCSIA and Health and Ageing will be self-evaluating theirs, but is there an overarching—

Mr Lewis—Each COAG committee is charged with coming back to COAG with a report on progress, overall implementation and ultimately outcomes.

Senator MOORE—Annually?

Mr Lewis—The intent is that we address as a minimum the 12 public stated outcomes. As for where we go from there, certainly DoHA is working with the IDC and the working group to think about how we might progress that further. There is an overall and then there is a micro commitment, so there is a macro, a micro and a national commitment.

Senator MOORE—Thank you very much. We will put the other questions on notice. In terms of how this will appear in next year’s annual report, would I be able to expect that when I open this up next year there will be a segment on this under the outcome?

Dr Harmer—I would expect that we would have one, because this is a new process.

Senator MOORE—That is what I would assume.

Dr Harmer—It would be very unusual for us to not have a section in our annual report that referred to a significant new element of our business.

Senator MOORE—Each department's annual report operates in a different way, and when you see the Health and Ageing one it is very detailed. Yours operates in a different way. But when you have this cooperative arrangement I am hoping that in an easy way we will be able to see what is happening with mental health.

Dr Harmer—I could not guarantee that we will use the same format as Health necessarily.

Senator MOORE—I would not expect that.

Dr Harmer—Our annual report, for example, won an award last year. We were reinforced by—

Senator MOORE—I was going to mention that at the end of the day.

Dr Harmer—We will certainly have a section on that.

CHAIR—That concludes output 2. According to our program, we will now move to output 3.1, support for families.

Senator MOORE—I have some questions that are straightforward data type questions on families. You are not going to get the normal long look at families this time. It is not because it is not important; it is just that, at this time, with our time constraints, we decided to focus elsewhere.

Dr Harmer—Is Senator Evans coming back?

Senator MOORE—No, he is not.

Dr Harmer—I have some answers to his questions about the staff matter.

Senator MOORE—Do you want to table them or read them into the record now?

Dr Harmer—I want to put them on the record before the end of the day, as I promised him.

Senator MOORE—I am happy for you to do that.

Dr Harmer—Senator Evans asked: did the investigation officer recommend dismissal in relation to the case that we were speaking of, and the answer to that is, no. He asked what recommendation the Ernst and Young investigator made. I will quote from the report:

My investigation into the matter has produced evidence from witnesses that should enable you to consider whether a prima facie case exists of her being in breach of the Australian Public Service Act 1999 Section 13.

In other words, he is not suggesting that it is a criminal matter. He is not even suggesting that it is definitely a breach. He is suggesting that it is for us to consider whether there is a breach. Through the processes of natural justice, after some period of legal advice, this report came to us just before Christmas. There was a period of leave. The investigation officer had to go through it because it was a recommendation that left open our action. Considering legal advice et cetera, he then approached the officer who was on suspension on pay and, through our requirement to provide natural justice, spoke with her about it. She then resigned, thereby taking away from us the option of doing something with her under the code of conduct. The code of conduct under the APS Act only applies to someone who is an officer. He had to talk to her about it. She resigned and it then removed the possibility for us to act on the code of

conduct. I am very satisfied that we conducted the process appropriately. It is a pity that we did not have it here earlier when Senator Evans was here. I wanted to read that into the record because we could have been left with the feeling that the process was badly handled. I do not think that it was at all.

Senator MOORE—If Senator Evans has further questions, I am sure that he will get back in contact with you. The first questions I have are to do with the Stronger Families and Communities Strategy, and they are looking at data. Can the department confirm that, in relation to the Stronger Families and Communities Strategy the department allocated a total of \$64 million across both family initiatives and community initiatives?

Ms Beauchamp—Are you seeking information on the 2005-06 year?

Senator MOORE—That was 2005-06. My question was: can the department explain why a significant increase has been budgeted for the strategy in 2006-07? My understanding is that there was the original allocation and then there has been a ramp-up in 2006-07.

Ms Carroll—The increase in funding in 2006-07 is due to the rollout of the strategy over time. For example, as in Communities for Children, as the element of the strategy and as the additional sites come on board and are then able to roll out their funding, that increases the amount of funding in each year. It is a matter of the way the implementation of the Stronger Families and Communities Strategy has been phased.

Senator MOORE—So it is not so much new grants as existing money being expended and allocated?

Ms Carroll—That is correct.

Senator MOORE—Has there been any decision made to expand the program?

Ms Carroll—The government has not made that decision at this point.

Senator MOORE—Will there be an additional round for any grants under the programs in 2006-07?

Ms Carroll—It is under different elements of the program. Some of these would be directed to the communities area. Under things like Local Answers they are around during the financial year. However, under things like Communities for Children the sites have already been selected and so there will not be new funding rounds except where the individual facilitating partner is doing their own funding of the initiatives in those locations.

Senator MOORE—They have got the funding out of the original grant and it is up to them how they spend it. Is this all on the website? Every time there is a new grant or a new round, is it clearly put on the website?

Ms Carroll—Yes.

Senator MOORE—Is that where they seek the advice?

Ms Beauchamp—Yes.

Senator MOORE—I will ask this question to your area, because it is one of the biggest funding areas of the department. Do you get feedback from people that they do use that

website to access that information? Do you have any internal process that you can use to follow up on that?

Ms Beauchamp—We would be able to get advice on the number of times the website has been used.

Senator MOORE—This is in terms of the interactive nature. I know that has been the chosen method for advertisement to community groups and so on in many ways—they go to the website, scroll through and see what is happening. I am just interested in the usage. I know that is not your area particularly, but it popped into my brain. The next questions are on Strong and Resilient Communities. Can the department confirm how many people are currently receiving assistance through this package?

Ms Carroll—I am not clear if that is under this outcome.

Senator MOORE—It is 3.1 They have been double-headed. Is maternity payment your area?

Ms Beauchamp—Yes.

Senator MOORE—We have heard that there is an IDC on the maternity payment. Who is on that IDC? A media release about the department went out from Australian Associated Press on 17 October quoting the minister:

...an inter-departmental committee was examining ways to ensure the baby bonus, first introduced for all births in July 2004, was directed to the children. The minister has already indicated publicly that the government set up an inter-departmental committee that is looking at ensuring that payments intended for the benefit of children are directed to that purpose ...

Ms Beauchamp—That is not an interdepartmental committee on the baby bonus as such.

Dr Harmer—It is an interdepartmental committee looking at Minister Brough's concern to ensure that payments provided to families are actually going to families.

Senator MOORE—Is it a wider IDC?

Dr Harmer—Yes, it is.

Senator MOORE—Does the issue of the baby bonus come under its auspices?

Dr Harmer—It was one of the issues considered, because one of the key payments to families is the baby bonus.

Senator MOORE—It received a lot of media.

Dr Harmer—It was part of the consideration of that task force set up, as the minister indicated, to look at the broader range of reform in the area of payments to families. It was looking for ways to ensure that the children got the benefit of the payments.

Senator MOORE—Where would I find details of that task force? Is it on the website or could you tell me how it works? Sometimes it does put it there, but I cannot remember seeing it. That is not to say it is not there.

Dr Harmer—This was a task force set up to provide policy advice to the minister.

Senator MOORE—Does it still exist?

Dr Harmer—The task force has made an initial report to the minister, and the government is considering follow-up action. It is not something we can go any further on.

Senator MOORE—Is it still in existence or has it completed its work?

Dr Harmer—The IDC has completed its work. It has prepared a report to the minister in relation to policy advice, so it is not something we can provide you.

Senator MOORE—You cannot provide that policy advice, but can you tell me who was on the IDC?

Dr Harmer—We can tell you the departments.

Senator MOORE—Can you tell me which individuals?

Dr Harmer—I would rather not tell you individuals, but we can tell you the departments.

Ms McKay—The task force was led by FaCSIA. On it were the Department of Human Services, Centrelink, the Department of the Prime Minister and Cabinet, the Treasury, the Department of Finance, the Department of Employment and Workplace Relations, the Department of Education, Science and Training and the Department of Health.

Dr Harmer—It was quite a large group.

Senator MOORE—Was it a high-level one? I always ask this question because the IDCs operate at different levels. Was this one at a senior level?

Dr Harmer—It was led by the deputy secretary.

Senator MOORE—Was its brief to provide policy advice to the minister on family support? Can you tell me what its brief was? Is that breaching something? If it is, please let me know.

Ms McKay—It addressed ways in which government payments to families could be ensured as being used for the purposes for which they were allocated.

Senator MOORE—Was it looking at both Indigenous and non-Indigenous communities?

Ms McKay—Yes—families.

Senator MOORE—In the last 12 months, how many women received a maternity payment via fortnightly instalments as opposed to the lump sum? We have asked these questions before.

Mr Hazlehurst—Do you mean family tax benefit?

Senator MOORE—Maternity payment. That is the particular claim in terms of getting the money for having a child.

Mr Hazlehurst—The payment by instalments as opposed to a lump sum?

Senator MOORE—Yes. The option that was talked about. When people were concerned about getting a lump sum, a decision was made that people could access that either as a lump sum, which is popular for some families, or over time. We are trying to test, as we do often, what the uptake has been of the choice people said they wanted.

Mr Warburton—In the financial year 2005-06—

Senator MOORE—That is the most recent advice?

Mr Warburton—Yes; there were 574 cases in which maternity payment was paid by instalment.

Senator MOORE—At what time was the option made? When could people choose to go with an instalment as opposed to a lump sum? Was that well in advance of the beginning of that financial year?

Mr Warburton—Yes.

Senator MOORE—From the outset it does seem to be a low number—574. How many people accessed the funds?

Mr Warburton—The number of maternity payments during 2005-06 was 268,758.

Senator MOORE—I stand by my original comment. It is a small number in terms of process. In terms of feedback, are there any questions or any follow-up with people when they do make choices?

Mr Warburton—The general process around instalments is that Centrelink attempts to identify vulnerable individuals. That includes young women. At the time of claim, before the claim is determined, people in those circumstances are usually referred to a social worker, who explores the young person's circumstances and is involved in a decision as to whether they may be paid instalments. The social worker during the course of that would look at other forms of support the person might need and would be generally available for follow-up action.

Senator MOORE—Is that process determined by Centrelink? Is the operation of the program conducted by Centrelink?

Mr Warburton—Yes, it is, broadly within policies that we lay down.

Senator MOORE—Does the policy that you lay down list issues that may indicate someone who would be at risk? In the policy you have developed in your branch to give to Centrelink to implement, do you give indicators?

Mr Warburton—Yes, we do. We require that all under 16-year-olds be referred to a social worker. I do not have a list of other factors in my brief.

Senator MOORE—Are those guidelines public?

Mr Warburton—Yes. The *Family payments guide* is publicly available.

Senator MOORE—That would be the document where I could find the kind of information that Centrelink staff would have to guide them through implementing the program?

Mr Warburton—I believe so. There are also internal Centrelink aids.

Senator MOORE—We will follow up with Centrelink. Does Centrelink have the delegation for the policy to determine that an instalment process will be chosen rather than a lump sum?

Mr Warburton—Yes, the delegation exists in Centrelink.

Senator MOORE—Is that decision appellable?

Mr Warburton—Yes, I believe so.

Senator MOORE—Is that a standard Centrelink decision?

Mr Warburton—I believe so.

Senator MOORE—I will make a note to myself to follow up with Centrelink and have my general whinge about the fact that Centrelink and Human Services are no longer in the same area of Senate estimates.

Ms McKay—I would like to make a correction. I left the Attorney-General's Department off the list of the IDC.

Senator MOORE—Would it be possible to get that IDC in writing from the department, listing the departments that you gave us?

Dr Harmer—We just read them into *Hansard*.

Senator MOORE—I would like to go back and say: Human Services, Centrelink, Prime Minister and Cabinet, Attorney-General; Treasury; Finance; Employment and Workplace Relations; Education, Science and Training; Health and Ageing. That is it. FTB—lower than anticipated expenditure in 2005-06? Is that your area?

Ms Beauchamp—Yes, that is our area.

Senator MOORE—Can you give us details on the shifts in average income referred to in the final budget outcome? For example, what income brackets were the shifts most marked in? Is this the kind of thing that you have readily to hand?

Ms Beauchamp—Much of that is in our annual report in terms of average.

Senator MOORE—Yes, I have that. Can we go through what is not in the annual report? What income brackets were the shifts most marked in?

Mr Hazlehurst—I am happy to be corrected by Mr Warburton, but I doubt we have that information available today.

Mr Warburton—That is right. It does not sound like it.

Senator MOORE—I will put that on notice. What kinds of payments were most affected—base rate or broken rate? Same thing?

Mr Hazlehurst—Yes.

Senator MOORE—You will take that on notice.

Mr Hazlehurst—I would have thought, generally, if you were talking about shifts in income distribution it is likely to most affect broken-rate customers.

Senator MOORE—That would be the expectation, but it would be good to have that.

Dr Harmer—We could confirm that. It is almost certainly the case.

Senator MOORE—That is almost certainly the case. How many families are receiving less payment as a result?

Mr Warburton—These can be quite complex questions—

Senator MOORE—They certainly can be, Mr Warburton.

Mr Warburton—because what is occurring at the same time is that the government is changing the income test parameters. For instance, in the last budget it increased the threshold for family tax benefit part A customers to \$40,000. Prior to that it introduced some measures which lowered taper rates. Depending on precisely what you are seeking, it could be quite a research question.

Senator MOORE—Because it is quite specific data that we are seeking, I will put the question on notice and then you will have a chance to have a look at it and come back if that is a more complex one. Over the last two financial years there have been those things that have been happening at the same time, so we need to check that out. How many family relationship services are now open? That is a threshold question. I have been to a couple of the openings.

Ms Beauchamp—Could I clarify whether it is family relationship services or family relationship centres?

Senator MOORE—My first question was about family relationship centres. Is that you as well?

Mr Hazlehurst—Yes.

Senator MOORE—I have questions about the advice line as well, but my first question was about the centres that are open.

Ms Beauchamp—The 15 centres that were scheduled to open have been opened.

Senator MOORE—They are all open now?

Ms Beauchamp—Yes.

Senator MOORE—With respect to the advice line, since 1 July 2006 do you have a record of how many people have rung the line?

Ms Beauchamp—That is a matter for the Attorney-General's Department.

Senator MOORE—Is there an IDC on that?

Mr Hazlehurst—There is a standing implementation steering committee chaired by the Attorney-General's Department.

Senator MOORE—Is FaCSIA a member?

Mr Hazlehurst—Yes.

Senator MOORE—I turn to debt recovery and FTB. I always ask that at the end, just to make sure it is right. In terms of FTB debt—and we have had years of questions on this—what are the steps taken when someone is identified as having an FTB debt? What is the general process? Who does it? What is the communication process, who talks to whom and how is it done?

Mr Hazlehurst—The process for FTB debt to be determined is the reconciliation process at the end of the financial year. Once a person has lodged their tax return, their income estimate is compared with their actual adjusted taxable income determined by the tax office. Where there is a difference, in particular where they have underestimated their income, the

tax office in the process of undertaking that reconciliation will determine the level of the overpayment and advise the family in the process of advising them of the outcome of their tax assessment.

Senator MOORE—The tax office determines it, and is it usually the tax office that has the first round of communication?

Mr Hazlehurst—Yes.

Senator MOORE—Have there been any recent changes in the department's approach to FTB recovery? Has there been a change in focus or a change in policy?

Mr Hazlehurst—You may recall from the 2005-06 budget that there were about eight measures that were introduced in relation to family tax benefit and debt reduction. They ranged from measures to introduce an automatic uplift of peoples' estimates—that commenced with this financial year—to measures to provide some greater flexibility in terms of the payment choice options for families, such that they could have a negotiated rate somewhere in between getting all of their payment at the end of the year or all of it paid in instalments.

Senator MOORE—Was that for the first time this financial year as well?

Mr Hazlehurst—Yes, in terms of that negotiated rate. There was also a measure from the previous budget to that, which was referred to as FTB B quarantining, which is also now in operation. There was an increase in the amounts of withholdings that are recovered to meet debts over time out of ongoing payments of FTB. There were a couple more. There is a process now of case management of larger debts and also a process of providing greater direct assistance to families that might be at risk of incurring an overpayment and assisting them to ensure that they have got their estimate as close as possible to being what their likely income would be. There is another measure called the maintenance income credit.

Senator MOORE—In terms of the process, one measure came in the financial year before last and then there is a whole raft of them that came in. The first full financial year they were in place was 2005-06. Is that right?

Mr Hazlehurst—Some of the measures were implemented during the course of 2005-06. Some of the measures commenced with the beginning of 2006-07. For example, in terms of what we describe as the automatic uplift of income estimates, the process for that occurred with this new financial year but with the letters that go out from the Family Assistance Office at the end of 2005-06 advising people of their estimates for the following year.

Senator MOORE—I can remember Senate estimates where a whole day almost was spent talking about debts and debt recovery processes. Who has the responsibility for watching the implementation of those measures? Which branch is involved in assessing how they go, working with Centrelink to talk about how many people have accessed some of them, talking with the tax office about feedback that they have and pulling all of that together to get the best possible view? Who is in charge of that?

Mr Hazlehurst—I am.

Senator MOORE—That is the Families Group?

Mr Hazlehurst—That is the Families Group and within that group it is the Family Payments and Policy Branch that Mr Warburton heads.

Senator MOORE—How many people are involved in that process?

Mr Hazlehurst—In respect of those specific processes?

Senator MOORE—Yes.

Mr Hazlehurst—I will defer to Mr Warburton on that but I suspect that it is about 10 to 15 people. It is a mixture of people who focus on the business and people who focus on the data.

Senator MOORE—Is that right, Mr Warburton?

Mr Warburton—I am just checking.

Senator MOORE—And who was seeking feedback about how they were going with the implementation, success or otherwise of their individual programs? I am looking at a reasonable time to ask those questions, because some of them have just started for this financial year. It is no value in trying to assess something before you can get a taste of how many people are affected by it.

Mr Warburton—That is right. As Mr Hazlehurst pointed out, there have been quite a few measures that have been put in place over a number of years. The lead time for the impact of these measures to be evident in the FTB data is quite long. We do know that the number of people experiencing debt has dropped by around 70 per cent.

Senator MOORE—Yes. I saw the media release.

Mr Warburton—We do not know a lot about the 1 July 2006 measures, but there are a couple of things that we do know about them. Early estimates are that our measures to improve debt recovery have resulted in an increased recovery of about \$9 million. In terms of assistance to families at risk of overpayment—that is, working intensively with customers to help them better understand FTB to give us accurate estimates and so forth—we have got some monitoring data. We have contacted about 20,000 people that we thought might be having difficulties.

Senator MOORE—I am sorry to break in, Mr Warburton, because you were in the middle of giving a response to something. What I am going to do is put a question on notice which talks about the monitoring of these measures and ask for a response along the lines of what you were beginning to give me, about the stages of the measures, what the expectation is, how they are going and how you are going to be monitoring them, so that we can focus the questions rather than generally on particular measures and what has worked and what has not. I will put a question on notice on that issue so that we can do it better. There will be many others in this area that will be put on notice simply because it is the best of doing it in the limited time.

