



COMMONWEALTH OF AUSTRALIA

# Official Committee Hansard

## SENATE

STANDING COMMITTEE ON COMMUNITY AFFAIRS

ESTIMATES

**(Additional Budget Estimates)**

MONDAY, 12 FEBRUARY 2007

CANBERRA

BY AUTHORITY OF THE SENATE



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**SENATE STANDING COMMITTEE ON  
COMMUNITY AFFAIRS  
Monday, 12 February 2007**

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

**Senators in attendance:** Senators Adams, Allison, Bartlett, Carol Brown, Crossin, Fielding, Heffernan, Hogg, Humphries, Lundy, Marshall, McLucas, Moore, Pattersen, Polley, Siewert, Stephens and Webber

**Committee met at 9.04 am**

**FAMILIES, COMMUNITY SERVICES AND INDIGENOUS AFFAIRS PORTFOLIO**

**In Attendance**

Senator Scullion, Minister for Community Services

**Department of Families, Community Services and Indigenous Affairs**

**Executive**

Dr Jeff Harmer, Secretary

Mr Wayne Gibbons, Associate Secretary

Mr Geoff Leeper, Deputy Secretary

Ms Glenys Beauchamp, Deputy Secretary

Mr Bernie Yates, Deputy Secretary

Ms Robyn McKay, Acting Deputy Secretary

**Group managers**

Mr Sean Innis, Group Manager, Social Policy

Mr David Hazlehurst, Group Manager, Families

Ms Liza Carroll, Group Manager, Children Group

Ms Julia Burns, Group Manager, Women and Youth

Ms Cate McKenzie, Group Manager, Housing and Disability

Ms Peta Winzar, Group Manager, Communities

Mr Andrew Wood, Group Manager, Corporate Support

Mr Bruce Hunter, Chief Financial Officer and Group Manager, Business and Financial Services

Mr Roger Barson, Group Manager, Program Operations

Mr Tony Kwan, Group Manager, Information Management and Technology

Ms Kerrie Tim, Group Manager, Indigenous Leadership Development

Mr Robert Knapp, Group Manager, Indigenous Land and Housing

Ms Kate Gumley, Acting Group Manager, Strategic Interventions Taskforce

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

**Cross outcomes**

Mr Andrew Wood, Group Manager, Corporate Support  
Mr Bruce Hunter, Chief Financial Officer and Group Manager, Business and Financial Services  
Mr Roger Barson, Group Manager, Program Operations  
Mr Tony Kwan, Group Manager, Information Management and Technology  
Mr Sean Innis, Group Manager, Social Policy  
Mr Steve Jennaway, Branch Manager, Budget Development  
Mr Andrew Whitecross, Branch Manager, Research and Analysis  
Ms Gwenda Prince, Branch Manager, Ministerial, Parliamentary and Executive Support  
Mr John Shevlin, Acting Chief Internal Auditor, Audit and Fraud  
Mr Stephen Walker, Branch Manager, People  
Mr Andrew Lander, Branch Manager, Communications and Media  
Mr Dale Budnick, Acting Branch Manager, Property and Security  
Ms Deborah Winkler, Branch Manager, Service Delivery and Performance  
Ms Jay Martin, Section Manager, Budget Strategy  
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  
Mr James Koulouris, Branch Manager, Corporate Strategy  
Ms Michalina Stawyskyj, Branch Manager, International  
Ms Jill Farrelly, Branch Manager, Network Support  
Ms Beryl Janz, Branch Manager, Program Advice and Compliance  
Ms Jenny Bourne, Branch Manager, Social Security Relationships and Compliance  
Ms Alanna Foster, Acting Branch Manager, Welfare Payments Reform  
Mr Chris Carlile, Section Manager, Strategic Policy

**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 Kerrie Tim, Group Manager, Indigenous Leadership Development  
Ms Kate Gumley, Acting Group Manager, Strategic Interventions Taskforce  
Dr Bruce Smith, Branch Manager, Intergovernmental and Welfare Reform  
Dr Ros Baxter, Branch Manager, Indigenous Policy and Budget  
Mr Andrew Lander, Branch Manager, Communications and Media  
Mr Bryan Palmer, Branch Manager, Strategic Policy

**Services for Indigenous Australians**

Ms Kerrie Tim, Group Manager, Indigenous Leadership Development  
Mr Robert Knapp, Group Manager, Indigenous Land and Housing  
Ms Kate Gumley, Acting Group Manager, Strategic Interventions Taskforce  
Ms Liza Carroll, Group Manager, Children Group  
Mr David Hazlehurst, Group Manager, Families  
Dr Bruce Smith, Branch Manager, Intergovernmental and Welfare Reform