Dr Harmer—I appreciate that. I should just make the point that the minister has taken a reasonably tough line about how much resource he will allow me to divert to answer the questions. If it is easily available we will provide them. If it requires diversion of considerable resources in Mr Warburton's branch, we may either refer to published information or not be able to answer it. We will do our best.

Senator MOORE—The other method that could be used is to give a briefing for people to look at it. It is just that in the area of the FTB debt, there have been years of questions about the best method to minimise the debt and also with respect to that raft of measures, just to see how they are going.

Dr Harmer—There was a battery of measures. They look like being pretty official. You asked before when would we know. The truth is that I have just been consulting with Mr Hazlehurst and it is unlikely that we will know the genuine impact of some of them, to be definitive, until into 2008.

Senator PATTERSON—I would like to add something there. There was a measure such that when people put in their tax return that would be the estimate of their income. We had some people who were year after year underestimating their income, either wilfully or just not bothering. We had no power to change it even though we knew they had underestimated it. You will not be able to tell the result of that measure for a long while, because they will not get their tax return in until well into the financial year and maybe even up until May, if they get it in then. That was another one of that raft of measures to address it.

Senator MOORE—With respect to the methodology, Mr Warburton began to mention talking with people. That is what we are trying to find out: how can we best see what is working and what is not, particularly as this issue has led to cross-party discussion about how to make it work best almost since it started?

Ms Beauchamp—This area has involved a lot of discussion in past estimates, but we should put on the record that the debts are coming down quite substantially, particularly the reconciliation debts. These measures that have been put in place over the years are starting to see good results.

Senator MOORE—Absolutely.

CHAIR—That brings us to the end of the output. That is the end of Support for Families. Do you have other questions, Senator Adams?

Senator ADAMS—Yes. My question is on the Communities for Children program. How long do you think it should take from the time the partnership is told that they have the funding to when that program should be up and running? What time frame would you think?

Ms Beauchamp—I will ask my colleagues to answer the detail, but that really depends on the community—the capacity of the community, what existing resources they have at hand and some of the organisations that might be able to assist that community. It varies from community to community.

Senator ADAMS—How long is the funding for—four years, three years?

Ms Beauchamp—The funding is until 2008-09.

Senator ADAMS—That is the area that I have come from. I am very concerned about the lag and the time of getting this program up and running. It going to be two years since they got their funding to when their first step is on the ground. Unfortunately, there is a group there that is doing the work. You are probably aware of the program that I am talking about. I have fought long and hard, but it was a tender process. Unfortunately, this group will no longer be able to continue. But it is frustrating to think that we have got seven communities going along

very well. The group that is there, which was funded by FaCSIA before, cannot have its program refunded, and so now we have a long gap and those communities are going to miss out. They have got shires onboard and so many partnership people onboard, and it is all just going to crash. It is really frustrating. I just wonder why, when people get the grant, nothing happens for a long time.

Ms Carroll—As you would be aware, the process for Communities for Children is a series of steps. The first step is obviously engaging with the service deliverers in that community and the individuals in that community to build a service delivery plan. That group of service delivery providers then establishes the plan and that gets ticked off. They then have the funding to go out to tender. In the circumstance that you are talking about, obviously where a service has already been operating, that service provider is eligible to tender for the service under the Communities for Children at that particular site, and it is anticipated that the proposal that is in the strategic plan for that community will build to a broader set of communities and not just the communities that it has already been delivered to.

Senator ADAMS—The mobile hubs that have been allocated to this particular group of shires covers one-eighth of what the original program was, and the organisation that has been funded has run out of funding so they cannot continue. That is the situation. It really annoys me because these are the communities that I am very close to and I worked very hard to get that program up at the start; now we have got no service.

Ms Rundle—As we understand it, the program that you are talking about covered seven shires and the program that is now looking to be rolled out with the new C for C initiative is going to cover a great number of other shires.

Senator ADAMS—It does not, because it unfortunately misses out on a number of the shires that were already covered.

Ms Rundle—One of the problems is that the Communities for Children initiative greatly relies on the community consultations that they have undertaken, and they believe that they have undertaken them quite widely and the community is supportive of the initiative. Also, I am aware that the program is able to tender and is regarded reasonably highly by the facilitating partner. Of course, we cannot pre-empt the outcome of the tender process. I understand that they are due at the end of December.

Senator ADAMS—It just seems very disappointing when you have something that is really running very well in a large number of communities and then it just gets chopped on the head. Unfortunately, the community consultation has not been what it should have been.

CHAIR—That brings us to the end of output 3.1. We did have a suggestion that we deal with output 3.3 and then 4.1, but it has been proposed that we vary that order and in fact deal with output 4.1, Housing Support, from 7.30 pm to 8.30 pm and then output 3.3, Child Care Support, from 8.30 pm to 10.00 pm. If there is any problem with that, please indicate that now. Is that suitable to your officers, Dr Harmer?

Dr Harmer—Yes.

CHAIR—That is what is agreed.

Proceedings suspended from 6.40 pm to 7.43 pm

CHAIR—The estimates committee public hearings on the portfolio of Family and Community Services and Indigenous Affairs is now resumed. As discussed before dinner, we are now proceeding with output group 4.1, Housing support, and we will do that until approximately half past eight.

Senator CARR—Mr Harmer, I have read your commentary in the annual report on housing. You speak there of debt levels and household sector assets. In the view of the department, what is the state of housing affordability at the moment?

Dr Harmer—Which pages are you referring to?

Senator CARR—On page 14, you give a bit of an overview on homelessness. Does the department keep statistics on housing affordability?

Ms Wall—There is actually quite a large number of sources of data on housing affordability, as I am sure you would be aware.

Senator CARR—Yes.

Ms Wall—The press quotes quite a few different sources.

Senator CARR—I am aware of those sources—the normal indices, the Commonwealth Bank, and all of the other industry groups. What is the department's view? Do you have a position in regard to housing affordability? Can you confirm that housing affordability has deteriorated?

Ms Wall—We look at all of the statistics as they come out, because they are all relevant but they all have some different features. In terms of the overall assessment of housing affordability, probably the most comprehensive picture is that included in the ABS publication *Housing occupancy and costs*. The most recent one of those was released in March 2006, and it actually said private rental costs decreased on average as a proportion of income from 20 per cent in 1994-95 to 19 per cent in 2003-04. Housing affordability on average had decreased over that 10-year period. Over the same period, the average housing costs of home purchasers had remained stable at 19 per cent of income. Overcrowding in the private rental market reduced, from nine per cent of properties in 1994 to five per cent in 2003. In terms of the housing situation, that looked pretty stable over that 10-year period. The Consumer Price Index figures that came out just last week, on 25 October, showed some more recent figures. In the year to September 2006, the housing group rose 3.3 per cent, while the increase for all groups went up by 3.9 per cent. In fact, housing costs on average went up by less than the general rate of inflation. Interestingly, within that 3.3 per cent, house purchase costs over the last year went up by 2.9 per cent, rents went up by 3.4 per cent, and property rates and charges went up by 5.6 per cent.

Senator CARR—I read the following in the housing ministers conference papers: 'Across the nation housing affordability has deteriorated substantially over the last decade. There are now one million households in Australia, or 13 per cent of all households, in housing stress.' You would not agree with that?

Dr Harmer—What was the source of that?

Senator CARR—The housing ministers conference on 29 September.

Dr Harmer—Who actually signed that paper? Was that the six Labor housing ministers?

Senator CARR—I am just asking the department: do you agree with that assessment?

Dr Harmer—It depends entirely on the definition of what ‘housing stress’ means. There is quite a debate about this. Ms Wall or Mr Hunter will correct me if I have this wrong, but generally when housing officials talk about proportions in housing stress they are talking about the proportion of income they are paying, either in rents or on home purchase. There has always been a great deal of debate about at what level different families are regarded as being in housing stress. Some people take a blanket 30 per cent; some people take 25 per cent et cetera. Ms Wall can probably add to that. I certainly would not sign up to that.

Senator CARR—You would not. They stated that housing stress affects households from low to moderate range incomes who pay more than 30 per cent of their income in housing payments. I am sure you would be aware of the paper by Yates and Gabriel *Housing affordability in Australia: national research venture paper No. 2* from last year, which states that almost half of the households are in acute stress, paying more than 50 per cent of their income in housing costs. Would you agree with that?

Senator Kemp—I think the officer at the table gave a pretty comprehensive answer. In fact, I thought it was an excellent answer. It was very detailed and covered the full gamut. We accept that Labor housing ministers do not agree; they want to make a political point. You are entitled to run that line. We do not agree with it.

Senator CARR—Fair enough; you do not agree with it. Is that the view that the Commonwealth officers put to the meeting?

Senator Kemp—The Commonwealth officer have just indicated that. You have asked a question, and I think the officer at the table has given a very comprehensive and excellent answer, from my point of view.

Senator CARR—You were not at the meeting, were you?

Senator Kemp—No, I am far too junior.

Senator CARR—Perhaps we could hear from people who were actually at the meeting.

CHAIR—It is up to the officers as to who wants to answer.

Senator CARR—Dr Harmer, you were at the meeting, were you not?

Dr Harmer—I was. It was one of those papers. Many papers go to housing ministers meetings. A lot of those papers are done by officials for noting. Because there were a lot of other issues on the agenda that required debate because they were requiring ministers to agree on them, often the papers for noting do not get a great deal of discussion. There was no requirement for our minister to take a strong position of agreement or disagreement with that. It was a matter of noting that this was a paper by officials.

Senator CARR—Were any officials contradicted at any point?

Senator Kemp—I think it was carefully explained that it was one of those things that was prepared by officials. It was not carefully considered at the meeting. People noted it, and that was that.

Dr Harmer—In the officer level discussions, we probably would not have violently disagreed with that. If you take a 30 per cent benchmark, that is right. But we would have violently disagreed that a 30 per cent benchmark is the appropriate measure for everyone.

Ms Wall—We certainly noted that that piece of research had been done. That is all that was noted at the housing ministers' conference.

Senator Kemp—That was not to imply agreement.

Senator CARR—Was that piece of research subject to peer review?

Ms Wall—AHURI is required to undertake peer review as part of its contract.

Senator CARR—What are the instruments that the Commonwealth is using to actually improve opportunities for people in housing stress? What is the key instrument?

Ms Wall—The two big programs are clearly the Commonwealth-State Housing Agreement and the Rent Assistance Program.

Dr Harmer—And improving employment opportunities, which is a huge one.

Senator CARR—I want to talk about the two main items that you are using. Regarding the Commonwealth Rent Assistance Program, at the last meeting of this committee when we discussed this matter we had a lengthy discussion, if I recall rightly, about whether or not the department could provide me with a copy of the consultants report undertaken for the review of the Commonwealth Rent Assistance Program. My recollection of the meeting and my reading of the *Hansard* left me with the impression that the department was going to check to see if it was possible for a copy of the report to be made available to the committee. Dr Harmer, you would understand that I was a bit surprised when I read your response to my question on notice. It stated: 'The report lists all the individuals and their organisations consulted. Releasing the report may make it possible to identify them; therefore, the agreement of each participant would be needed to release the consultant's report.' Do you recall that answer?

Dr Harmer—I do. I will let Ms Wall answer the detail of it.

Ms Wall—Yes, that was the answer we gave. Since the last session we had in Senate estimates there has been an FOI request for the same report. We put the same case as part of the reason we did not think it should be released under FOI, and that has actually been upheld as part of the FOI system.

Senator CARR—It was upheld by what?

Ms Wall—The position that we put was agreed as part of the FOI.

Senator CARR—Agreed by who? By you?

Dr Harmer—By the decision maker.

Senator CARR—The department agreed that the department would not release it?

Ms Wall—That is right; the departmental decision maker.

Senator CARR—Who was that?

Dr Harmer—We will not mention a name, but the position is—

Ms Wall—Within the Legal Services Branch.

Senator CARR—The Legal Services Branch of the department agreed with the department that it would not release its report?

Ms Wall—That is the process that is followed for FOI requests.

Senator CARR—That is a surprise to me. Where were the focus groups held?

Ms Wall—The focus groups were held in a number of locations across Australia. I do not actually have that detailed information in front of me. I can check. We may have actually already given you that information. However, if we have not, we will certainly give it to you.

Senator CARR—I understand—and perhaps you could just confirm for me—that they were in the Northern Territory, Adelaide, Canberra, Sydney, and Melbourne. Does that sound right?

Ms Wall—That sounds right.

Senator CARR—How many people were involved?

Ms Wall—I do not have that off the top of my head. It was over a year ago that this work was undertaken.

Senator CARR—Are you able to tell me how many organisations were involved?

Ms Wall—Once again, I do not have that information in front of me. We can take that on notice.

Senator CARR—How many organisations had more than one representative present?

Ms Wall—We can take that on notice.

Senator CARR—Given the department took the view that each participant would need to be contacted to okay the release of the report, how many of those people did you actually contact to ask them for their agreement to release the report?

Ms Wall—I do not think we were required to contact them in terms of the FOI request.

Senator CARR—That is not what I asked. At the last round of estimates you raised the question of the FOI. I asked about my request for a copy of the consultant's report in terms of the review of Commonwealth rent assistance. You told me that you could not provide it because you would have to ask the individuals and their organisations whether or not they would agree. I am asking you: how many persons did you contact to ascertain whether or not they would agree?

Dr Harmer—I think Ms Wall is saying that we did not contact anyone.

Senator CARR—Right.

Ms Wall—I do not think we made a commitment to contact people, either.

Senator CARR—So you had no intentions of contacting anyone?

Dr Harmer—Our minister has taken a pretty firm view on the resources he is prepared to have me divert to answer questions on notice, and contacting a range of people to ask them that question would be a considerable diversion of resources.

Senator Kemp—I think the point is we help where it is sensible and practical to do it, but I do not think the department marches to the beat of your drum.

Senator CARR—That is very clear. Dr Harmer, were there seven, eight or nine people involved in this focus group?

Dr Harmer—I do not know how many.

Ms Wall—No, there were substantially more than that. There was more than one focus group. There were a number of focus groups. I cannot tell you an exact number, but it was certainly more than one.

Senator CARR—It was in that range, though, was it not?

Ms Wall—No, there were more than that. There was probably at least that many at each focus group, and I think there were four or five focus groups.

Senator CARR—Were there different people or organisations at each of the focus groups?

Ms Wall—That was my understanding, yes. As I said, I would have to check the details and let you know.

Senator CARR—Is it not the case that you said that the reports identified at the beginning the names of the persons that were involved in the focus groups? Is that not what you said in answer to question No. 188?

Ms Wall—Yes, that is right.

Senator CARR—Why could you not have just taken the front page off?

Dr Harmer—I do not know the answer for sure, but it is possible that we gave the participants a commitment or when we introduced the—

Senator CARR—Dr Harmer, that was exactly the point we discussed at the last hearing. I made this point. I came back into the estimates and said that I had been contacted by people involved in the focus groups who said the only commitment that they were required to give was by you demanding that they keep these things secret, not the other way around.

Dr Harmer—I do not recall that. I was not there, so I do not know.

Senator CARR—The confidentiality clause was about their promising not to disclose the detail of discussion. It did not promise that their views would be kept confidential.

Dr Harmer—What is the point you are making?

Senator CARR—The point is that it is very convenient for the department to claim this issue of confidentiality about a report where the names were identified on the front page, not in the body of the report, and claim that it is because of this confidentiality provision that they cannot provide a copy.

Senator Kemp—I think they are going further than that, and officers will correct me if I am wrong. I think the officers are saying that in order to release it they would have to contact all of the individuals. To me that is perfectly reasonable. I have been faced as a minister with situations where people want to get a hold of some document or a piece of paper. It is true there was not a confidentiality cause, but I think there was an assumption that this was not a public document. The fact is I think, in fairness to that person, you really have to contact

them. This is not a heavy point. I do think that, if a document is going to be released, it does make a bit of sense in this context that the individuals be contacted.

Senator CARR—Was the report released at all? Has the report been released in any form?

Ms Wall—No, it has not.

Senator CARR—What are the grounds for withholding the report?

Dr Harmer—I can be corrected by Ms Wall if I have this wrong. I think this was done before I was in the department. I imagine it was done by way of policy advice to our minister. Many exercises like that occur that are part of policy advice, which we do not publish and do not make available. I imagine that is the process.

Senator CARR—Let us be clear about this, Dr Harmer. I appreciate that you have not been in the department for long.

Senator Kemp—I am coming cold to this issue, but it may be a matter for the minister to decide whether to have it released or not. If the minister does not want to have it released, we can blame the minister.

Senator CARR—Let us check this out.

Senator Kemp—I do not think we should be worrying the officers.

Senator CARR—Let us check this out, because this is a very serious legal question.

Senator Kemp—In that case, you should direct it straight to me.

Senator CARR—You have mentioned that an FOI request was refused. Can you indicate what the reason was for the rejection of the request for the release of this report in terms of that FOI? What reason was stated?

Dr Harmer—I do not know whether we have that with us.

Ms Wall—I can certainly give you the relevant sections of the FOI report.

Senator CARR—No, the reasons stated. I am aware of the relevant section. What was the reason stated by the department?

Dr Harmer—It would have been the decision maker, I would imagine.

Ms Wall—That is right.

Senator CARR—No, that is the process. What was the reason the decision maker stated for his decision?

Dr Harmer—That is what I mean. It was the decision maker's decision. He would have given a reason.

Senator CARR—What section was used?

Ms Wall—In terms of the FOI Act, section 33A and section 40.

Senator CARR—What does section 33A refer to?

Ms Wall—Section 33A provides:

... a document is an exempt document if disclosure ...

(a) would, or could reasonably be expected to, cause damage to relations between the Commonwealth and a State ...

It also says you must consider whether disclosure would, on balance, be in the public interest.

Senator CARR—So public interest or causing damage to relations with the states.

Ms Wall—That is section 33A.

Senator CARR—Is that the same reason given to the Senate committee for refusal?

Ms Wall—Yes.

Senator CARR—How is that?

Ms Wall—If it is a disclosure that could cause damage to relations between the Commonwealth and a state. —

Senator CARR—Confidentiality was the reason you gave. Why did you not give that reason to the Senate committee? Why were there a different set of reasons?

Ms Wall—There is also section 40, which provides:

... a document is an exempt document if its disclosure ... would, or could reasonably be expected to:

... ..

(d) have a substantial adverse effect on the proper and efficient conduct of the operations of an agency ...

Senator CARR—How is that possibly justified?

Dr Harmer—If we had made some commitments about people who participated in focus groups, in terms of confidentiality, then it could damage our links with those individuals and perhaps the organisations.

Senator CARR—Dr Harmer, that is a highly tendentious point of argument that you are making, in my judgment. The first point, section 33A, relates to damage to the states. Which states did you consult prior to refusing the FOI?

Ms Wall—Some of the people who were consulted as part of the focus groups were state public servants.

Senator CARR—Which states did you consult about invoking section 33A of the FOI?

Ms Wall—We were not required to consult states.

Senator CARR—So none?

Senator Kemp—I think the decision has been made. You are not happy with the decision. We understand that. You are entitled to your views. Others have a different view. Mr Chair, I am not sure where this is heading but it seems to be very repetitive. Senator Carr would like to have this on the public record. The department has explained to me why it is not on the public record. People of goodwill will differ, and it seems to me that we should all move on.

Senator CARR—That is very good advice. I would like to know—

Dr Harmer—As I keep on telling you, I am here to help.

Senator CARR—When was the report provided to the states?

Ms Wall—The report has not been provided to the states.

Senator CARR—Is it the truth of the situation, then, that the real damage from the report will be informing the states and territories about the content of the report?

Dr Harmer—The officer is perfectly entitled to make their views known, but a judgement has been made by the actioning officer. Clearly, the government seems to be happy and comfortable with that report. Frankly, I do not think we should be making these other judgements. These are probably judgements that the officer at the table did not have to address, and I think that is not fair. The document was not released; that is tough. A decision was made; you do not like it. We understand that. We accept that you do not like it. The department has made its decision. I think we should move on. I am just trying to be helpful—you know that.

Senator CARR—Given that there is this inconsistent approach taken on confidentiality for this committee and the damage to the states in regard to the FOI, will there be any effort to reconsider the decision that has been taken?

Senator Kemp—We have heard your views. I do not know whether this would ever be a matter for the minister to decide. I will bring your views to the attention of the minister. The minister can then—

Senator CARR—Will you bring the question of the report to the attention of the state and territory governments?

Senator Kemp—I would have thought that would be for the minister to decide. You are a respected senator. We listen to your views. We will make your views known to the minister and he can make a decision, if it is appropriate in this case. I think we should move on. This is becoming very tedious, Mr Chair.

Senator CARR—What is the situation with regard to the review of rent assistance?

Ms Wall—The focus group work has been completed and any subsequent work is being picked up as part of our broader ongoing monitoring of housing assistance arrangements.

Senator CARR—Was it agreed last year that the review would be concluded by August?

Ms Wall—I am not aware of a particular commitment on timing.

Senator CARR—What is the time frame now for completing the review?

Ms Wall—The review has been completed.

Senator CARR—It has been completed?

Dr Harmer—The review is complete. It has formed one of the inputs to our policy advice to the minister around housing and programs and all those sorts of things, in the same way that, for example, state governments review their operations and do internal reviews of their individual programs and do not make them available to us. It is not common for us to get hold of the state reviews of particular parts of their program. This is a Commonwealth-only program—\$2 billion worth. It has been growing substantially over the last 10 to 20 years. We clearly need to look at it from time to time and consider people's views about it to advise the minister. That is the process.

Senator Kemp—Mr Chair, I might make a gentle political point, which is that the Victorian government has serious problems at the moment because of an FOI request and their handling of FOIs. This has been a continuing debate in Victoria. This is the Labor government in Victoria. I think we follow proper processes here. I have already indicated that Senator Carr's very strong view is that this should be reviewed. I have said that we will bring this to the attention of the minister, and he can review it. It seems to me that this is a satisfactory way to finish this debate.

Senator CARR—I have recently had representations from someone who is in the community housing sector speaking about a situation that has arisen within a local government area that runs a community housing project. The rent for the particular person has increased substantially, such that that person can seek the full amount of rent assistance to which she is entitled. She pays 25 per cent of her pension plus 100 per cent of her rent assistance. This leaves her in an equivalent position to someone in public housing. In terms of income, her rent has been paid. I understand that that community housing provider has been required by the state government to adopt this rent-setting policy. Are you aware of this view being taken across the country, or is it confined to a couple of localities?

Ms Wall—No, that is a practice that has been followed by a number of state and territory governments.

Senator CARR—Which state and territory governments are now pursuing that?

Ms Wall—I do not have a list in front of me but I can follow that one up.

Senator CARR—Thank you. What is the Commonwealth's involvement in determining the rental policies of these housing providers?

Ms Wall—That is largely a matter for the state governments.

Senator CARR—So you have no control over this practice?

Ms Wall—Other than what we might specify in the Commonwealth-State Housing Agreement and in the bilateral agreements.

Senator CARR—Yes. In terms of the Commonwealth-State Housing Agreement or any other bilateral agreements, have you made any efforts to require states to mandate a rental policy for community housing providers?

Senator Kemp—I think you are in a better position. You are running the state government there in Victoria. Surely you are in a better position?

Senator CARR—Has there been any effort by the Commonwealth to establish a policy framework through any instrument that is available to you in regard to rental policy for the community housing provider?

Senator Kemp—This is a state matter.

Dr Harmer—I am pretty confident that—Ms Wall will correct me—the regulation of community housing authorities is a state matter. It is not something where there is an avenue for Commonwealth—

Senator CARR—But the payment of the moneys is a Commonwealth matter.

Dr Harmer—No. You were asking about the rental policy.

Senator CARR—I am talking about the rental policy and the mechanism by which people get access to the Commonwealth Rent Assistance at its full rate, where people's rents are being put up to maximise their capacity to have access to a Commonwealth benefit.

Dr Harmer—That is presumably an allegation.

Senator CARR—An allegation?

Dr Harmer—I do not know.

Senator CARR—We have heard that it occurs in a number of places.

Dr Harmer—It probably does. And it may be a policy of a state, but it is not anything that we can influence or have anything to do with.

Senator CARR—That is my point—yes, you can influence.

Ms Wall—You are suggesting, Senator Carr, that they would still be paying no more—

Senator Kemp—Senator Carr, the point is that you can influence this. You are the guy running the state government. We do not want you to come back to estimates next time and have officers ask you whether you have made contact with the state government.

Senator CARR—I know you think you are being helpful, but so far you have actually added nothing—not one jot.

Senator Kemp—I have tried hard to be helpful.

Senator CARR—I have to caution you this. I know it might well be your last estimates—

Senator Kemp—What you are saying is very hurtful.

Senator CARR—I think you should have a nice hot glass of milk and a lie down.

CHAIR—I think it would be helpful if we could simply direct our questions.

Senator CARR—You indicated just a few moments ago that there is a capacity through the Commonwealth-State Housing Agreement or bilaterals to mandate certain policy responses. Have you sought to do that in the circumstances here where it may well be argued—and I would have thought you would have drawn this to my attention by now—there is a form of cost shifting going on?

Ms Wall—The bilateral agreement with Victoria for the Commonwealth-State Housing Agreement was signed shortly after the multilateral agreement was signed in 2003. No, we do not.

Senator CARR—You have not considered this?

Dr Harmer—We are going into, as you know, a period where we will be starting to develop a negotiating position for the next multilateral Commonwealth-State Housing Agreement and obviously factors like that will be part of our consideration.

Senator Kemp—I think your quotes are very valuable. I think the minister will be using those quotes to complain about the cost shifting from the state to the Commonwealth.

Senator CARR—There is a strong view that the Commonwealth Rent Assistance Program could be much better used, and that there is a considerable need for reform.

Senator Kemp—Maybe that is the case. I make no judgement. I am not an expert on it.

Senator CARR—Clearly.

Senator Kemp—I do think the issue that has come up, and the issue that you are concerned about, is really a matter of state policy and under the control of the states. If you want us to go in harder on the states, the minister may take your advice.

Senator CARR—This is a particular matter that relates to Commonwealth community housing providers. At the last round of estimates, Ms Wall indicated to me that, with regard to public housing, one of the objectives of the Commonwealth-State Housing Agreement is that methods used to calculate rents are promoted and clearly explained to tenants to ensure that they are aware of how those methods operate. Is the same policy position adopted with regard to community housing providers?

Dr Harmer—That is a state matter. We do not regulate or have a policy position—

Senator CARR—But you do not regulate state housing tenants, either.

Dr Harmer—No, but we have a multilateral agreement with state housing authorities where we can impose certain conditions.

Senator CARR—You do not have that position with community housing providers?

Dr Harmer—No, we do not.

Senator CARR—Is it your intention to have that?

Dr Harmer—I am not going to speculate on what changes we might be proposing to the minister or the minister might take to the states for the next multilateral negotiation.

Senator CARR—Are you concerned, Dr Harmer, that community housing rental policies are not being accurately described to tenants?

Dr Harmer—I am taking your word for that being the case. I do not know whether it has come through from the rental assistance review.

Ms Wall—I am not aware of that being an issue. That would be an issue between the tenant and the community housing provider.

Senator CARR—This has not come through your review?

Dr Harmer—I do not know. Ms Wall might.

Ms Wall—As I understand it, you said that they were not being asked to pay more than public tenants were being asked to pay.

Senator CARR—Yes. However, their rents are being increased so that they can get the full benefit of a Commonwealth subsidy.

Dr Harmer—That is what presumably some are saying. I do not know whether—

Senator CARR—You do not think that is right?

Dr Harmer—I think it probably is happening.

Ms Wall—We know that it is happening in Victoria. We know that it is happening in other states as well.

Senator CARR—Yes. It is happening in a number of places, and you have not picked this up in your review?

Ms Wall—We are aware of it.

Senator CARR—Has it come through the review?

Ms Wall—It did not come through as an issue that needed to be reviewed.

Senator CARR—It does lead me to question how effective the review is.

Senator Kemp—Maybe, and we take your views. As I understand it, essentially this is a matter to be dealt with by the states, and your comments may have been helpful.

Dr Harmer—It is genuinely an issue for the states.

Senator CARR—It is a genuine issue for the tenants, not for the states.

Senator Kemp—It is a state policy.

Dr Harmer—It is the state policy and the state regulation of community housing that is in question, not the Commonwealth's policy on rent assistance. The rent assistance policy is in a sense an innocent bystander in—

Senator CARR—An innocent bystander?

Dr Harmer—Yes.

Senator CARR—The Commonwealth is an innocent bystander!

Dr Harmer—The rent assistance is in relation to what community housing—

Senator CARR—That is \$2 billion worth of innocent bystanders!

Dr Harmer—In the instance you are talking about you cannot blame the Commonwealth rent assistance for that policy.

Senator CARR—Yes, I can.

Senator Kemp—Mr Chairman, I wonder if I could get leave for 10 minutes to put out a press statement on Senator Carr's attack on the Bracks government. In all of my many years in estimates—and I have been here 10 years—I have never heard Senator Carr attack a state government. I think this is a rather special moment. I treasure this.

Senator CARR—I am pleased that I have done this at your last estimates committee.

Senator Kemp—According to Senator Carr, this is my last estimates committee. I would have never predicted your upset that the minister has not taken on the states because a state's policy is failing in this regard. This could be front page of the *Age* this morning if I can get leave to make a press statement.

Senator CARR—Are you aware, Ms Wall—if we can be serious for a moment, please, Minister—that some states have actually stopped providing recurrent support to community housing providers out of the Commonwealth-State Housing Agreement, and they are now

expecting community housing providers to rely solely on rental income supported by the rental assistance program to meet their running costs?

Ms Wall—We are not given that level of detail in terms of our Commonwealth-State Housing Agreement Reporting.

Senator CARR—No-one has drawn this to your attention? The Commonwealth officers do not meet with community housing organisations. They do not have officers actually involved with people on the ground. Are you so remote from what is actually going on?

Dr Harmer—It is really quite difficult for me to contemplate what changes you could make to the rent assistance that would deal with your issue, which would not be massively more complicated than dealing with it through the state governments and their regulation of the community housing providers.

Senator CARR—You have just had a major review, and you have not picked up this.

Senator Kemp—Can you not write a letter to Steve Bracks and get it fixed? Would that not be easier? We understand your concern. I think it is an interesting issue. I have never addressed this, but apparently there is massive cost shifting going on. We take your word for it, and it is a matter for the state government. Senator Carr, you are helping to run this state government. Just write Steve Bracks a letter.

CHAIR—I remind senators that we have decided to allocate until 8:30 for this output group. We need to move on to cover all the ground here.

Senator CARR—Thank you very much. It is my intention to conclude by 8:30. Although I do believe I am probably entitled to claim more time to make up for the inane comments of the minister.

Senator Kemp—The very helpful comments by the minister, which give a serious perspective on this issue.

Senator CARR—I could give you a number of examples to explain how this is actually working. But given the hour, I would ask: has the department, in terms of our last estimates hearing, discussed the question of the relationship between community housing rental policies and the Welfare to Work agenda? Has the department undertaken any work in the rent-setting area to improve the Welfare to Work programs?

Dr Harmer—I am not sure I understand what sort of work you could do—

Senator CARR—Have you provided any advice in regard to rent-setting policies under the Welfare to Work program?

Ms Wall—Are you asking a general question about work disincentives—

Senator CARR—Yes, a straight question.

Ms Wall—or about the Welfare to Work program in particular?

Senator CARR—The Welfare to Work agenda that the government is currently running. What involvement have you had in the establishment of the policy settings for that program?

Dr Harmer—In general, we were involved in some of the IDC led by PM&C that put together the recommendations to government. Our particular involvement was more around

child care, which was a significant enabler for Welfare to Work for determining payment level.

Senator CARR—But in terms of specific advice on housing rental policies, what advice did you provide on that matter?

Dr Harmer—I would have to take that on notice.

Senator CARR—Was the community housing national sector development plan discussed at the most recent housing ministers council?

Ms Wall—Yes, it was?

Senator CARR—What progress has been made?

Ms Wall—The ministers agreed that they would support the work that was being done on that matter. There was not a lot of discussion.

Senator CARR—Not a lot of discussion on that, either?

Ms Wall—No, but they agreed that officers should go away and do some more work on it.

Senator CARR—What is the process for actually engaging the community housing sector in the development of the plan?

Ms Wall—The plan is a joint exercise with the Australian government and the state and territory governments. There is a plan which will be developed over the next 12 months, and at this stage the details of sector engagement have not been worked out. That will have to be done collaboratively with the states and territories.

Senator CARR—So sometime in the next 12 months you might get around to having a look at it?

Dr Harmer—I do not think the pace of the review is in our hands.

Senator CARR—Do you regard the involvement of the community sector in the development of the community housing national sectoral development plan to be of any significance?

Ms Wall—Certainly that is one of the items that is on the broad work plan. Part of that piece of work will be engaging the sector.

Senator CARR—Where is it, down at the bottom of the work plan or at the top? Where does it fit in?

Dr Harmer—It would be very difficult for one party in seven to make that decision. Ms Wall said it is on the agenda. It will be discussed. It would be unwise for us to give a priority to it.

Senator Kemp—I think we are a little bit at the mercy of the state Labor governments on this issue. Your support for a speedy review is a big help.

Senator CARR—At what point do you think you will be able to make something public on the proposals that you have in regard to this development plan?

Ms Wall—There is a report that will be going back to the next housing ministers meeting, which will be in June 2007. It will then be up to housing ministers if they want to make that report public.

Senator CARR—When did you say that was?

Ms Wall—June 2007.

Senator CARR—And this is to be concluded by next October, is it? I suppose the housing sector would get a look at things possibly after June next?

Ms Wall—It may be that the housing sectors were involved in the consultation process prior to June 2007 meeting, but the details of that have yet to be agreed between the Australian government and the state and territory officers who are working on that particular project.

Senator CARR—Can I draw your attention to page 74 of the annual report? It lists a number of housing priorities and indicates that not all the housing targets are met in that priority program; is that right?

Ms Wall—Yes, that is right.

Senator CARR—The mapping project was delayed. Funding and agreement targets were met. Not all the funding agreement targets were met. What is the reason for the failure to meet those requirements under the National Housing Priority Program?

Ms Wall—The failure related to the role of the National Community Housing Forum, which was jointly funded by the Australian government and states and territories. The Australian government and the states and territories reviewed the operations of that forum during the last financial year and jointly decided that the forum should be no longer funded.

Senator CARR—You do not have to worry about the targets, then?

Ms Wall—The forum was no longer funded because it had not met its targets.

Senator CARR—The annual report also states:

The department is examining the effectiveness of funding organisations over this program and will refocus future funding to ensure the effective identification of current housing priorities for the not-for-profit housing sector.

How is that going to be done?

Ms Wall—There is quite a bit of work going on with the national sector development plan. As part of that work we will need to do some consultancies. We have already initiated one consultancy and the money that was previously provided for the National Community Housing forum is being used for that purpose.

Senator CARR—But it has been wound up, you said?

Ms Wall—Yes, that is right, but the Australian government and the states and territories had financial allocations previously for the National Community Housing forum. That money is now being diverted for this other purpose.

Senator CARR—The national sector development plans are obviously in good hands. That is terrific. Can I ask you about the evaluation of the Commonwealth-State Housing Agreement? What were we up to in regard to that?

Ms Wall—That will be completed by the end of calendar year 2006. Once again, that is being overseen jointly by the Australian government and the states and territories.

Senator CARR—Will that evaluation be made available to the states, or is that going to be another secret document?

Ms Wall—No, it is jointly funded and jointly overseen by—

Senator CARR—Are you sure it is not confidential?

Ms Wall—the Australian government and the states and territories.

Dr Harmer—This time it is a review of a joint program where we were both involved.

Senator CARR—You are going to let them in on the secret then?

Dr Harmer—It is not a Commonwealth review of a Commonwealth program or a state review of the state program.

Senator CARR—I see. But will it be made public or are we trying to keep it locked away?

Dr Harmer—It will be up to ministers about—

Senator Kemp—Hold on. There are six Labor ministers and one Liberal minister involved. Senator, if you want to have it made public, I am sure your views will weigh heavily with your Labor colleagues.

Senator CARR—Yes. Will the community housing sector receive a copy of the briefing on the outcomes of the evaluation?

Ms Wall—It will be up to ministers to decide whether it is made public.

Dr Harmer—This is undertaken under the auspices of the housing ministers conference, and this is done for the renegotiation process and for the housing ministers, so it is their decision.

Senator CARR—Dr Harmer, you were kind enough to tell me at the last estimates in May that at this estimates hearing you would be able to tell me a lot more about the evaluation. That is on page 148 of *Hansard* if you would like to have a look.

Dr Harmer—I said that, did I?

Senator CARR—Now is your chance.

Dr Harmer—I suspect I may have been unaware that it was running through until December.

Senator Kemp—Senator Carr, we have been waiting almost an hour and you have had one good question; that was a ripper. That was a very good question. If there is a research assistant who put that one to your attention, my compliments.

Senator CARR—That is very nice.

Senator Kemp—That is the type of research you want.

Senator CARR—Are the terms of reference now available for the review itself?

Ms Wall—As I told you at the last Senate estimates, basically we are just looking at the objectives of the agreement and evaluating whether the agreement has met them.

Senator CARR—That is it? That is the terms of reference?