Dr Ros Baxter, Branch Manager, Indigenous Policy and Budget  
Ms Christine Freudenstein, Acting Branch Manager, Indigenous Housing and Infrastructure Reform  
Mr Simon Rosenberg, Branch Manager, Indigenous Housing and Infrastructure Services  
Dr Paul Omaji, Branch Manager, Engagement and Repatriation  
Mr Geoffrey Richardson, Branch Manager, Leadership Delivery  
Mr Bryan Palmer, Branch Manager, Strategic Policy  
Mr Greg Roche, Branch Manager, 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  
Ms Toni Matulick, Director, Legislative Reform

**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, Group Manager, Social Policy  
Mr Nick Hartland, Branch Manager, Seniors and Means Test

**2.2 Support for people with disabilities**

Ms Cate McKenzie, Group Manager, Housing and Disability  
Mr Sean Innis, Group Manager, Social Policy  
Mr Nick Hartland, Branch Manager, Seniors and Means Test  
Mr Evan Lewis, Branch Manager, Mental Health  
Mr Ben Wallace, Branch Manager, Disability

**2.3 Support for carers**

Ms Cate McKenzie, Group Manager, Housing and Disability  
Ms Lee Emerson, Branch Manager, Carers

**2.4 Support for youth**

Ms Julia Burns, Group Manager, Women and Youth Group  
Ms Michelle Wilson, Acting Branch Manager, Youth Bureau

**2.5 Support for women**

Ms Julia Burns, Group Manager, Women and Youth Group  
Ms Lee Emerson, Branch Manager, Carers  
Ms Donna Griffin, Branch Manager, Safety, Leadership and Consultation

**Outcome 3: Families and children have choices and opportunities**

**3.1 Support for families**

Ms Liza Carroll, Group Manager, Children Group  
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  
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 Group  
Ms Fiona Smart, Acting Group Manager, Child Care Management System  
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

**Outcome 4: Strong and resilient communities****4.1 Housing Support**

Ms Cate McKenzie, Group Manager, Housing and Disability  
Ms Clare Wall, Branch Manager, Housing Support

**4.2 Supporting Financial Management**

Ms Peta Winzar, Group Manager, Communities  
Mr Tony Carmichael, Branch Manager, Community Strategy  
Ms Elizabeth Stehr, Branch Manager, Money Management and Community Programs

**4.3 Community Recovery**

Ms Peta Winzar, Group Manager, Communities  
Mr Tony Carmichael, Branch Manager, Community Strategy  
Mr Philip Moufarrige, Section Manager, Community Development and Recovery

**4.4 Community Partnership and Delivery**

Ms Peta Winzar, Group Manager, Communities  
Mr Tony Carmichael, Branch Manager, Community Strategy  
Mr Chris Carlile, Section Manager, Strategic Policy  
Mr Gordon McCormick, Section Manager, Community Strategy

**Aboriginal Hostels Limited**

Mr Keith Clarke, General Manager  
Dr Kamlesh Sharma, Assistant General Manager/Company Secretary

**Indigenous Land Corporation**

Mr David Galvin, General Manager  
Ms Jodie Lindsay, Chief Financial Officer

**CHAIR (Senator Humphries)**—Good morning. I am happy to declare open this hearing of the Senate Standing Committee on Community Affairs considering the additional estimates for the portfolio of Families, Community Services and Indigenous Affairs. Welcome, Minister Scullion, Dr Harmer and officers from the department, and senators at the table. The Senate has referred to this committee the particulars of proposed additional expenditure for 2006-07 for the portfolios of Families, Community Services and Indigenous Affairs and Health and Ageing. The committee is due to report to the Senate on 21 March 2007. Friday, 30 March 2007, has been set as the date for the return of answers to questions taken on notice.

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. 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 the 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 opinions on matters of policy and should 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 is 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.

[9.10 am]

#### **Department of Families, Community Services and Indigenous Affairs**

**CHAIR**—Before we get into proceedings properly, I want to go through the draft program. I will, though, formally welcome Senator Nigel Scullion, the Minister for Community Services and the Minister 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. Welcome to you all. We have a program in front of us for the output groups for the department. Times have been allocated to each of those output groups. We will entertain some flexibility about that, but it would be a good idea if we were able to ensure that approximately those times were adhered to in terms of asking of questions. Unless senators wish to rearrange that timetable, I suggest that we assume that the times allocated will be adhered to, with a certain amount of latitude but not with too much. We have allocated 12.30 to 1.30 for lunch and six till seven for dinner. As there are no suggestions to vary those arrangements, we will take that as read. We can assume on the basis of that timetable that those involved in output groups 1.1 onwards will not be required any earlier than seven o'clock tonight, after dinner. If that changes, we will make that decision early in the day. So those people could go back to their desks elsewhere.