Ms Wall—In a nutshell, yes.

Senator CARR—Will you be looking at the viability of public housing authorities?

Ms Wall—That is potentially a separate exercise.

Senator CARR—Is it part of the review, or not?

Ms Wall—Not formally, no.

Senator Kemp—They are state bodies.

Senator CARR—Yes.

Senator Kemp—Are they not run by state Labor governments?

Senator CARR—Yes, but they are funded by the Commonwealth-State Housing Agreement.

Senator Kemp—In part.

Dr Harmer—In part.

Ms Wall—The Australian Housing Research Institute is separately doing a project on the financial viability of state-run bodies.

Senator CARR—So we have to rely on AHURI to do that, have we?

Dr Harmer—They have very good expertise.

Senator CARR—Yes. What about the question of whether the funding is sufficient to meet the objectives of the agreement? Will that be part of the review?

Dr Harmer—Certainly funding by both the Commonwealth and the states will be part of the consideration of the next agreement.

Senator CARR—But what about the question of whether or not it is enough?

Dr Harmer—If we are talking about funding it will be one of the questions.

Senator CARR—Will the question of the appropriateness of the indexation level be part of that review?

Dr Harmer—I imagine it will be considered as part of that. The states would have a view and the Commonwealth ultimately will take a view.

Senator CARR—I know you imagine a lot of things and you imagined you were going to tell me a lot at this hearing; but you have not. Is it part of the review or not?

Ms Wall—It is not part of the formal terms of reference.

Senator Kemp—On the other hand, Senator Carr, you could speak to your Labor colleagues and press this point.

Senator CARR—Is a consultant going to be appointed?

Ms Wall—Yes, there is a consultant undertaking the review.

Senator CARR—Who is the consultant?

Ms Wall—ARTD.

Senator CARR—When were they appointed?

Ms Wall—Mid-year, once again with the agreement of the states and territories. States and territories also agreed to the terms of reference.

Senator CARR—How much is the consultancy?

Ms Wall—It is \$91,100.

Senator CARR—Is that fully funded by the Commonwealth?

Ms Wall—No, jointly paid by the states and territories.

Senator CARR—Have any preliminary findings been provided to the Commonwealth as yet?

Ms Wall—We have all spoken with the consultants, but we do not have a preliminary report as such, no.

Senator CARR—Have any concerns been raised by the states or about the states, including in terms of their building programs; for instance, whether they are building palaces for poor people?

Senator Kemp—Some of these questions would be better put to Candy Broad, who is your minister in Victoria. Is she in your faction?

Senator CARR—Has the consultant drawn your attention to the palaces that have been built for poor people?

Ms Wall—No.

Mr Hunter—As Ms Wall said, we have not received any preliminary report.

Senator CARR—You have not. You would have seen a newspaper report on 18 September where the states were told not to build palaces. The report also claimed that:

The public housing shortage could be solved if the states and territories agreed to smaller houses instead of palaces for poor people. Community Services Minister John Cobb told *The Australian* the public housing policy was flawed and he would push for an overhaul at the next Housing Ministers meeting in October.

I take it you did see that report?

Ms Wall—I certainly saw the press. I understand that the minister's office advised that the minister was misquoted.

Senator CARR—Misquoted? So, you did not provide any advice—

Senator Kemp—I think the officer said 'misquoted'. A lot of these issues can be dealt with by you making a phone call to Candy Broad.

Senator CARR—Yes.

Senator Kemp—Provided she is factionally sound.

Senator CARR—What action did the minister take regarding the misquoting about his claims about palaces for poor people?

Senator Kemp—He was misquoted; that was the point.

Senator CARR—I did not see a letter or any—

Senator Kemp—The officers made the point that Mr Cobb believes he was misquoted.

Senator CARR—I understand that at the last housing ministers meeting, however, Minister Brough refused to endorse a time frame for the renegotiation of the Commonwealth-State Housing Agreement. Was that correct, Dr Harmer?

Dr Harmer—I think there is an agreed contract.

Ms Wall—Minister Brough agreed—

Dr Harmer—Agreed to the time frame, I think.

Senator CARR—What did he agree to?

Dr Harmer—My recollection is that all ministers agreed to the broad time frame for the renegotiation.

Senator CARR—Sorry? ‘Ministers noted the Australian government did not endorse the time frame for August 2007 for a proposed agreement being forwarded to the states and territories.’

Dr Harmer—That refers to one element of it. A large number of elements of the time frame are set down in the current agreement.

Ms Wall—That is right.

Dr Harmer—There were a couple of elements that the states wanted to add to the agreement that was reached at the striking of the last agreement around the time frame, and he did not agree to those additions, but the broad agreement that was struck last time about the time frame is agreed.

Senator CARR—Will there be a new Commonwealth-State Housing Agreement?

Dr Harmer—That will be a matter for both the Commonwealth minister and the state ministers to agree following the review of the current one.

Senator CARR—Is it the Commonwealth’s position that there will be a new Commonwealth-State Housing Agreement?

Dr Harmer—I do not believe that the Commonwealth minister has yet taken his first submission to cabinet, so we could not answer that, nor could he at the moment.

Senator CARR—So you do not have a position as yet?

Dr Harmer—We are going through the agreed process for the evaluation and review. There have been a range of meetings with ministers to discuss it. We are certainly operating on the basis that we will be renegotiating it, but we are not able to say absolutely and definitely because the government has not made a decision yet.

Senator CARR—When do you expect the government will be able to make a decision as to whether or not there will be an agreement?

Dr Harmer—There is a process. What is the time frame?

Ms Wall—My memory is that Minister Brough at the last housing ministers meeting said late 2007.

Senator CARR—He said that he would expect it to occur before the end of 2007. He has not said that it would occur, but that he expected it to occur. Is that what he is referring to?

Dr Harmer—Yes, he would expect it to occur.

Senator CARR—That there will be a Commonwealth in-principle position—

Dr Harmer—Yes. The way these Commonwealth-state agreements work and the process that the Commonwealth minister needs to go through, as we are currently going through with the Commonwealth State/Territory Disability Agreement, which runs out in the middle of next year, is that we will start serious negotiations on that at the end of this year, so it will be in the same time frame as that one.

Senator CARR—In regard to the evaluation of the Commonwealth-State Housing Agreement, what is the relationship of that evaluation to the review that Minister Brough announced on 16 June of Commonwealth housing assistance expenditure?

Ms Wall—They are two separate processes and they are complementary.

Senator CARR—Who is going to undertake this separate process?

Ms Wall—You are referring to the independent audit of housing assistance and financial flows?

Senator CARR—Yes.

Ms Wall—That one is being funded separately by the Australian government. It is being undertaken by the South Australian Centre for Economic Study.

Senator CARR—Is that not the same group that did the rent assistance focus groups that you have kept secret?

Ms Wall—Yes, it is.

Senator CARR—And that is the same consultant, Mr Hancock?

Ms Wall—There is a group of consultants that would be working on the financial audit.

Senator CARR—How many consultancies has Mr Hancock or the centre had with you over the last two years.

Dr Harmer—We would have to take that on notice.

Senator CARR—Could I ask what are the terms of reference for the review?

Ms Wall—Broadly, looking at—

Senator CARR—Can you give me a copy of it? I have only three minutes left now. If you could give me a copy of the records, I would appreciate it.

Dr Harmer—Given that the minister initiated this at the ministers conference, we would have to check with him that he is happy for it to be made available. If he is, we will.

Senator CARR—It is an independent review.

Dr Harmer—No, this is a review initiated by the Commonwealth.

Senator CARR—So the terms of reference are secret now, not just the report?

Dr Harmer—I am just being—

Senator CARR—Secretive again.

Dr Harmer—I think the minister who initiated the review has the right, as he always has, to say whether we can release the terms of reference.

Senator CARR—How was the consultant selected for this secret report?

Dr Harmer—It is not secret, or it is not necessarily secret. It is a review—

Senator CARR—It might be secret, though?

Dr Harmer—Well, it will be up to the minister at the end of the day whether or not he wants to make it public.

Senator CARR—If he wants to keep it secret, yes. Was there a secret process for the selection of the consultants?

Mr Hunter—It is not a secret review. The minister has indicated that he will provide a copy of the review, once a report has been prepared, to the states and territories.

Senator CARR—Good. How was the consultant selected?

Ms Wall—There was a tender process.

Senator CARR—How many people applied for it?

Ms Wall—As I recall, I think we went to four.

Senator CARR—What was the cost?

Ms Wall—Around \$148,000.

Senator CARR—\$148,000; that is good money.

Senator Kemp—Mr Lenders was not involved in that tender process, was he? I am talking about the Minister for Finance in the state of Victoria who has just been involved in a problem with a tender process?

Senator CARR—I am just interested in the review that the minister is undertaking. Will that include the first home owners grant program?

Dr Harmer—No.

Ms Wall—In the context that we will be adding up how much the Australian government is putting into the housing assistance program, we will be adding the figures.

Senator CARR—So what is it: no or maybe?

Dr Harmer—The terms of reference do not have the consultants looking at the first home owners grant. The first home owners grant is a matter for Treasury, and the Treasury—

Senator CARR—Yes. I just wanted to be clear. Is the first home owners grant now part of the housing assistance package or is it a special arrangement?

Dr Harmer—I think what Ms Wall is about to explain is that there may be some dimensions of the housing assistance under the first home owners grant that might be part of the investigation, but in terms of a review of the first home owners grant that is not our portfolio's business.

CHAIR—Can you make this the last question; we do need to move to the next area.

Senator CARR—Yes. I take it that the review will be looking at states' and territories' taxes on housing, will it?

Ms Wall—We will be looking at outlays and financial flows relating to housing—

Senator CARR—Including the states taxes?

Ms Wall—It could include that, yes.

Senator CARR—I am just wondering how you reconcile that when the Commonwealth will not examine its own taxes and charges in regard to housing.

Ms Wall—It is not a case of examining; it is more a case of documenting the financial flow.

Senator CARR—That will include the Commonwealth's, will it?

Ms Wall—We will certainly be adding as part of that exercise the amount that the Australian government puts forward for a first home owners grant.

CHAIR—We might put questions on notice from this point. Thank you very much to the officers involved in output group 4.1, Housing support.

[8.41 pm]

CHAIR—I now invite officers associated with output group 3.3, Child care support, to come to the table.

Senator MOORE—I am going to start on child care, and you will be unsurprised by my focus. I will follow up on questions that I asked last time about the actual costs of child care. We had a discussion about what was kept by Centrelink and so on. We had a question on notice, question 173, which asked for the data on child-care fees from the Centrelink system. It was based on 50 hours, which I knew. What I am working towards is trying to get handle on exactly what data is kept on child-care hours that are used. My understanding from when we have had this kind of discussion before, trying to refine it, is that the ABS does a review of child-care costs every quarter and that that information is widely publicised. When I ask your section about what forms that data and how the costs are traced within the section, the statement is that they are different, that you are not able to compare them. I am struggling with that answer. I really want to find out exactly whether, if it cannot immediately be compared, there can be some indicative comparisons made from the data that is made public.

Ms Carroll—Effectively, what you had is a number of different data sources.

Senator MOORE—Yes.

Ms Carroll—The most reliable data source that we have for collections of fees and hours used is through our child-care census, which is a review of, as you know, all child-care services. We have a very high response rate to that census. That gives us very robust data on

the number of hours that are used. The Centrelink system collects the information on what hours are charged to particular families and the services keep sign-in sheets and things like that, which record the actual hours used, but there is not a direct comparison in what is stored in the Centrelink system. Primarily, the Centrelink system is about paying child-care benefit, which is paid on hours that are charged to the family. But, what occurs with the CPI that you are referring to is that one component of the CPI is the cost of child care. Other components are food and all those other items. The ABS, in pulling together that information for its CPI, has a little bit of a different approach. It does not use either of those other methodologies. It does its own sample survey of long day care centres and family day care services in metropolitan areas, so it only goes to metropolitan areas. It does a profile of child-care users and it uses average weekly earnings. It uses all that to come up with an approximate out-of-pocket cost for families.

Senator MOORE—As a guesstimate?

Ms Carroll—As a guesstimate. It uses the fees that it has collected and approximate incomes from other data sources and it then says, ‘You are on that income, getting charged that fee. What child-care benefit would you get and what might your out-of-pocket costs be?’ It does not take into account the child-care tax rebate. It comes up with an approximation, which it factors into the CPI.

Senator MOORE—Do they talk to you.

Ms Carroll—Yes.

Senator MOORE—Do ABS, when they are doing that data have interaction with FaCSIA, as the parent agency for child care?

Ms Carroll—They do not come to us for any of that data specifically. We obviously have conversations with them about how they collect their data, but they have their own method for how they do that calculation.

Senator MOORE—Does the department accept the figures produced by ABS? Do you use them in any way? You do not publicly challenge it; I know that.

Dr Harmer—It is a different methodology.

Senator MOORE—It is different; I know that. It is very good to have that actual difference in the three boxes reinforced.

Ms Carroll—I think the main issue is that it is being collected for a specific purpose: CPI. It is not being collected to be a representative sample of the cost of child care or any of those things. Its specific purpose is to input into a CPI calculation and, as I said, there are a range of elements that input into that calculation.

Senator MOORE—Is the kind of data and the information they produce of any value to Child Care Support, your section?

Ms Carroll—It is so generalised. The information that we get through our child-care census is of actual families who are using child care and it provides us with much more robust information.

Dr Harmer—It does have value in that, because we know it is a common process. What is happening in that is a guide, but we believe our data more accurately reflects actual costs.

Senator MOORE—We have spoken before, and I will not ask the question again, Ms Beauchamp, because you will give me the same answer as you gave me last time, but in terms of the child-care census we are always working from behind. From the time that I asked about the last census you assured me that you were working on the system and your annual report says that. Whilst I totally value the child-care census and I continue to be impressed by the high return rate—I think it is acknowledged that there is a very high return rate of people completing your census—in terms of using the figures to trace things there is always this catch-up time. I have decided to break my own word and ask: what is the current status of the data from the 2006 child-care census? Where are we now?

Ms Carroll—The 2006 child-care census is obviously being processed at the moment. There were some very preliminary figures in the annual report on specific elements. That was all we had time to pull out. At that point in time we anticipated that it would be towards the middle of next year and that it would be finalised later next year. As you obviously know, it is a process every time.

Senator MOORE—The minister put out a media release that got some coverage not too long ago with data claiming that child care costs a lower proportion of income than 10 years ago and gave a series of statements about the costs. I would just like to see whether or not I am reading this accurately. In the annual report there is a graph in the child-care section. Of course I have lost the page—

Ms Beauchamp—Page 192.

Senator MOORE—Yes. That is a graph about costs. Are they similar? Is that a similar kind of exercise?

Ms Beauchamp—That is exactly right.

Senator MOORE—It is a bit of a relief that I have got that.

Ms Beauchamp—I should point out that there has been a transposition of colours on that graph, so the light blue actually refers to the after child-care tax rebate and the grey is the after child-care benefit.

Senator MOORE—When I read that and I read the explanation in the minister's press release, it seemed to me that the kinds of statements being made in that about gathering data were similar to what I have been asking for at Senate estimates for a while. I am talking about knowing what the components of child-care costs are, knowing that the child-care benefit does not reflect all the types of child care, that there are certain costs involved in child care for which you do not get the child-care benefit—all those limitations which we have discussed here when we have been trying to look at comparisons.

It seems to me that in the ministerial press release and in this data there has been an attempt to have a degree of guesstimate that says that, considering that there are limitations, there is still a story that can be told by using this figure. It seems to me that I have been trying to get to that kind of agreement with the department for a number of estimate periods and have been told that it was not exactly worthwhile to make guesstimates when there are so many

variations. I hope I am not verballing you, but it is that degree of restraint in making comparisons of cost that interest me. I want to know whether or not that is a fair enough statement in terms of the limitations. You have said to me for many years now that you cannot just take this figure and compare it with that figure, because it will not be an absolute comparison. It seems to me that with the ministerial task force there has been an attempt to say that you can do it.

Ms Carroll—There certainly has been an attempt to look at doing things like uplifting incomes and figures and looking at how you might uplift fees to try to make some attempt at doing those comparisons.

Senator MOORE—In the ministerial press release, I am interested to know what was the daily fee used by the minister to calculate the child-care costs. That has always been a bit of a sticking point for us. That is because there is such a wide variation in child-care fees that people have, that being able to make an average, I have been told before, is not a particularly wise thing to do. In the ministerial task force the minister said this was an average cost. Can you give me some idea of what that was based on?

Ms Carroll—The cost was based on the 2004 census average child-care fee. It was then uplifted, based on going back to 2001 and looking at what the trends in increase might have been, then doing the same in 2002. That uplifted it to a 2006 fee.

Senator MOORE—It was using the 2004 figures, which were based on the information you got, and then you did a historical comparison and just translated that?

Ms Carroll—Yes.

Senator MOORE—There was no looking at the ABS processes and what they claimed to be the CPI increases through that period.

Ms Carroll—No.

Ms Beauchamp—We used the child-care census figures.

Senator MOORE—The child-care census fees were your bottom line, but in terms of the update you did not look at the CPI process?

Ms Beauchamp—We looked at the trends from child-care census data.

Senator MOORE—I have a couple of other questions regarding the process. The ministerial press release is based on one child. I take it that the data used for the ministerial press release is from the department?

Ms Beauchamp—Yes. I think you are right in terms of telling a story this time and trying to extract as much as we possibly can. With respect to the use of the one child, I guess over two-thirds of families and consumers of child-care services are basically a one child—

Senator MOORE—Is that from the 2004 census or the 2006 census?

Ms Carroll—That is actually from a Centrelink data source.

Senator MOORE—In terms of the figures that are used there, it is at the \$80,000 mark for the salary looked at. Was there any consideration of others taken also from the Centrelink base?

Ms Carroll—The reason that the figures have gone up to the \$80,000 is that close to 80 per cent of families that use child care—I think it is about 77 per cent—fall between sort of the lower income up to the \$80,000, so there was a spread of incomes. We obviously have done some comparisons for two children as well, and they are quite similar in the kind of outcomes that you might get.

Senator MOORE—Are those comparisons public?

Ms Carroll—We can give them to you.

Senator MOORE—That would be useful, because once again I want it to be that we are talking from the same figures. It makes it very easy to get into a debate if we are not clear. So, I have the basis. That is also the difficulty with the press release, because it has a particular purpose and there are not all the footnotes to it. Just to find out what all those things were would be useful.

Ms Beauchamp—As to the figures in the salary range between \$30,000 and \$80,000 in the annual report, I just wanted to confirm Ms Carroll's point that that applies to over three-quarters of the families using child care.

Senator MOORE—Yes.

Ms Beauchamp—Between the range of \$30,000 and \$80,000.

Senator MOORE—Right. And you said earlier that the average fees that are in this graph related to—

Ms Beauchamp—The trends over the past two censuses.

Senator MOORE—And the trends actually reflect the wide variation and the geographic differences across the country?

Ms Beauchamp—I think they are overall averages between the census figures, yes.

Senator MOORE—Okay.

Senator Kemp—You are quite happy with the information which has been provided in the graphs?

Senator MOORE—No, I am accepting the basis on which the information has been provided. I am not making any assessment. I am making an assessment that that was the basis on which that assessment was made—

Senator Kemp—But you were quite happy that the effort was made to provide it?

Senator MOORE—I am very happy that the effort was made to provide it. I have never had any problem with the effort made by the department to provide information.

Senator Kemp—Good, thank you. That is fine.

Senator MOORE—I turn to the task force on care costs that Mr Santoro launched last month, 18 October. Were you at the launch or are you aware of the report that came out?

Ms Beauchamp—I was not at the launch but I was aware of it.

Senator MOORE—The range of recommendations and also statements made in that task force have gone to the government, of course, but I am just wondering whether the task force report has gone to the department as well?

Ms Carroll—We certainly have a copy. I do not know that we have formally received that through yet, but we certainly have a copy.

Senator MOORE—Minister, I am not sure about this. When one minister launches something, does that actually count as it being received from the government?

Senator Kemp—If he launches it publicly, yes.

Senator MOORE—I do not want to be talking at crosspurposes.

Senator Kemp—No, I think that that would be accepted.

Senator MOORE—Does the department accept the thrust of the major arguments made by the task force? The core one that we have been talking about and that was actually picked up on was that the low level of investment in child care is a drag on the economy.

Ms Shugg—You asked the question as to whether we accept—

Senator MOORE—Yes, it was the economic assessment that the low level of investment in child care was actually an economic drag to our community.

Ms Shugg—We have looked at some of the modelling that is within the report, but in terms of accepting the conclusions from that, we have not actually looked into the modelling enough to come to a conclusion.

Senator MOORE—Has the section been asked to do that, to consider the task force report?

Ms Beauchamp—No, we have not been formally asked to do anything with the task force report, but it is quite interesting that the government's commitment to invest \$10 billion into the child-care industry over the next four years is seen as a low level of investment.

Senator MOORE—I think everything is comparative in terms of how that goes.

Ms Beauchamp—I would say that is the highest level of investment there has been.

Senator MOORE—When you look at the people who did it, you see that they talk in big figures. If you look at the consortium, including Westpac, ANZ, Stock Exchange and IAG, you see that they are large economic players. You have not considered that model yet in terms of the analysis of the recommendations?

Ms Shugg—No.

Senator MOORE—As you have not been asked to look at it, or if you have not been able to, there is no expectation of responses. The Melbourne Institute were the people who did that. Is that the same Melbourne Institute the department uses regularly? Is that the same one?

Ms Beauchamp—I think so, yes.

Senator MOORE—Because in this document it is referred to as Melbourne Institute, but in this one it is the Melbourne Institute of Applied and Economic Research. So it is the same one?

Ms Beauchamp—Yes.

Senator MOORE—Was the department involved in giving any evidence or information to the Melbourne Institute in preparation of this task force report?

Ms Carroll—Not that I am aware of.

Senator MOORE—So you were not formally asked?

Ms Carroll—No.

Senator MOORE—There is another report I wanted to ask some questions about which is on the website. It is the one written by Jay Martin, who used to be a staff member of the department. I do not know whether she still is.

Ms Carroll—She still is.

Senator MOORE—I do not want to verbal this person. It is public record, but I just wanted to make it clear. Ms Martin's paper for March 2004 is *More than just playdough—a preliminary assessment of the contribution of child care to the Australian economy*. It is on the Australian Social Policy website. The author in the foreword acknowledges the contribution of other members of the Child Care Benefits Branch and data collection analysis. Was that actually done on behalf of the department or in another capacity? It is a very good paper, by the way, but before I start asking questions I want to get—

Ms Carroll—We think it may have been on behalf of the department, but I would have to take that on notice and check it.

Senator MOORE—If I just ask the questions about it, would that be appropriate?

Ms Carroll—We would need to take them on notice. We do not actually have the details of the report in front of us.

Senator MOORE—It has a similar kind of analysis, without using the same figures as the Melbourne Institute report about the impact of investment on child care and activity and the economy as a whole. Could I actually get confirmation on notice of the status of the report, whether or not it was on behalf of the department and whether or not other officers in the department were involved in working on it?

Ms Beauchamp—Could I clarify this? The period that it applies to is some time ago.

Senator MOORE—Yes. It is March 2004, and it is my understanding that we are still working on data from the child-care census of 2004, so it is not that out of date. Using that same analysis, it seems to me to be a worthwhile statement.

Senator Kemp—I would like to welcome Senator Brown. This is an all-time first for me to see Senator Brown at estimates committees. It is terrific. Good to see you, Senator.

Senator BOB BROWN—You have been answering the questions with such exactness that I was attracted to your committee.

Senator Kemp—Well, I always do that. As you know, that is the good name I have.

Senator BOB BROWN—When there is something new under the sun, I am always looking at it.

Senator Kemp—It is good to see you here, Senator. This is a rare pleasure.

Senator MOORE—As I was saying, in terms of that paper on social policy I am interested to know whether the data that was used in creating that policy was public data at the time, or whether or not there was anything that was not public. Can I get some idea about what is the government's position—Minister, this is probably more to you—on the economic returns of government spending on child care, because the focus of this paper was actually doing an economic comparison about the spending on child care.

Senator Kemp—That is a very interesting question, and because I like to give detailed answers to questions—

Senator MOORE—You would like to take it on notice.

Senator Kemp—I will get some advice from officers at the table. I will take that on notice.

Senator MOORE—I am interested in any other reports or published information that quantify the value of child care to the economy so we can see the particular argument about the exact value of child care and investment in child care and link that to the economy in that wider arc.

Dr Harmer—Certainly, the government is well aware of the importance of child care as part of the strategy to get people back into the workforce. We have got a significant involvement in that.

Senator MOORE—Because of your involvement in Welfare to Work, yes.

Dr Harmer—But that is one dimensional.

Senator MOORE—Sure.

Senator Kemp—Yes. Of course, you would be aware that we have doubled the number of child-care places since we have been in government, or close to it, which has been widely applauded, even by the Greens.

Senator MOORE—Ms Martin's report in section 4 has particular comparisons with figures. I want to know whether there is any agreement or disagreement with the conclusions reached by Ms Martin about the financial returns to government. It is difficult to give such an answer if you have not seen it, so I refer to page 9 of Ms Martin's report and the economic conclusions reached there. I would like to get some response from the department. In the list of contracts published pursuant to Senate order 192, \$116,000 was paid to the Melbourne Institute—and I presume it is the same one—to update, using post-2000 data, a previously published econometric model of labour supply and child-care demand. Has that been finalised?

Ms Carroll—I would have to take that one on notice. That is specific.

Senator MOORE—Also, my standard question, as you would expect: is it public? We would like to have it. Also, if we cannot have the whole document, can we have the key conclusions? It has got a catchy title. The focus is the update using the most relevant data to look at that linkage between labour supply and child-care demand, which I would think, Dr Harmer, would be straight down the lines of the comparison you made with the Welfare to Work model. I want to know what the current report is on the chronic workforce shortages.

Over the last few Senate estimates you have given me information about what has been done to look at the workforce shortages. Is anything you want to update this time in terms of the department's or government's response to the agreed workforce shortages?

Ms Carroll—One of the positive things that has occurred is the family day care start-up payments which the government introduced. We have the Welfare to Work measures. From July to September we had 191 applications for those start-up payments, and 167 have been approved. Those 167 have all been from our highest priority groups. We actually have allocated three different priority groups for those payments, and in fact 64 are priority 1, which means that these people have been on an income support payment and are coming off that to go to work in family day care, which is quite a positive thing, and 107 have been in an area that would be deemed as a location having a higher number of people that are on income support. So that certainly is a positive element of people moving in to family day care as a career option.

Senator MOORE—The particular focus on that was the family day care stream, was it not?

Ms Carroll—It is particularly for family day care to assist with the start-up costs.

Senator MOORE—Those dates again?

Ms Carroll—That was between July and September this year. They only started from 1 July.

Senator MOORE—Will you be collecting those figures on a quarterly basis?

Ms Carroll—Yes.

Senator MOORE—Is that going to be the process?

Ms Carroll—It will.

Senator MOORE—Will they be published? Will we have to keep asking for those or is there a place where they can be found?

Ms Carroll—They would be published in our annual report, against our performance information.

Senator MOORE—So we have to wait a whole year for the next edition, Ms Carroll?

Ms Carroll—We can look at how we can publish that information.

Senator MOORE—That would be useful, because we have talked about that, and there was a particular injection of focus into that area.

Ms Carroll—Yes.

Senator MOORE—So that is the current status. The next thing I want to ask about is the child-care management system. We had quite a long talk about that last time. Quite recently the minister announced \$72.3 million for the child-care management system, as well as new requirements on child-care providers. We had a bit of a chat last time about exactly what was going to be kept in the system and what was going to be available on the hotline. There was discussion about how we could pin down where there were shortages and where there were

availabilities. There was a bit of discussion both here and, later, in the media about what was going to be shown. As of now, is the government collecting information on actual shortages?

Ms Carroll—The government is collecting information right now, as you know, through the child-care access hotline, where services are reporting their vacancies on a weekly basis. As you know, this just started on 1 July, so the information is building up but we are able to see the number of vacancies that are occurring across Australia and in different states. Over time we will have some trend data on where there may be locations that consistently do not have an availability of child care. What we are finding in looking at the data right now is that obviously services are putting the information into the child-care access hotline on a daily basis, so they show what vacancies they might have Monday, Tuesday, Wednesday, Thursday, Friday. That can vary from day to day, and it also varies from week to week.

Senator MOORE—Sure.

Ms Carroll—So the minister has indicated he will make that trend information available once we have information on the locations where there are consistently no vacancies.

Senator MOORE—Is there any kind of time frame that has been agreed on as to when we will have enough trend data to make assessments? It has been going since July.

Ms Carroll—It has been going since July. Obviously it was not compulsory to begin with.

Senator MOORE—When did it become compulsory?

Ms Carroll—Around the end of July.

Senator MOORE—Okay. So there was not much of a gap.

Ms Carroll—There was not a significant gap, but obviously then services needed to start to report. We have had a system where the child-care access hotline can contact services if they wish to collect that data, or the services can ring the hotline or they can email it or go on the web. There are a number of ways that services can provide that information. We are also making some minor enhancements to the system around some of the feedback that we have had from child-care service providers and from families, in particular around vacancies for under twos. So over the next month or so we will be able to start to collect some additional information on those vacancies and on vacancies for school-age children in services other than after-school care. So, for example, some long day care services and family day care for school-age children might have vacancies. So we will be in a position to start to collect some of that information also. Once those enhancements are in place and we have some trend data, the minister will be in a position to release that.

Senator MOORE—Is there a business plan outlining when the enhancements will be put in place? Your answer was, ‘We are beginning to collect data, but over a period of time we are going to collect more so we can build up a better information base.’ Have you got a plan for when those things will happen?

Ms Carroll—We anticipate that the enhancements would take place in the next few weeks. Then we will obviously need to tell service providers about the new or different information they will need to provide, and we will then be able to start collecting it.

Senator MOORE—I know the minister said that he would be releasing information, and that was part of it. Is there any expectation for the process for the public release of information—whether it will be on a regular basis like with CPI figures? Most information sharing in government is based on quarterly, six-monthly or 12-monthly time frames. Has that degree of detail been determined yet?

Ms Beauchamp—We are currently looking at how we might do that. As you would appreciate, we need to make sure the information is robust, and that sort of information will be market sensitive, so we have got to make sure the information is all cleaned up. If we are going to be looking at providing that information we will need to make sure we are providing it equally and to all players in the sector.

Senator MOORE—How do you define ‘robust’ in that sense?

Ms Beauchamp—At the moment we are getting about 90 per cent of services providing that information. We need 100 per cent and we are working very actively on getting 100 per cent of services to provide that information. Then I think the focus of our work in these early stages has been making sure that parents and services have access to the data that we are collecting. So we need to do some proper analysis and test whether it is robust, and look at trend data and do some further work around that.

Senator MOORE—If it is compulsory to provide the information, why is it not 100 per cent now?

Ms Beauchamp—It is compulsory to provide the information. In some instances like vacation care, for example, it is sometimes very hard to contact the vacation care services, so we are looking at screening out all those services that are not in a position to provide information.

Ms Carroll—Part of it is an education campaign and, for example, we did notice over the last school holiday period that, as services come back into the system, sometimes they forget to report for the first week or sometimes services report for a couple of weeks and then there is a week that they do not report because they might forget. So we are also looking at how we are actively managing those services that are not reporting, and how we bring up the reporting across the board.

Senator MOORE—I have no information about what the cost on providers is of providing the information. My understanding is when it first started they were phoning or faxing the information through. That is right, is it not?

Ms Beauchamp—Yes.

Senator MOORE—There is an expectation that that is going to move to an online process. Is that true as well?

Ms Carroll—The online process has been available from the beginning. It is up to service providers to choose the method that they want. A lot of them have actually chosen the phone-in service. In fact, what a significant number of services have chosen is for the hotline to ring them at a designated time and date that suits them, and that information is given over the phone. But service providers are able to choose themselves from a range of methods. We

would anticipate over time more will start to do it online as they become more familiar with it.

Senator MOORE—So there is no component of the CMS that is looking at computer provision or computer access to the providers.

Ms Carroll—When we move to the childcare management system we are talking about something different.

Senator MOORE—The enhancements—

Ms Carroll—What we are talking about right now is what is available right now through the childcare access hotline.

Senator MOORE—But it is all part of the same plan, is it not?

Ms Carroll—It is part of the same plan, and once the childcare management system comes in place, this information will all be provided online through the childcare management system, so there will not be a separate piece of reporting services have to do.

Senator MOORE—But is there any provision in the childcare management system—and that is the one that the new budget has just been announced on—to enhance providers' access to computer equipment? I am thinking of the medical system, where there continues to be an attempt to have all medical practices involved in e-health and there are actually incentives paid to doctors to get them to do it. Is there a similar program in the CMS?

Ms Smart—Part of the minister's announcement was that there would be some targeted assistance for childcare services to bring them onto the new system, the details of which are going to be part of the consultation that we will be undertaking with the sector over the coming months.

Senator MOORE—So there is a special round of consultation on the CMS.

Ms Smart—Yes.

Senator MOORE—Would that also pick up feedback on the data exchange up till now? If you are consulting on the future of the CMS, I was wondering whether the program of consultation includes picking up the kinds of things you were talking about before in terms of the enhancements that you have already thought about.

Ms Smart—I am sure that the representatives of the childcare sector will bring that to the table as part of their feedback to us.

Ms Beauchamp—We will, of course, need to look at how we do incorporate the childcare access hotline, which is an interim arrangement, particularly addressing Welfare to Work and access to information into the new childcare management system.

Senator MOORE—I think we spoke last time, Ms Beauchamp, about the linkage between those things, we were talking about having a system put in place, particularly because your department was taking the lead role in child care, along with the Welfare to Work, and had that responsibility.

Ms Beauchamp—Yes.

Senator MOORE—So the process of having the hotline arrangement, the linkage between providers and a central base for the first time on a regular base was actually a step towards what even then was being looked to. In my own mind I have got that process as a continuum.

Ms Carroll—That is correct.

Senator MOORE—So, as of now, if I am seeking child care anywhere in the country I can ring the childcare line and say, ‘I am seeking a vacancy for November-December. We are in Toowoomba,’ just taking a place. What would be the response? What would the line tell me?

Ms Carroll—If you were saying you want child care in the future—like not tomorrow, this week or next week—you would be told what services were available in and around that location.

Senator MOORE—Of all types of child care?

Ms Carroll—Of all the types of child care for the age of child that you had, and that is something that the childcare hotline has always done. It has had available that information regarding the services available in a particular location. It would also be able to say, if you are wanting child care more immediately, ‘These are the services that are currently indicating a vacancy.’ However, the parent then has a choice of ringing a range of services or some specific ones which might have vacancies if they want child care earlier.

Senator MOORE—Has there been any concern about not getting full response—that you may ring up seeking childcare help and may get told there is a vacancy in a place but when you go there it is actually a vacancy for a seven- or eight-year-old and you have a baby? Has there been any confusion of that kind?

Ms Carroll—Primarily the way the access hotline talks about the vacancies is by saying that these are services that have reported that they may have a vacancy available—because between reporting times there may have been another parent come along and use that vacancy. So there has not been specific feedback from parents that there is a concern: ‘I was told that there would be a vacancy and when I turned up or rang up there was not.’ However, obviously we have picked up the feedback around vacancies for the younger age group, and that is something that we are building in.

Senator MOORE—That is ongoing and has been for years. Does the data that the providers have to give you every week actually link the age vacancies that are available, the times that are available and the numbers of vacancies they have got in a week?

Ms Carroll—It is the number of vacancies per day but it is not by age.

Senator MOORE—How would that part—

Ms Carroll—In the enhancement they will be reporting if the vacancies are for an under-two-year-old, for example.

Senator MOORE—My question was: if I ring up today. Those enhancements have not been done yet.

Ms Carroll—Yes.

Senator MOORE—Is that one of the ones you are hoping to do in the next couple of weeks?

Ms Carroll—Yes.

Senator MOORE—Can we get a list of the enhancements that are in train?

Ms Carroll—They were as I described, the key ones.

Senator MOORE—Can I get those again, just to refresh my memory? I want to be absolutely clear on this because the hotline and then the information that goes to the public is the critical communication link. Until it is actually in a written format that we can all see—it is not there yet—I want to know what enhancements are happening. At the moment the providers only provide the daily vacancy that they may have.

Ms Carroll—Yes.

Senator MOORE—That is the only thing they have to do, but what are the enhancements that are happening in the next couple of weeks?

Ms Carroll—They will provide the number of vacancies per day. They will indicate if any of those vacancies are for under-tuos, and also if any of those vacancies are for school age children, if they are not an after-school care.

Senator MOORE—If they are not after school.

Ms Carroll—If they are not a regular school age provider.

Senator MOORE—This should be being provided to the hotline by the coordinators of the family day care centres in every region?

Ms Carroll—Yes.

Senator MOORE—All childcare centres?

Ms Carroll—Yes.

Senator MOORE—Any place that has vacation care, and any centre that has got after-school age care.

Ms Carroll—Before and after school.

Senator MOORE—Have I missed anything?

Ms Carroll—Occasional care provides them as well.

Senator MOORE—So each of those providers for whom people can get CCB—

Ms Carroll—Yes, for all approved services.

Senator MOORE—are providing on a weekly basis this information to the hotline, and then that is the kind of data that will be kept. So when I ring up tomorrow, am I going to speak to a person?

Ms Carroll—Yes.

Senator MOORE—A real person?

Ms Carroll—Absolutely.