**Senator MOORE**—We will try very hard not to do that, so officers can have some certainty about the day.

**CHAIR**—So we will not call you on, unless we give you plenty of notice, before seven o'clock for those in the output groups after 7 pm. I notice that in fact we have not had any indication of any senators wishing to ask questions on the last three output groups: 3.2, 4.2 and 4.3.

**Senator McLUCAS**—That is so, with the exception of 4.3, Community recovery. However, output 1 will take most of the evening. I think that we could probably indicate toward the end of the evening whether we will get to Community recovery. Dr Harmer, we probably indicated to you that we were not going to require that output, but since the additional estimates have come down we would like to. I am aware of the constraints on time.

**CHAIR**—Can I take it that there are not any questions, first of all, in output groups 3.2 or 4.2?

**Senator McLUCAS**—Yes.

**CHAIR**—I understand there are some who may be coming later in the day. We will check with those senators who are likely to appear as to whether they require those output groups. If they do not, I will indicate mid-morning that officers are not required and they can go off. We will do output 4.3, Community recovery, immediately after dinner and then proceed with the rest of output group 1.1 onwards. Minister, do you wish to make an opening statement at this point?

**Senator Scullion**—No, I have no opening statement.

**CHAIR**—We would normally start with questions relating to the portfolio overview on pages 3 to 27 of the PAES, which I think most of us have got. Are there any questions on the portfolio overview?

**Senator STEPHENS**—Good morning, gentlemen. As someone reasonably new to this portfolio, it has been taking me a little bit of time to work my way through the budget statement and the additional portfolio statements. I wonder if you can help me with the budget outcomes—the estimates versus actual, I suppose. From the portfolio budget statement, you forecasted an estimated deficit in 2005-06 of \$43 million, and the additional estimates show an actual deficit of \$15.8 million. Can you talk us through what the budget deficit actually is and the differences?

**Dr Harmer**—We have a detailed explanation of those. I will ask my chief finance officer to give you the answer. Are you talking about the outcome for 2005-06?

**Senator STEPHENS**—Yes. My question is: what was the actual budget deficit in 2005-06—and then we will go to 2006-07.

**Dr Harmer**—It will take us a little while. We have very big folders in this portfolio; it is a very big portfolio.

**Senator STEPHENS**—I can see!

**Dr Harmer**—In most cases we will have the information, but it will take a little time to find.

**Senator STEPHENS**—That is all right.

**Mr Hunter**—Last year, in 2005-06, we budgeted for a deficit of \$43.1 million; we ended up with a deficit of \$15.9 million.

**Senator STEPHENS**—And the difference—how did that come about?

**Mr Hunter**—At the start of the year there were quite a few components relating to previous years, with the Centrelink prepayment as well. It turned out that, with the way that is calculated over past years, it has continued to roll on. Really, there were some cost underestimations or costs that we expected at that point in the year that did not occur to the same magnitude and flow through, the biggest being the Centrelink prepayment.

**Dr Harmer**—There are about three components that explain the difference between the budgeted \$43 million or \$44 million and the actual \$15.9 million or whatever. I will get a clear explanation of the three components and provide them to you during the morning. I will just interrupt and give them to you.

**Senator STEPHENS**—Terrific. Thank you. Can you tell me for how many years the department has been operating in deficit?

**Mr Pahlow**—I am not 100 per cent sure. I would need to check the facts. But I think that last year, the 2005-06 year, and the 2004-05 year were the only ones recently. I think 2004-05 was a couple of million dollars, but I would need to check that.

**Senator STEPHENS**—If you could, that would be great. Thank you. Coming to this year, what is the budget deficit for 2006-07?

**Mr Hunter**—This year we have an approved loss of \$4.7 million.

**Senator STEPHENS**—Are you expecting any variation, given that you had such a significant variation last year?

**Mr Hunter**—No, at this point we have done budget reviews and we expect that to be the position.

**Senator STEPHENS**—Page 48 shows a decrease of the net asset position, largely because of a reduction in receivables of \$42.4 million. Can you explain why the departmental receivables have been reduced by that much and what impact that has had on the department's net asset position?

**Mr Hunter**—Can we take that on notice and come back to you today?

**Senator STEPHENS**—Yes, certainly.

**Dr Harmer**—We will try to provide that to you during the day. It is just a matter of finding it.

**Senator STEPHENS**—Following on from that, there is also, on page 48 in the explanation, a decrease of \$658.1 million of administered assets. Perhaps you could explain that for me as well.

**Mr Hunter**—Sure.

**Senator STEPHENS**—Thank you.

**Senator MOORE**—Can I just clarify that. In terms of getting information on that, it is clearly spelt out and I know that you do have it. When would we be able to get that?

**Dr Harmer**—I expect to be able to give it to you this morning.

**Senator MOORE**—It is just that we may well then have some supplementary questions about it. We did read the little yellow book.

**Dr Harmer**—Yes, indeed. The numbers in the yellow book we will have here, and we will be able to provide them.

**Senator STEPHENS**—Dr Harmer, just going to page 24 in the summary of agency savings, can you explain the reasons for the savings that you have listed here?

**Mr Jennaway**—Can you repeat the question, please?

**Senator STEPHENS**—I am referring to page 24—the summary of agency savings. I am just asking if you can explain the reasons for the savings and then where the savings are going to come from—what outcomes and programs are going to be affected by this.

**Mr Jennaway**—In broad order, that is really a reduction in estimates associated with Cyclone Larry.

**Senator STEPHENS**—That is all?

**Mr Jennaway**—We had a significant amount early on and we have not ended up needing that much money, so it is shown here as a saving. It is expenditure we do not need to make. When we did the estimates originally for Cyclone Larry, we did an estimate of how much we would need to spend for each of the measures associated with Cyclone Larry. As it has turned out, some of those were higher estimates than have actually been required. So this is a sort of a notional saving against funding that we do not need according to the original estimate, when we did the costings for Cyclone Larry.

**Senator McLUCAS**—Mr Jennaway, am I right in my recollection that the allocation for Cyclone Larry was \$44 million originally?

**Mr Jennaway**—Off the top of my head, I believe it was more than that in total. I would have to check on that.

**Senator McLUCAS**—This is the issue I want to talk about straight after dinner this evening. So that we can talk about it then, can I put on notice a list of all of the original estimates that the department made, in the different programs—a number of different programs were promulgated—the actual expenditure against each of those programs and therefore what has not been expended. That is the issue I want to go to.

**Mr Jennaway**—We ought to be able to provide that after dinner.

**Senator McLUCAS**—Thank you.

**Senator MOORE**—Chair, I am not sure whether the questioning will be followed up on the budget or this afternoon when we look at disaster management, where the Larry contributions were. One of the things we talked about—I think the last one—was the idea that the estimates had gone forward with proposals for Larry and were waiting to see what happened. We are interested to see, with some of the program expenditure that was not needed in this financial year that was turned into savings on the budget sheet, whether there is any understanding or discussion about whether they are programs that might well need to be taken up later. My understanding for some of the programs, not all, is that the rate of implementing

the work in North Queensland has been slower than thought and perhaps from the community perspective some of the expenditure put on notice for this year may be needed further down the track, so it is a policy process. Is it better to talk about that now or this afternoon?

**Dr Harmer**—Either way, Senator. To make it clear—and Mr Jennaway can correct me if I have this wrong—I am quite confident that, if we revisit the estimate, it would have been on the basis of our original estimate plus our estimate of what we will need, taking those things into account. We got quite good information about the timing. We understand there are lags and we would have built that into our estimating.

**Mr Jennaway**—There is an element of part of the costing there where we had one related to fuel for generators and, at the point in time that we had to make the estimate of what that would cost, there was really no reliable information about how many generators were on properties in the location. Some of it will be a straight adjustment based on the fact that the demand, as it has turned out, has been not anywhere near as great as we might have expected.

**Senator MOORE**—Okay.

**Senator McLUCAS**—Thank you.

**Senator STEPHENS**—Looking at the table on page 23 about staffing changes, Dr Harmer, can you talk us through the reasons for the increases in staff in outcomes 1 and 3 and the decreases in staff in outcomes 2 and 4?

**Mr Jennaway**—Our estimate of staffing is an ASL figure—an average staffing level. We have just recently completed a consultancy looking at our output attribution model, where we are now using a different model to produce the average staffing level figures. In a sense, the additional estimates are showing an increase of 159. The reality is that it is showing a more robust figure for the revised estimate of the 2,495. Some of that is growth due to new measures in the additional estimates context and some of that is effectively a revision based on the model that was producing the ASL figure, bringing it up to what we think is a tighter and closer figure for average ASL for the year.