Senator MOORE—And the data that I am taking and giving out will be on an internal software package somehow.

Ms Carroll—That is right.

Senator MOORE—They will scroll through and you will have to identify who you are, where you are ringing from and what form of child care you are seeking.

Ms Carroll—That is right. Then they have the database that has all the vacancy information.

Senator MOORE—Do you have to indicate why you are seeking it?

Ms Carroll—No.

Senator MOORE—We talked a little bit last time about the aspect of choice. I think I did ask this question but it continues to be pertinent in terms of: if a parent rings a hotline wanting a family day care place in a particular area but the only vacancies are at a long day care centre, will that be recorded as a shortage?

Ms Beauchamp—If there are vacancies available?

Senator MOORE—Yes.

Ms Beauchamp—No.

Senator MOORE—This comes back to the element of choice. That is fine, if that is the department's position.

Ms Beauchamp—We are monitoring all approved childcare places.

Senator MOORE—So the department's view is that if there is child care of any kind available within a reasonable area, that indicates the need is met, whether that is the kind of child care that I really want or not.

Ms Carroll—The actual way we will be recording areas or locations that may have no vacancy is still to be established. Clearly there is a difference between what the market might respond to, in terms of a lack of family day care or long day care.

Senator MOORE—Yes.

Ms Carroll—However, I think this is the question that you are asking: if I ring in to the hotline and I say, 'Have you got a family day care place?' and there is not one available, then the hotline would say: 'I do not have a family day care place. However, here are the providers in case one comes up in the future. We would suggest you contact them anyway. Also, have you thought about long day care?' If they say, 'I have but I do not want to use it,' that is fine. What the hotline primarily is about is providing that information to parents so they are able to use it.

Senator MOORE—That is the information that I would have got and got in one spot, which I might not have been able to get prior to this service being there. What I have always been looking for is somewhere that can give me a snapshot of what is available in child care across the country, and the fact that there could be family day care available but not after-school-age care or any of those—some but not others—to me still indicates there is a shortage. I am trying to find out whether the department agrees with that or not or whether the department's position is that, if there is a vacancy for child care and if there is available child care, that means there is no shortage.

Ms Carroll—Obviously, as Ms Beauchamp said, if there is the availability of child care then the parent is able to access child care, but I think there might be a difference in terms of how we may be reporting any of this information in the future.

Ms Beauchamp—That is the trend information.

Senator MOORE—And it comes back to the assessment of what is a shortage and what is available.

Ms Carroll—Yes.

Senator MOORE—But that is not defined.

Ms Carroll—That has not been finally defined at this stage.

Senator MOORE—I know that there has been a lot of work and that how the Welfare to Work aspect operates is a DEWR responsibility, but in terms of internal guidelines for reasonable child care is there an indication of what is a reasonable distance to go to access child care?

Ms Beauchamp—I think DEWR have put out those in guidelines, but most of the Welfare to Work participants are looking for outside of school hours care. So you would expect the outside of school hours care in most instances to be provided where the child attends school. We would be also then looking at whether that child had access, if there was no after-school care available, to transport to a suitable approved childcare place.

Senator MOORE—Allowing that DEWR would be considering for their needs, what would your Child Care Support be doing for someone with regard to my ongoing interest in what the department considers to be shortages or need in some areas or oversupply in others? In some places there are shortages, some places have an oversupply? What would be a reasonable access in terms of the department? In other words, what would be the department's expectations of childcare availability? If I am ringing from a place and I am saying I am looking for child care here, and there is child care in a place that is 45 minutes away, is the department's view that the person has to go there?

Ms Carroll—It is really a choice for families.

Senator MOORE—Except they do not think there is.

Ms Carroll—Some families may choose, for example, to have their child care close to work; some may choose to have child care close to home. So in the broader sense it is actually about what the families are choosing. As Ms Beauchamp said, in the Welfare to Work context there is a more specific element to it.

Senator MOORE—I cannot remember what it is, but there is a guideline.

Ms Carroll—The guideline around the welfare to work is that, if there is safe passage of the children from their school to the after-school environment, that is considered to be available, which would normally be on site in the school. However, if there was a safe way that the children were taken from one location to another, and that that was all an approved way, that would be considered—

Senator MOORE—What if I am seeking infant care and I am trying to find out whether there is available infant care or whether there is a shortage of infant care in a region? What

constitutes a region? What is a reasonable geographic spread? Does the department have a view on that?

Ms Carroll—It is a very difficult thing to answer.

Senator MOORE—Absolutely.

Ms Carroll—For some people they may have a car and be able to drive around. For other people they may be on public transport. So we have not established a pattern to say that the figure is if you are two kilometres from your home, or five kilometres, which is I think what you are asking.

Senator MOORE—Is that something the department would look at?

Ms Beauchamp—Are we talking about choice here or are we are talking about welfare to work?

Senator MOORE—No. My understanding of the plan for this particular CCMS is that this will be the system that will be allowing people to know where there is available child care and where there are shortages of child care and looking at access. I want to know whether you have a guideline or a plan for determining what constitutes reasonable.

Dr Harmer—We are setting it up so that we will have the information. We are setting it up so that we can answer family questions, so that we will be able to say yes or no. So they will make the assessment. They will tell us what they want and we will be able to indicate whether it is available or not. We are not going into this with a preconceived view on particular families about which is the most appropriate. We allow them to make the choice. We are hoping, and we believe the Child Care Management System will provide that information.

Senator MOORE—So in terms of getting data from this system, is there an expectation of being able to say, for example, that there is a shortage of infant care in this region? Will that be the kind of data the CMS will be able to tell me? The only way you can tell me there is a shortage is if the data being fed in indicates there is none, or low numbers, and people are ringing in seeking it. That would be the only way, and I do not think I am being too simplistic, that you would be able to say that there is a shortage. On that basis, what would constitute an area that you could make that assessment on?

Ms Carroll—As Dr Harmer said, the focus of what the Child Care Management System will be just as the childcare access hotline system is, which is that it is actually about a tool. So I might ring in and say, 'I want child care that is 20 kilometres from where I live, because that is where I work.' If I cannot find it there then that may not be suitable to me. So we are not trying to determine where families should take their child care; it is about families determining that.

Senator MOORE—Sure.

Ms Carroll—As I said, we are still working through what the information will look like and what data sources we will have, both through the childcare access hot line and in the future through the Child Care Management System, to be able to establish what it is that will be made publicly available.

Senator MOORE—I still think we are working with a gap between what constitutes availability and what constitutes choice. That is something we will have to just keep talking about. Can I ask some specific questions about the data that is in there? At the moment the childcare centres do not have to tell you what age vacancies there are, but that is changing. They will soon. I turn to the number of days care, or which days, a vacancy represents. It was my understanding when it first opened that it was a snapshot arrangement, that they rang through on one day and gave you their vacancies.

Ms Carroll—Yes.

Senator MOORE—In regard to the number of days care a vacancy represents, what constitutes a vacancy? Is it one day, three days or whatever? Do you have to indicate which days?

Ms Carroll—Yes. In the current system you indicate which days, and in the Child Care Management System it will be a more automated process, but that information will be in there.

Senator MOORE—What about whether the vacancy is temporary or permanent?

Ms Carroll—It is just whether there is a vacancy or not. It then becomes communication between the service and a parent.

Senator MOORE—What about the concern that a vacancy reported by a centre could in fact just be a child who is sick on any of the days that they are providing the information. Is that an issue?

Ms Carroll—It could be, but the parent ringing in might also only want temporary care.

Senator MOORE—So they do not have to tell you at the moment with the data they have to send in.

Ms Carroll—No.

Senator MOORE—So the provider can say, 'I have a vacancy,' but it could just be that they have not got someone in that day or that couple of days because there has been a measles epidemic.

Ms Carroll—It could be. However, they could not claim childcare benefit for two children for the same place. It would effectively rule them out if they were trying to claim childcare benefit for that same place.

Senator MOORE—Someone has given me this quote. I am going to read it out because it is a child-care provider's own words, so I think it makes more sense: 'The incidence of daily available vacancies for my 72-place service changes from one phone call to the next every day and in no way relates to permanent vacancies available for booking. Temporary places come up as people go on holidays or children are sick, even though we are fully booked on paper.' Is that kind of situation one that you have to balance currently?

Ms Carroll—Certainly that has not been a significant amount of the feedback we have been getting around the vacancy reporting, but obviously it is up to service providers to report the vacancies they have. Some service providers might actually have vacancies but are choosing not to fill them for their own business reasons.

Senator MOORE—All they have to do then is to ring up and say, ‘I have no vacancies.’

Ms Carroll—That is correct.

Senator MOORE—Their only requirement is to be in contact.

Ms Carroll—That is right.

Senator MOORE—Is there any kind of checking process the department does to see whether the data they exchange is accurate?

Ms Carroll—As I said, the data is their view of the vacancies that they have. For a lot of these people it is a business and it is a business decision about whether they have a vacancy or not.

Senator MOORE—Has the department done a regulatory impact statement on the cost to childcare businesses from the compulsory elements of the CMS?

Ms Smart—A regulatory impact statement would be part of the ongoing development of the Childcare Management System.

Senator MOORE—Would the round of consultations you describe involve discussion of a regulatory impact statement?

Ms Smart—The initial consultations are to provide information to the sector around what is envisaged within the system. Then from that I would expect that the childcare sector across the various types of care would provide us with information and feedback from that exchange of information.

Senator MOORE—In terms of the \$72.3 million, has there been any modelling on how much the hot line is going to cost to run? I am referring to the actual costings of setting it up, enhancing it and staffing it. Has there been some modelling on the cost of that process?

Ms Carroll—I am not sure I understand the question. Are you referring to the hot line—the availability system we have now in place—or the Childcare Management System?

Senator MOORE—Both. I think this is one big thing. We set something up on 1 July with the full expectation it was going to grow. There was no way that when we talked about this before that we thought this was going to stay in the place it was. We now have the ministerial announcement of 23 October putting a figure out there of \$72.3 million. I want to know what that includes and how that is going to be spent.

Ms Smart—The \$72.3 million is made up of Centrelink costs for the redevelopment of their part of the childcare benefits system, software and hardware expenses for FaCSIA, as well as the costs of consultation and communication with the sector, and the assistance package that I spoke of earlier.

Senator MOORE—That is the one that is supposed to be moderate. There is a statement which I liked a lot. I am trying to find the right words so I am not verballing. The words are: ‘targeted and modest’.

Ms Smart—Yes.

Senator MOORE—There is actually a figure attached to ‘targeted and modest’?

Ms Smart—There is, as part of the \$72 million, and that is approximately \$18 million, though how that pans out and whether that becomes the exact figure at the end of it is too early to say.

Senator MOORE—That is in the current business plan?

Ms Smart—Yes.

Ms Beauchamp—That will need to be clarified as we go through the consultation process.

Senator MOORE—Absolutely.

Ms Beauchamp—Obviously there are some providers who have the capacity more than others to get online.

Senator MOORE—There is a wide range of providers, yes.

Ms Beauchamp—Yes. In terms of the regulatory impact statement you were referring to before, I think one of the principles of this whole system is to streamline and automate and make things a lot less complex than they are now for providers.

Senator MOORE—Yes. That is part of the regulatory impact study: to assess what can be done to enhance the process to make it easy and to make people confident in the process.

Ms Beauchamp—Yes.

Senator MOORE—Because I would have thought the whole thing hinges on people's confidence in using the system and feeling it is going to work. I thought that would be a standard part of the RIS, I think they call them.

Ms Beauchamp—Yes.

Senator MOORE—In the list of contracts published pursuant to Senate order 192, there is a figure of \$2.7 million that has been allocated to Redbourne Business Services to set up and operate a national telephone information service that provides parents with options for child care. Is that this one?

Ms Carroll—Yes. That is the childcare access hot line.

Senator MOORE—Where is Redbourne Business Services?

Ms Carroll—In Brisbane.

Senator MOORE—I did not know that, so I am pleased about that. That is actually to set up the next stage of it?

Ms Carroll—Redbourne were the previous provider of the childcare access hot line. We have enhanced the system and the requirement for them. As I said, it is just an addition to the current contract.

Senator MOORE—It is a continuation in many ways.

Ms Carroll—A continuation.

Senator MOORE—I am going to put on notice the IT questions because it seems to me that the answer is going to be that it is going to be part of the consultation process. We want to know particularly about computers, interactive systems and access to broadband. There has been no decision yet about the type of computers to be used, the type of hardware required?

Ms Smart—The system is premised on the childcare services using third party software, as a lot of services do now. They use systems that they purchase to manage and operate within their service, and the Childcare Management System is what I would describe, in a non-technical sense, as the back end of that. Information will be transferred via the internet from whatever the childcare service third party software is into the Childcare Management System. So it is not a system that the childcare services will be entering data into directly, it will be extracted from their systems into our system.

Senator Kemp—Mr Chair, I do not want to appear unduly hopeful but we probably are close to the bell lap and I wonder whether we could review the questions that will be put and which of the officers we need to remain here till 11 o'clock.

CHAIR—I think anyone associated with Child Care Support or Support for Carers should remain. I have a couple of questions about the affordability of child care, and the work that the department has done on measuring the relative affordability of child care over the last few years. I did read that there was some analysis done by the department. Can you tell the committee about that, please?

Ms Carroll—Yes. The analysis has been on the difference over the last 10 years of the affordability of child care and of the percentage of disposable income that parents need to spend on child care. We have done a range of analysis including, as has been put out in Minister Brough's press release, looking at specific income ranges of \$30,000, \$65,000 and \$80,000. As we indicated, the \$80,000 mark has been picked because around 77 per cent of families are picked up by the time you get to \$80,000.

CHAIR—This is family income, not individual incomes.

Ms Carroll—That is right. We also have had a look at the median income over the 10-year period from 1996 to 2006 and at the difference in the disposable income over that period of time. For example, for one child in 25 hours of long day care the median income in 1996 was around \$44,000 and the percentage of disposable income was 6.2 per cent. In 2006 the median income is around \$73,000 and the percentage of disposable income spent on child care is 5.4 per cent. So there is a range of analysis that we have been doing which shows that the affordability of child care has either improved or at least remained static.

CHAIR—I see that you have based that analysis on one child in day care. Would two children be a more typical picture of what is experienced by Australian families?

Ms Carroll—It is not more typical. Around 66 per cent of families that use child care have only one child using child care. However, we have also done the analysis of families that have two children. For example, again using 25 hours a week, because most families only use part-time care, and using the same median income, the percentage of disposable income used for child care in 1996 was 9.6 per cent and in 2006 was 8.9 per cent.

CHAIR—That takes into account government subsidies and support for parents in purchasing and securing child care.

Ms Carroll—That is right. It takes into account both child-care benefit and child-care tax rebate.

CHAIR—So for the categories of income that the minister cited, for one child in long day care of 50 hours per week or one child in part-time long day care of 30 hours, in every case the affordability of child care improved or at least remained similar over that 10-year period.

Ms Carroll—That is correct.

CHAIR—Thank you very much for that.

Senator MOORE—With the proviso that there were guesstimates in those figures.

Ms Carroll—That is correct.

Senator MOORE—We have been through it before, Chair.

CHAIR—There was what, sorry?

Senator MOORE—There were guesstimates in the figures. That is definitely a rationale that was there, but we went through having to average and have guesstimates in those figures before.

CHAIR—Can I ask, then, about the report in *Choice* magazine recently which was about, according to that magazine, there being greater difficulty in securing child care and longer waiting lists. Has the department looked at that report?

Ms Carroll—We have not had a copy of the *Choice* report. I understand that it has been requested but it has not been provided. Again, it is a sample survey of a specific group of families. What was interesting to note in the *Choice* article was that most of the families indicated that they did have child care and were using child care. Certainly the vacancy information that we have through our Child Care Access Hotline indicates that there are a number of vacancies available in a lot of locations.

CHAIR—So these were people already with child care being asked about waiting lists to get child care.

Ms Carroll—From what was in the article—as I said, we have not seen the survey to see how the questions were structured or any of those things—it seemed that they were asked: ‘Do you have your name currently on waiting lists? Do you want a different kind of child care? Did you have difficulty getting child care when you came in to the system?’ Those seemed to be some of the scenarios that were in the story. As they indicated, nearly all the families portrayed in the article had secured child care.

CHAIR—But you are confident that for most people in most typical family situations—one child or two children and a range of income results—there is a greater affordability of child care today than was the case in the past?

Ms Carroll—Certainly a greater or equivalent, yes, for most families in terms of the percentage of their household income.

Senator MOORE—Allowing that you have not seen the survey, which makes it difficult, the kinds of questions you presumed were asked were: ‘Have you got child care? Do you have your name down for another form of child care? Did you have difficulty and waiting times to get your current child care?’ They seem to me to be perfectly reasonable questions to ask anyone in the child-care situation.

Ms Carroll—I was not indicating that they were unreasonable.

Senator MOORE—No. It is just the way that it could have been portrayed on the record. Asking families who are seeking child care or know people who are seeking child care whether they are looking for an alternative kind or whether they have a preference for a certain kind to fit their own circumstances and asking them to explain their own experiences of waiting does seem to me to be perfectly reasonable in a survey on child care. I just wanted to put that on record.

CHAIR—It is hard to measure what is access to child care. A person who has already got child care might say, ‘Actually, I want a different kind of child care.’

Senator MOORE—Yes. We have been struggling with how to measure access to child care for a really long time.

CHAIR—Yes.

Senator MOORE—One of the key things is what we assess. But your point is real—when you are looking at child care there are so many options and people have to find the one that suits them best.

Dr Harmer—The other difficulty in that exercise is that the child care needs of any individual family can change from day to day.

Senator MOORE—Almost from day to day, yes. It is one of those things. It is very hard, and that is one of the issues with the Child Care Management System. Using a snapshot based system for any kind of assessment is always difficult, but we will get there. I have some questions about the announcement on fraud and the crackdown—that seems to be the term.

Ms Carroll—Peak compliance.

Senator MOORE—Peak compliance, and people in the media like the term ‘crackdown’. I am not sure where the minister’s press release was printed, but it said the proposal was to provide \$50.8 million over four years for improving child-care compliance. Can you give us some details about what is involved in that proposal?

Ms Carroll—The \$50.8 million included a number of elements. In particular, there was a significant amount of departmental funding to employ compliance officers to go out to child-care services around Australia. There has been a significant recruitment campaign for compliance officers since that was announced to get them on the ground around Australia. We were able to have some resources associated with that immediately to begin the compliance visits. Also, part of the compliance activity is obviously having people going into child-care services and checking their records.

Senator MOORE—Yes.

Ms Carroll—Another significant element is an education campaign to ensure that child-care services realise what their requirements are and understand how they need to comply with them.

Senator MOORE—Is that focused on providers? Is that education of child-care providers?

Ms Carroll—Of child-care service providers. There is also some funding in that initial bid for the DPP, the Department of Public Prosecution, for any fraud cases that would go.

Senator MOORE—Is there any systems work—IT work—in that?

Ms Carroll—No.

Senator MOORE—We heard earlier from another segment of FaCS about the linkage with the police forces. Is there any linkage in this particular process with communication and police?

Mr Brown—There are some linkages with the AFP in particular. We are setting up protocol arrangements with the AFP at the moment, and they will be providing assistance with various aspects of the investigation components.

Senator MOORE—This is a national program, so it is not focusing on any particular area—it is a national rollout?

Mr Brown—That is correct.

Senator MOORE—How much money has been spent so far?

Mr Brown—It is probably a bit difficult to work out exactly how much money has been spent so far.

Ms Carroll—We are mostly on target with our expenditure over the quarters but, as I said, we are ramping up the recruitment, so the amount of expenditure at the beginning has been a little bit slower. The funding only started from 1 July, from the beginning of the financial year, and that is ramping up now. Certainly a significant number of compliance officers are now on the ground, mostly located in state and territory offices, as well as having compliance officers in Canberra. Obviously recruitment and training is being provided.

Senator MOORE—Have you got a breakdown of where they are, Ms Carroll—what numbers and where? Or Mr Brown?

Mr Brown—Yes, I do have that. Just bear with me for a moment.

Senator MOORE—I am also interested in the interest shown in the jobs. I am always fascinated when you run ads for jobs. Can I get a copy of the ad that was run for this recruitment program? Can I also get some information about how many people applied across the country? Is that possible?

Mr Brown—Sure.

Ms Beauchamp—There has been a lot of interest in the ads. The department ran an employment session a few months ago now and we had an auditorium full of people looking forward to working in FaCSIA. A lot of those were interested in the compliance jobs that we had advertised.

Senator MOORE—That was in Canberra?

Ms Beauchamp—Yes, it was.

Senator MOORE—You can give those to me on notice, Mr Brown.

Mr Brown—Sure.

Senator MOORE—I am interested in the ad and how many people were interested, how many people applied and how many people have been successful. That should be easily got.

Can you give me some idea what stimulated the decision to move in with such a major public announcement about fraud? Was there evidence to indicate that there was concern about fraud in the industry? Had there been cases that had come to your attention anecdotally? I am just trying to get a background because I am interested to know what led to a \$50.8 million investment over four years, plus the publicity that came around it, because the budget paper was very brief.

Ms Beauchamp—I think there were probably a number of factors that led to the government's decision. There was a brochure that was sent out earlier this year canvassing views of both providers and parents in terms of some of the practices that they were adopting in their centres. There has been an exponential growth in the number of places and the number of providers since the introduction of CCB, and it was probably about time we looked at the compliance and review effort being invested now into the administration of CCB. With \$1.5 billion of CCB going out the door every year, I think there was an obligation to look at our effort around that.

Senator MOORE—So it was the volume of money going out as much as anything else?

Ms Beauchamp—It was just the growth rate. There was initially some small level of compliance activity that started with the introduction of child care benefit back in 2000 that Centrelink had, but because there has been that exponential growth in places and providers we did take a look at reviewing it.

Senator MOORE—Is the initial work building on doing more of what you were doing anyway, as opposed to new initiatives, or are there genuinely new initiatives? As you said, you are putting more compliance teams in place, you are doing an education campaign and you are talking to providers. I would have thought they would have been things you had already been doing, but that you are doing just a few more of them.

Ms Carroll—They are a combination of actual new initiatives and building on things that were already in place. As Ms Beauchamp said, part of the role was a transfer of the function from Centrelink into FaCSIA.

Senator MOORE—Centrelink had a pre-existing compliance regime when it began.

Ms Carroll—They did, and it was part of linking also some of the other payments that are made to childcare service providers so there can be broader compliance on all the payments that a childcare service provider may receive. As you know, some service providers receive different payments in addition to the child care benefit.

Senator MOORE—I have a 'what if' question which has been raised by some people in the industry. If a provider charges for a full day of care, even though the parent only wants care for a part-day and only uses that part-day, is that fraud?

Ms Carroll—No. That is within the guidelines of child care benefit.

Senator MOORE—My understanding is that, because of operational requirements, it is actually something that providers want to do, so that is quite fine within the current child care benefit guidelines?

Ms Carroll—Yes.

Senator MOORE—I know I am linking over to Senator McLucas's questions now, but I have questions on the ISS, and I know that is something about which Senator McLucas is very interested. Thank you for that. I am looking forward to getting the information about the recruitment process. I want to deal with family day care and ISS, which kind of flow on. Around the last estimates there was a major announcement about the uncapping—I mean the lifting of the cap!—of family day care.

Senator Kemp—Time to go home, Senator!

Senator MOORE—I know, minister. Do not help me. Can you give me some information on the changes in the FDC industry since the announcement? Has anything else changed in the industry since that? That was a significant announcement for the FDC, wasn't it?

Ms Carroll—It was a significant announcement. While we have had a number of expressions of interest of people wanting to come in to family day care, at the moment they are just expressions of interest. The other thing that has occurred is we have had a lot of feedback from family day carers themselves. One of the other things that the announcement did was actually remove the boundaries that a family day care coordination unit could operate within.

Senator MOORE—Yes.

Ms Carroll—Some of the feedback that we received from family day care carers was that they were very pleased about that because it meant that if they lived in a particular suburb they could now choose the scheme that they worked for. So there was quite a positive response to that.

Senator MOORE—So if I said, 'What is a snapshot of FDC at the moment?' that would be what you would tell me.

Ms Carroll—Yes.

Senator MOORE—In terms of specific places, how many new FDC places have been created since the cap was abolished?

Ms Carroll—We do not have a collection of the new places. However, as I said, we have had expressions of interest but we have not at this point had establishment of new providers.

Senator MOORE—When is that due?

Ms Carroll—It would be when service providers choose to set up.

Senator MOORE—So there is no set time?

Ms Carroll—No. It is up to a new service provider.

Senator MOORE—So that has not happened yet?

Ms Carroll—Not at this stage. However, we only do the calculations of the family day care places on, I think, a six-monthly basis.

Senator MOORE—So the first one after the announcement would be December?

Ms Carroll—Yes.

Senator MOORE—Can you tell me how many FDC places are currently occupied?

Ms Carroll—There are currently around 75,000 family day care places.

Senator MOORE—Before the budget the minister said that there were then about 30,000 family day care places currently unused. Is that figure still accurate or acceptable?

Ms Carroll—Yes.

Senator MOORE—About 30,000?

Ms Carroll—We have not done a calculation just recently, but it would be similar.

Senator MOORE—Has there been an increase in the number of FDC schemes or carers since the budget changes came into effect? I suppose that will be the same response to the first question: we will not have that data until December.

Ms Carroll—Yes.

Senator MOORE—Are there any regional criteria for a scheme to support a carer since the budget announcement of deregulation of schemes? That is, can a scheme recruit a carer who lives 200 kilometres away or in a different state? Does the scheme have to visit a carer a minimum number of times per year. You did mention the lifting of the geographic bar, but I am just wondering about that figure of 200 kilometres. Is there any limit on the geographic area in which your carer can operate in an FDC scheme now? Secondly, is it across states? If you are in Tweed Heads or Byron Bay, for instance, could you be in a cluster of carers based on the Gold Coast?

Ms Carroll—It can be across state. In fact more recently we have had some providers that have carers in another state. It is looking at then how they obviously manage those carers. That is up to different service providers.

Senator MOORE—Is there is no minimum number of visits?

Ms Carroll—There is not a minimum. However, what we have in our funding agreements is about their providing adequate support to the carer.

Senator MOORE—Can we get a copy of the funding agreement without names? Is it a standard document

Ms Carroll—We could take that on notice.

Senator MOORE—My last questions are on ISS, which replaced my favourite program. We were talking about the introduction of the ISS at the last estimates or at some stage. At that stage guidelines were being prepared. Have they been finalised yet?

Ms Shugg—No, they have not been finalised yet.

Senator MOORE—Have you got any expectation of when they will be?

Ms Shugg—We are still receiving feedback from the sector and we would like to take that feedback on board before we finalise it.

Senator MOORE—When does the program start?

Ms Shugg—The program started on 1 July this year.

Senator MOORE—Under what guidelines are the people who are working in the system operating now?

Ms Shugg—They are working under the draft guidelines that we had sent out to the sector for consultation.

Senator MOORE—The finalisation of those are involved with seeing how they are operating? The draft guidelines were the base line?

Ms Shugg—That is right. It was how the working group that we had set up thought it would work best. We wanted to make sure that we had feedback from the sector before we finalised those guidelines.

Senator MOORE—I would like to clarify in my own mind how the ISS works with the family day care carer. What are the conditions for a family day care carer when they have to apply to receive ISS and take on the needs of a child with a disability? What do they have to do that is different?

Ms Carroll—Effectively there is an assessment made by the inclusion support facilitator of the child's needs within a particular child-care environment. In the case of family day care, they look at the environment that exists in that carer's home, the other children who may be there, that particular carer and the needs of that individual child. There is then an assessment made around what assistance that carer may need to include for that child with high-support needs.

Senator MOORE—How much is the ISS for each child?

Ms Shugg—The ISS is a range of different things. There is support, in a family day care context, for the family day care carer going out on excursion or special equipment that the family day care carer may need. There is also a capacity payment, which can be made depending on the needs of the environment. That capacity payment has two tiers and, depending on the needs of the environment, that can either be \$4 per hour or \$8 per hour.

Senator MOORE—Is that dependent on the degree of special need that the child has?

Ms Shugg—It is dependent on the impact of that child within that environment. It is not just dependent on the child.

Senator MOORE—Is there a limit on the number of children without special needs that a family day care carer can have in their care if there is also the care for a special needs child?

Ms Shugg—The ISS capacity payment is designed to ensure that the child with high support needs has the proper care and attention that they require. The capacity payment is about increasing the amount of care and attention that the child has available to them. For example, in a long day care context the capacity payment may pay for an additional carer that makes the staff-to-child ratio higher. In the family day care context, in order to have that same effect, the ISS is targeted to carers who have taken on one less child under the maximum allowable in the family day care regulations in the state that they are operating in.

Senator MOORE—I would like to get that really clear. A family day care carer can have a certain number of children depending on the set-up of their home; is that right?

Ms Shugg—The state and territory regulations, where they are in place, say how many children under school age and how many children over school age can be cared for at any one time.

Senator MOORE—What if a family day care carer was caring for three children? You said that, if they are eligible for an ISS placement, they may well have to have two children?

Ms Carroll—It is based on a ratio of one to four or one to five under school age. For example, if you were in a state that has a ratio of one to five and you had four children, one of whom was a child with high-support needs, you would then be eligible for the ISS, because effectively you are not taking in a fifth child, to ensure that the child with high-support needs gets the additional care and attention that they require. If you chose to take on all five children, effectively you are indicating that you feel you can adequately provide the care and attention to all of those children. It really is about ensuring that there is some capacity for additional care and attention to be provided to that child. That is why there is the idea of a reduction of one.

Ms Shugg—That only relates to the capacity payment part of ISS. The other parts of ISS are still available to the carer if they choose to take the maximum number of children that they are allowed to under the regulations.

Senator MOORE—Would it still translate to a loss of income? Has that been modelled?

Ms Shugg—When we were developing the capacity payments for family day care, we took account of the average family day care fee per hour, and the \$4 was above that average fee. Obviously, family day care carers are businesspeople so they decide their own fees.

Ms Carroll—In development of the policy, the anecdotal feedback that we received through the working group was that most family day care carers reduced the number of children that they took, if they had a child with high support needs, anyway. That was the anecdotal feedback that we received during that process.

Senator MOORE—The anecdotal feedback was that most did, but under this system—the way I hear it—

Ms Carroll—To be eligible for the capacity payment element—

Senator MOORE—You would have to reduce the number of children for whom you care?

Ms Carroll—Yes.

Senator MOORE—That was in the states where there is a ratio, but what about states that do not have a ratio? How does that work?

Ms Shugg—The national standards would then apply and they would provide the ratio.

Senator MOORE—It would still be the expectation that, if you were providing a service and had a child who had special needs and qualified for the payment, you would need to provide more and then have fewer other children in your care. So, it is the same result but under a different scheme.

Ms Shugg—That is if you wanted access to the capacity payment. The capacity payment is an acknowledgement or recognition that you cannot have that maximum allowable regulated ratio number of children.

Senator MOORE—Your statement was that you felt that the hourly rate compensated; is that right? I am trying to find out whether the ISS is less than the hourly fee charged by the FDC carer?

Ms Shugg—The average.

Senator MOORE—Have you got modelling to prove that?

Ms Carroll—The capacity payments of \$4 and \$8 have been established as a contribution towards the carer's income, but they were not designed to be exactly matched to a specific fee.

Senator MOORE—Do you have information to say that they do not—and that they were not designed to—do that?

Ms Carroll—As Ms Shugg said, when the \$4 was established it was the average fee.

Senator MOORE—In the consultation process, have you had information from family day care carers about their concerns about this? Has this come up at any of the consultations?

Ms Carroll—We have had feedback around the ISS to family day carers and certainly we are listening to what those carers are telling us.

Senator MOORE—That issue is not a surprise?

Ms Carroll—It has been raised with us in some context. The other issue that is occurring is that there is misinformation out there amongst carers, so we are also making sure that there is clarification of the policy.

Senator MOORE—How are you doing that?

Ms Shugg—We have recently developed a set of questions and answers that are specifically related to issues that have come through the feedback that we have been receiving from carers. We are just finalising those at the moment. We will certainly be posting those on the web using the professional support coordinators and the ISAs to promulgate that information out there in the sector. We will also be talking with Family Day Care Australia about other ways in which we can promulgate that information out to the sector.

Senator MOORE—Are you sending them out as a hard copy or only on the website?

Ms Shugg—At this stage we will definitely be posting them on the website, but we will be talking to Family Day Care Australia about the best way in which to promulgate it out.

Senator MOORE—Can we be advised when you have those CNAs finished? That would be really useful. We religiously watch your website, but it would be a shame to miss it at the earliest opportunity.

Ms Shugg—We will let you know.

Senator MOORE—I have a whole bunch of questions on notice. I will not take any more time.

CHAIR—Are there any other issues that you want to clarify?

Ms Beauchamp—I would like to make a point of clarification. Ms Smart referred to a figure around the Childcare Management System. We have gone back over our records, and that is incorrect.

Senator MOORE—I remember the conversation. What was the figure?

Ms Beauchamp—It was a figure of around \$18 million. I wanted to correct the record and say that we do not have a figure for that particular element that you asked for in terms of support, and it is something that will be worked through.

Senator MOORE—That was when we were questioning how much was going into the breakdown of the \$72.3 million?

Ms Beauchamp—That is correct.

Dr Harmer—That was not the right figure for that component.

Senator MOORE—We will check the record. I just wanted to get it in my own mind where that was.

CHAIR— That brings us to the end of output 3.3. Thank you to the officers concerned. I call to the table officers associated with output 2.3, Support for carers.

[10.17 pm]

Senator McLUCAS—I have questions about special disability trusts. Could I have an understanding of the allocation for the program for 2005-06 and the out years?

Ms McKenzie—We do not have the out years, but I am able to give you a breakdown by the type of measure in terms of means test, mediation, the information package and the research.

Senator McLUCAS—That is for this current year, 2005-06?

Ms McKenzie—No, that would be for the overall. I have not got the breakdown year by year.

Senator McLUCAS—That is a good start.

Ms McKenzie—The means test is \$218 million; mediation, \$5.5 million; the information package, \$5.8 million; and, the research, \$1.2 million.

Senator McLUCAS—Has that research been undertaken?

Ms McKenzie—The further consultation and research is being planned at the moment. We are about to go with a request for submissions from individuals and interested organisations, which will be advertised in major newspapers on 4 November. Then we plan to do consultations around Australia.

Senator McLUCAS—You are getting ahead of me. What has been spent in the research money to this point? We have got this booklet.

Ms McKenzie—I am unable to provide expenditure figures to date, but I am now advised that no funding has been spent out of the research and consultation bucket.

Senator McLUCAS—Can you explain the allocation for research? I understand the consultation element, but can you explain the research element to me?

Ms Sawyers—The bucket of money is set aside for consultation and further research. Our plan is to roll out the series of consultations this month. That will then inform where future research gaps might lie and we will then seek to undertake research once we have done the consultation. At this stage, that is still to come.

Senator McLUCAS—Where do think the gaps in research might be at this point? I am trying to work out where we are pushing into areas of unknown.

Ms Sawyers—We know from the consultations that we previously had that parents and carers were telling us that their needs were around future planning for the accommodation and care needs of their children, so that is part of the provisions set up around the special disability trusts are aimed at doing. We are now trying to establish whether in fact there are other needs for parents planning for the future care of their children. At this stage that is what we are hoping that the consultations will tell us.

Senator McLUCAS—I understand that the trusts can only be used for accommodation and care. Am I correct?

Ms Sawyers—Yes.

Senator McLUCAS—Are you looking at potentially changing the focus of the trusts?

Ms McKenzie—As part of the consultations that we will be holding, there will be a session on the trusts, but the consultation proposal is really a broader future planning perspective where the trusts will be part of the consultation.

Senator McLUCAS—You are using a bit of money to help broader planning questions for parents of children with disabilities?

Ms McKenzie—Yes, that is right.

Senator McLUCAS—Do not tell Senator Patterson. I recognise that you do not have the breakdown of the \$5.8 million that has not been expended. The booklet would have taken quite a bit of that. Do you know how much that was?

Ms McKenzie—The booklet was funded out of the means test funding stream of the \$218 million. We are planning to produce an information package that will be available later this month which will complement the Special Disability Trusts booklet and that booklet will cover the broader areas of future planning and not just limited to the trust. That booklet will be translated into the major community languages and easy English.

Senator McLUCAS—In section 4 of the booklet the authors are identified. They were the people who were paid for the compilation of the booklet; is that correct? It is page 43.

Ms McKenzie—Yes, they were the people who contributed to the booklet.

Senator McLUCAS—Did they construct it and were they paid for it? Was it contracted to the office?

Ms McKenzie—That is my understanding.

Senator McLUCAS—That was paid out of the means test money?

Ms McKenzie—Yes.

Senator McLUCAS—It is a bit tricky now that we know who received the money, but what was the cost of producing the booklet?

Ms McKenzie—We do not have that information.

Senator McLUCAS—Can we have that on notice?

Ms McKenzie—Yes.

Senator McLUCAS—I dare say no mediation money has been used to this point in time?

Ms McKenzie—My understanding is that we have not spent any money yet on the mediation, but we have gone through an open competitive selection process for the organisations to deliver the information, support, mediation and counselling services.

Senator McLUCAS—How are they being rolled out? Is it a state basis or a region basis? How was the tender let?

Ms McKenzie—It is state based and I think I can give you a list of providers who were chosen.

Senator McLUCAS—Do not go to that trouble. It is very late.