**Dr Harmer**—It is quite a big department. We are across some 40 locations. It is very easy to identify those staff working on, say, child care, because it is a branch, but of course in the states there are some people who work on child care part-time and some who are working in the corporate areas that support the child care. The methodology for allocating staff across all of those elements to child care has changed, with the consultant recommending more robust forms. So that is part of the explanation—plus the new policy that we were given in the budget. They are the two primary reasons for the explanation.

**Senator STEPHENS**—Is it possible for the committee to get a copy of the new staffing model?

**Dr Harmer**—We can probably give you the broad rationale that we have used, and the differences.

**Senator STEPHENS**—That would be very helpful.

**Dr Harmer**—All the differences we are taking into account in the new model, yes. I am not sure you would find it helpful and I am not sure we would want to give you all of the little

bits and pieces of the detailed model, but we can give you an explanation of what was the case before and what is the case now in terms of how we attribute staff to programs.

**Senator WEBBER**—Can you explain why you needed to change the model? Does that mean that the previous model got it horribly wrong in the allocation of staff?

**Mr Jennaway**—I wouldn't say we got it horribly wrong—

**Senator WEBBER**—But you have come up with a different result, so obviously the other model did not work the way this model does.

**Mr Jennaway**—The model that we use is adjusted over time for various changes that occur. Some of those changes have been changes in the outcome structure. Some of those changes have been AAO changes, where the department has changed in size. One of the difficulties that most agencies have is in attributing costs for those areas which are not clearly associated with different programs—attributing the costs of, say, the corporate areas and corporate resources across the department effectively. Over time we noticed some aberrations appearing in what we were using as the previous model, which made us take on board the consultancy to bring our model up to date and to produce one that we think is giving figures that are closer to what we need to present in these books than what we had previously. So there is no suggestion that it was horribly wrong. This is improvement.

**Senator WEBBER**—It is just a very different result.

**Dr Harmer**—This department has been through probably more significant structural change than most. After 2001 there were significant programs moved to DEWR. At the beginning of 2005, we had the Office of Indigenous Policy Coordination and their structures. We have had significant new policy. We have had a lot of change. When you have that sort of change, it is wise to look at the way you attribute the staffing etcetera because it is a very different department, with a different focus and a different structure now to 2001. So we have updated our attribution model.

**Senator WEBBER**—I understand that, and I am sorry to labour this point. This is a two-part question. I presume that is the only reason for the need to change the model. The second part would be from my following of the estimates. Apart from child care, FaCSIA now is a policy driven department rather than a service delivery department, yet you seem to need more people.

**Dr Harmer**—We run 90 programs and spend one-quarter of the budget, or have policy responsibility for one-quarter of the budget. We are located in 40—

**Senator WEBBER**—That is what I mean, Dr Harmer—policy responsibility. Every time I come in here and ask about service delivery, I get sent to another committee.

**Dr Harmer**—It depends whether you are asking about service delivery in the income support side or service delivery in the other two elements of our business, which are Commonwealth-state agreements and direct payments to community organisations. There is a lot of work for FaCSIA staff in those two areas. While they are small parts of our total spending, there is significant involvement of FaCSIA staff in those areas as well as in child care.

**Senator WEBBER**—Mr Jennaway, I go back to your previous answer. These are the sole reasons for changing the model, are they?

**Mr Jennaway**—That is correct.

**Senator MOORE**—This is the first year of the new model?

**Mr Jennaway**—It is half of the first year, in a sense. Whilst we have used the new model for the ASL figures, we—

**Senator MOORE**—For 2006-07?

**Mr Jennaway**—Correct. We have not used the new model in the PAES document for the attribution of departmental resources because we have had to keep it aligned with the attribution that we already had in this year's PBS. In the PBS that will come out on about 10 May this year the full model will be reflected.

**Senator MOORE**—Until the figures on 10 May, you are still going with complementary models?

**Mr Jennaway**—Correct.

**Senator MOORE**—So we will be able to see with a review in May exactly how they work together. We had very preliminary discussion about this last time because it was so new. The staffing model was FaCSIA specific.

**Mr Jennaway**—Yes.

**Senator MOORE**—Are there any links with other agencies—is there any kind of common ground with that?—or is the staffing model now totally FaCSIA specific?