Ms McKenzie—I would like to find this one.

Dr Harmer—Ms McKenzie is doing a very good job. She has only just taken over this group, and the branch head who would normally be across this is on leave. We have a new team here and we are doing our best.

Senator McLUCAS—You are doing very well.

Ms McKenzie—After eight days. In the ACT it is Centacare Canberra-Goulburn; New South Wales, Interrelate Family Centres; Queensland, Centacare Catholic Family and Community Services; South Australia, Uniting Care Wesley Adelaide Inc.; Tasmania, Relationships Australia Tasmania; Victoria, Eastern Access Community Health Inc.; Western Australia, Anglicare WA Inc. My understanding is that we did not get in a tender from the Northern Territory and we are now working with organisations in the Northern Territory to set one up there.

Senator McLUCAS—Basically their role is to be a point of referral when someone is looking at establishing a family trust?

Ms McKenzie—I understand it is as a point of referral but also that they will be doing the mediation between family members who, in setting up the trust, have difficult issues that they need to come to grips with.

Senator McLUCAS—On what basis are those tenders let?

Ms McKenzie—At this point I would have to say that this part of the process was done by the Family Relationships Branch, which is another branch of the department. Unfortunately, they have gone.

Senator McLUCAS—It is a broader question that goes to whether they are funded in a block grant or on a case-by-case basis?

Ms McKenzie—Can I take that on notice and give you some fulsome information about the medium?

Senator McLUCAS—That would be terrific. As to the process from now on, there is next an information dissemination event; is that right?

Ms McKenzie—There is the release of the broader information booklet and then there is a series of consultations around the country in all capital cities and a regional centre.

Senator McLUCAS—When is the start-up time?

Ms McKenzie—When can people start coming into the trust?

Senator McLUCAS—That is right.

Ms McKenzie—My understanding is that people are already making use of it and that we have 19 individuals who have been approved as beneficiaries.

Senator McLUCAS—So 19 people with disabilities?

Ms McKenzie—That is right, to date.

Senator McLUCAS—Have there been any problems with ‘severe disability’ in the process of determining whether they are eligible?

Ms McKenzie—My understanding is that there has not been a problem so far. It may emerge in the consultation round that there are issues, in which case we will be alerted to them then.

Senator McLUCAS—Has the question about the definition been raised during the consultations?

Ms McKenzie—We have not started the consultations as yet.

Senator McLUCAS—I thought there were a series of consultations prior to now?

Ms McKenzie—In my vast experience, I am unable to speak about the previous consultations.

Senator McLUCAS—I may be incorrect there.

Ms Sawyers—I have been advised that there was an advisory group set up prior to the trust measure being established and the issue of definition was one of the issues raised at the time. It is one of the things that we are aware of when going out to the next stage of consultations. We will be interested to see what issues are raised about the definitions at that point and whether we need to bring anything back to government.

Senator McLUCAS—I understand it is basically a profoundly disabled person under the Social Security Act?

Ms McKenzie—Yes.

Ms Sawyers—A severely disabled person.

Senator McLUCAS—It says ‘profoundly’ in the book.

Ms McKenzie—The eligibility is set out in here. It is a severe disability. The definition is:

A person who has reached 16 years of age whose level of impairment will qualify the person for DSP or be receiving a DVA invalidity service pension or DVA invalidity income support supplement and who has a disability that would, if the person had a sole carer, qualify the carer for carer payment or carer allowance and who has a disability as a result of which he or she is not working or has no likelihood of working for a wage that is at or above the relevant minimum wage.

The second is:

A person who has reached 16 years of age whose level of impairment would qualify the person for DSP or be receiving a DVA invalidity service pension or DVA invalidity income support supplement and

who is living in an institution, hostel or group home in which care is provided for people with disabilities and for which funding is provided under an agreement between the Commonwealth, states and territories.

And then again:

... who has a disability as a result of which he or she is not working or has no likelihood of working for a wage that is at or above the relevant minimum wage.

Or:

A child under 16 years of age who is profoundly disabled.

Senator McLUCAS—The issue is that there has been some concern about who might be included in this group and that many families who thought that a trust might be able to be provided for their child may not fit into that very exhaustive category you have just read out. But you are conducting some further consultation about whether it needs to be extended. The other question has been around how trust funds can be used and how compliance will be assessed. It is all very new, but I understand that trust funds can be used for care and accommodation.

Ms Sawyers—Yes.

Senator McLUCAS—Concern has been expressed to me about how the relationship with FaCSIA is established between the trust and the beneficiary, how FaCSIA is to prove that funds are being used for care and accommodation and what the bureaucratic process will be by which we achieve that?

Ms McKenzie—The actual trust model was established by people in the seniors branch. Unfortunately, they are not here at the moment, but I am happy to take that question on notice and get back to you with an answer on that.

Senator McLUCAS—It is not really about the trust; it is about what the compliance model is. How do we ensure, once we have established the trust, that funds generated from the trust are used for care and accommodation and not to buy a Peugeot or something?

Ms McKenzie—Issues around compliance were developed by the Seniors and Means Test Branch. Unfortunately, those officers have gone home.

Ms Winzar—I can illuminate you on some of it. The trust has to meet the requirements of the guidelines, and my advice is that Centrelink will be primarily responsible for the compliance dimension, and that will involve the trust putting in a return to say that they have in fact spent the funds, if they have expended any, in accordance with the trust purpose requirements. Whether or not down the track we see a need to do some spot-checking at a more detailed level, we will just wait and see.

Senator McLUCAS—What is the relationship between the disability section of FaCSIA and Centrelink for establishing a reasonable but accountable system of ensuring that everything is above board?

Ms Winzar—We have an ongoing relationship with Centrelink, and we would discuss with them what we would ask them to be checking and how we would expect them to do it.

Dr Harmer—They would be responsible for the delivery, but we would be involved with them in setting up the mechanisms for checking.

Senator McLUCAS—So do I have to go to Centrelink?

Ms McKenzie—No, I think we can provide more information about this. It is just that we are unable to provide it at this moment, but we can certainly provide it to you.

Senator McLUCAS—It is a systems question. How do people who have established the trust know that they will not have to send in receipts from Woolworths to prove that moneys that are being paid out of the trust are not being used to buy chocolate?

Ms Winzar—My understanding is that the trust people will be required to put in an annual return assuring Centrelink that they have spent the money in accordance with the trust purpose requirements that are set out in the documentation.

Dr Harmer—I would have thought that, the same as we do with all of the other programs where there is eligibility or compliance requirements, there will be some form of either spot-checking or regular survey to ensure that that happens.

Senator McLUCAS—The other question then goes to the definition of ‘care’ and what are care costs. Has the disability department done some work on defining care costs? Care costs for one family will be different from those of another family. A wheelchair is a care cost, and no-one will dispute that. But a weekend at the beach for some families is an issue of care. I would hate to see the SDT trying to define whether or not someone actually having a weekend away is a proper appropriation of those funds.

Ms Winzar—The Special Disability Trust guidelines do explicitly give examples of what are and what are not reasonable care needs. Just for information, what are not reasonable care needs include vehicle maintenance and vehicle related expenses other than those required for or because of the principal beneficiary’s disability, vehicle registration, petrol and so on. Then it itemises recreation and leisure activities. On the basis of that, the holiday would not be included as a reasonable care cost.

Senator McLUCAS—That goes to my question of definition. I do not think families will bend the rules. They may make honest errors and get themselves into trouble. I am just trying to make sure that the systems will be in place so that trustees or those who invest in the trust know clearly what the outcome will be.

Ms Winzar—There is a reasonableness test here, and I would not be surprised if we do get some of these cases tested through the tribunals. That would be what we would expect. I think the guidelines are reasonably clear, and it is incumbent on those who administer the trust to do their best to comply with the guidelines around the purposes of the trust.

Senator McLUCAS—Is it envisaged that trust funds will be used to either purchase, renovate or construct accommodation, especially joint accommodation?

Ms McKenzie—I understand that it is within the guidelines to purchase accommodation.

Senator McLUCAS—I understand that, but is it envisaged that that is the sort of way that the funds will be applied?

Ms Winzar—I do not understand the question.

Ms McKenzie—In some cases it probably would be, but it would depend on the disability.

Senator McLUCAS—During the CSTDA inquiry, there was a growing discussion about the potential joining together of trust moneys and establishing trust-funded group home type living situations. Has that been contemplated by the branch?

Ms Winzar—There would not be an impediment to somebody making a partial contribution to a collective accommodation facility.

Senator McLUCAS—I understand that. I am trying to ascertain whether it is a policy outcome that is being encouraged?

Ms Winzar—I do not know that I would go further than to say the policy outcome is to secure ongoing accommodation for the person with the disability. If that was a strategy then I cannot see what the problem would be.

Dr Harmer—I do not think we would take a policy position or have a preference for the style. We would leave that up to the family. We would be trying to ensure that the mechanisms allowed them to get what they wanted, as long as they were spending it on accommodation.

Senator McLUCAS—It has been put to me that the trusts potentially avail the situation where a number of people with disabilities, or a number of families with children with disabilities, could pool funds and construct accommodation. My concern is that that is for a period of time, and that requires another financial entity to run it. If that is the encouraged policy intent, I wonder whether the next step has been thought through.

Ms Winzar—The trust is able to procure accommodation either through purchase, rental or the provision of an accommodation bond, so it would not really matter, I suppose, that the accommodation facility was run or owned by another legal entity, as long as the accommodation for the person was secured.

Senator McLUCAS—We are talking about three or four families trying to get together and sort out a problem that may in fact end up in a much larger problem 10, 20 or 30 years down the track.

Ms Winzar—Do you mean because they are not able to withdraw their funds; is that the story?

Senator McLUCAS—Yes. I am asking whether the department has contemplated that and thought it through. Is that the policy intent? If it is not, that is fine. I accept Dr Harmer's point that it is up to any individual to make their own decisions, but if it is a clear policy intent of the program, has that been thought through?

Ms Winzar—I wonder whether that might be one of the planning issues that might need some further research or might emerge during the further consultations on assisting families to set up structures that do not create those sorts of problems further downstream.

Senator McLUCAS—What is the interface between the disability trust program and state disability programs? How is it intended that that should work, given that many of these people may have support services that come from state disability programs?

Ms Winzar—Do you mean either the existence of the trust or access to, say, accommodation procured through application of the trust might exclude the person from state-funded services; is that your concern?

Senator McLUCAS—There is a potential that a person who is currently in state-funded accommodation, who has a disability support pension, may end up with a trust. What happens to the planning that is happening? What happens to their position on a waiting list if they have a trust or not?

Ms Winzar—Certainly I know at least in two states the state governments have been very interested in the creation of this trust and very interested in integrating it with their own succession planning programs for parents of children with a disability. I do not know that we have had any explicit discussions with any state government so far about whether or not there are any eligibility requirements that might be impacted on by the existence of this trust. The answer I have is that we have not.

Senator McLUCAS—How has the establishment of the program interfaced with planning for the broader CSTDA and disability planning?

Ms Winzar—I suppose I would try to answer that at a high level, which is that people are interested in making self-provision. This makes it easier for them to do so. If that increases the capacity of the whole system, and allows others to get access to services that they would otherwise have to wait longer for, then that would be a good outcome.

Senator McLUCAS—So basically it would take a little bit of pressure off it.

Ms Winzar—Certainly we would hope to do so.

Senator SIEWERT—Hopefully my question is a very simple one. Senator Moore pointed out to me—and I have just been trying to see if there is another reference to it—the study that you funded for the Australia Institute of Health and Welfare to undertake a feasibility study in the collection of national foster carer data. Tonight when I was not in this committee, I was in the committee next door talking about foster carers and asking for some data.

Dr Harmer—To what page are you referring?

Senator SIEWERT—I am on page 347. This is a significant issue when we are coming to look at foster carers and family carers in terms of support they do and do not get through the change to the provisions under welfare work. Has that study finished?

Ms Winzar—I think we will have to take that question on notice. I do not think there is anyone here who can help you at the moment.

Senator SIEWERT—I have actually looked at your website and I cannot find it on your website.

Dr Harmer—We will try to get you the information.

Senator SIEWERT—If it is finished, may I have a copy of it, please, so that I do not come back in three months time at estimates and ask for a copy then?

Dr Harmer—Yes. It is finished and published—there will be no problem.

Senator SIEWERT—This just says ‘undertake a feasibility study’. If you can, so I do not have to ask in February, I would like to know how you are implementing it, where you are going forward with it and whether it has come up with some recommendations? In the absence of this study, when I was asking questions next door with respect to foster carers and family carers, the only data they were using was the ABS data. I know it is difficult to get your hands on data, but I am aware of further studies that have been done. What data do you use to look at numbers of foster carers and family carers?

Ms McKenzie—The disability branch does not really look at foster carers. We assume that it is somewhere else in the department, probably in one of the children’s—

Senator SIEWERT—It would be in the carers’ section, would it not?

Ms McKenzie—No, that relates to carers of people with a disability.

Ms Sawyers—And the frail aged.

Ms McKenzie—And the frail aged. So it is probably in the children’s area. It is likely that we would take our data off the family payments database. We can get back to you with information on that.

Senator McLUCAS—Can I go back to the trusts issue? As to the 19 families that have already applied, what is the process that you go through to apply to get into the system, so to speak?

Ms Sawyers—It is 19 individuals who have been assessed as being granted the appropriate status.

Senator McLUCAS—They have a severe or profound disability?

Ms Sawyers—Yes. There have been more that have probably applied, but so far 19 have been granted the appropriate status.

Senator McLUCAS—How many have been unsuccessful at getting into the cash agreement?

Ms Sawyers—We do not have that data available at the moment.

Senator McLUCAS—That could be interesting, because that will give us an indication of the numbers of people who try to—

Ms Sawyers—It may well be that, given the process has only been in place a short time, people have not yet been found unsuccessful. It is just that we know that 19 have definitely been successful in being granted the appropriate status.

Ms Winzar—So far Centrelink advises that they have had 180-odd phone inquiries. They have released 49 sets of documentation. There are 26 cases recorded on their system, of which 19 have been granted beneficiary status, and the others are waiting for some more information.

Senator PATTERSON—I have heard a complaint that people transferring a property from their name to a trust for their son or daughter with a disability are facing state stamp duty. Have you been made aware of that?

Ms Winzar—Recently I have been made aware of that—that states have not extended a stamp duty exemption around property transfers in relation to the trust operation.

Senator PATTERSON—Has that been brought to the states' attention?

Ms Winzar—That is a good question. I am not aware of whether it has been brought to the states' attention.

Senator PATTERSON—Maybe my honourable colleagues from the various states could bring it to the attention of their relative state governments.

Senator MOORE—You could write to our members.

Senator McLUCAS—If the department or the minister of the day, in fact, wrote to the appropriate minister to say that this was going to happen, maybe stamp duty might be voided for this particular measure, given that it was something that was quite predictable that would have been applied under current legislation.

Senator FIERRAVANTI-WELLS—Stamp duties create problems in all sorts of areas. I would have thought you had worked that out by now.

Senator PATTERSON—I hope they are benevolent and actually do something about it. But when I am not as busy, I will make it my business to let them know.

Senator MOORE—The CSTDA inquiry—

CHAIR—I think late-night silliness is overcoming us all. We might try to direct some questions to our witnesses. Any questions?

Senator McLUCAS—In respect of the 19 individuals who have been ascertained as having a disability that entitles them to the trust, what is the next step for them? I am trying to lead to this mediation negotiation issue. What is the next process? I know that it will be different for each of them.

Ms Sawyers—The next step for those individuals is that Centrelink will advise them that they need to seek both legal advice and financial planning advice to allow the individuals and their families to work out whether in fact this is the most appropriate next step for them.

Senator McLUCAS—Who pays for that advice?

Ms Sawyers—The individuals would pay for that advice.

Senator McLUCAS—So they have received their advice, and they come back to FaCSIA and say, 'Here we are, we have our advice. Yes, we are going to proceed.' Do they go back to Centrelink then?

Ms Sawyers—Yes, they would go back to Centrelink.

Senator McLUCAS—What does Centrelink do then?

Ms Sawyers—I have been advised that Centrelink has a central processing unit for this particular measure so that all applications for setting up the trust funds would go through that particular processing unit.

Senator McLUCAS—Where is that based?

Ms McKenzie—In Perth.

Senator McLUCAS—How do I get in contact with that central processing unit? From a consumer's point of view, how do you walk through this system? Is it in the booklet? I do not want them ringing the 13 Centrelink number, please.

Ms Winzar—Would it assist if we could set out some of the process steps for you and provide that to you after?

Senator McLUCAS—I have read the book. I just need to think through—

Ms Winzar—What the experience of the consumer would be.

Senator McLUCAS—That is right. Have you done an assessment of what the costs for a consumer for that financial advice or that legal advice might be?

Ms Winzar—I am not sure if any recent costings have been done, but the early discussions on this indicated that the legal and financial advice could cost in the order of \$1,000. It depends a little bit as to what existing relationships the family would have with accountants, solicitors and so on, and the complexity of their current arrangements, I suppose.

Senator McLUCAS—So, legal and financial, around \$1,000?

Ms Winzar—But we do have the model trust deed, which is also on the system, that people can use as a basis in an attempt to try to streamline and cheapen that process.

Senator McLUCAS—In terms of accessing the mediation and support service, do they access that through the Centrelink process or through FaCSIA?

Ms Winzar—My understanding is that they would actually be referred to the agencies that Ms McKenzie listed before that have been successful in that tender process and they would provide those mediation services. I do not believe there will be a cost.

Senator McLUCAS—When you describe the process families and people with disability would go through, can you show me where the reference occurs?

Ms Winzar—Yes.

Senator MOORE—I mentioned earlier that I wanted to refer to the annual report. We did not do HR questions in the midst of everything else. It is great; it really is. I particularly like the girl on the cover. I wanted to put that on the record. I know that you have a section that has worked very hard to put all of that together. I wanted to acknowledge you and your report.

Dr Harmer—Thank you very much.

CHAIR—Can I thank you, Dr Harmer, and your officers for your time here today. I also thank the minister. We appreciate your contribution, and we also appreciate the time your officers will spend on providing answers to questions taken on notice. In that respect, I remind senators that, in accordance with the procedures operating for supplementary estimates, questions that are placed on notice have to be lodged with the secretariat by close of business tomorrow. There is a different arrangement for these estimates to others operating all year. Because there is no report as such, we do not have an open-ended period in which to place questions on notice. If we could please have questions placed on notice by the end of tomorrow.

Senator McLUCAS—While we are talking about that, can I thank the secretariat for alerting us to that fact. I have been doing this for quite some time, and I am not sure that we have had to do this before. I particularly want to thank the secretariat for alerting us to that fact.

CHAIR—Certainly. I want to thank the secretariat also and the Hansard reporters and the others who have assisted us in the last two days of hearings. Thank you very much. The proceedings are closed.

Committee adjourned at 10.58 pm