**Mr Jennaway**—What we are talking about here is FaCSIA specific because it is about breaking up our departmental costs across all our various areas of business. It is specific to the department.

**Senator STEPHENS**—I presume this model is going to generate a staffing profile that you would be able to provide to the committee about levels of staffing, positions and remuneration?

**Mr Jennaway**—The model we are talking about will not go to that level of detail. It is broadly based on allocating the extent to which we have resources on all our various programs and, as I said, identifying specifically where we know that, but making some calculations about where we do not know because they are in the more general areas of the department. But it will not go down to the level of doing staffing programs and levels et cetera for staffing because it is only a small element of the model to produce the numbers that show the ASL for the entire department.

**Senator MOORE**—Can you give us a for instance of the more general areas, allowing that you have all these programs—

**Mr Jennaway**—For instance, my branch is the budget development branch and, in a sense, we might be talking 35 ASL. The issue in presenting any one of these booklets becomes how many of those 35 ASL are working on output group 1.1, 1.2, 1.3 et cetera. We need to put in as much science as we can and some of that is about making pro rata attributions about the

areas that are not specifically designated to be doing specific business. If they are doing it across the department then we do some attribution.

**Senator MOORE**—So it was sufficient to just say, ‘whole of government’. Branches like yours, which service the whole department and HR things—

**Dr Harmer**—No. We are required to attribute those staff by output. As Mr Jennaway has said, you can imagine that he will have section heads—people who are relatively senior—who work part-time or do bits. We could not tell you how many people in Mr Jennaway’s branch work on outcome 1. It will be done partly by one person, partly by another et cetera. We do not have that detail; we do it by averages to get these macro figures. What the annual report provides you with, though—and you may be interested in this—at page 330 is a breakdown of our staffing.

**Mr Leeper**—At page 330, the annual report provides a listing of the classification and the state of location of FaCSIA staff, which totals 2,540. It provides it through APS levels, legals and public affairs, culminating in the Senior Executive Service bands 1, 2 and 3. It is the information that I think you are looking for.

**Senator MOORE**—That is a standard document; you have always got that.

**Mr Leeper**—Yes.

**Senator MOORE**—What we are trying to work out is—

**Senator STEPHENS**—Does the new model change this?

**Senator MOORE**—Yes.

**Mr Jennaway**—As I said, the new model would not go into any detail.

**Dr Harmer**—It would not change.

**Mr Jennaway**—This breakdown would be far more detailed than the model I am talking about.

**Senator STEPHENS**—I turn to the Audit Office report on the financial statements of Australian government entities tabled in parliament at the end of last year. In relation to the FaCSIA portfolio I understand there were eight moderate control weaknesses identified in the interim phase of the audit. Can you explain to us the nature of those eight control weaknesses?

**Dr Harmer**—I am confident that we can.

**Mr Hunter**—At the end of that closing report we ended up with seven classification B findings. Would you like a breakdown of what those were?

**Senator STEPHENS**—Yes, please.

**Mr Hunter**—Broadly, they were covering accounts payable processes, classifications of departmental and administered expenses, prior employment service, the reporting of commitments, grants administration processes, corporate credit card purchases and IT aspects—business continuity and disaster recovery, both IT and overall.

**Senator STEPHENS**—Can you advise the committee about what has been done to address these issues?



**Mr Hunter**—There has been significant work done by the department to progress these findings. There was a senior level task group created after this report was tabled, which is chaired by the deputy secretary of corporate but also has all group managers concerned in the findings. It is not just the Bs that we are looking at. We are also looking at the Cs, to clean up the complete situation. As at the end of December, the department felt that the bulk of those B findings were resolved. It wrote to the ANAO—the Audit Office—at the end of November basically stating our position. The ANAO at that point in time were unable to give us their opinion until they did the interim financial statement audit, which they are currently doing.

**Dr Harmer**—We are pretty confident that we have done enough work to convince the ANAO that most of those are now dealt with. We are just waiting for them to agree formally. There may still be some. If I can summarise, there are a number there that we have been concerned about. It has high-level departmental attention. Most of them go to the interaction between our IT system and our financial management system. It is not, we believe, that ANAO believe there is something wrong with the figures; they just need to have the system so that we can verify it. That is the issue. It is the interaction between our IT system and our financial management system. We have been working very hard on it and we are confident now that we have most of those dealt with. It is a priority for the department and for me.

**Senator STEPHENS**—One of the specific issues raised by the Audit Office was the unauthorised use of corporate credit card transactions by the Office of Indigenous Policy Coordination. Can you tell us first of all how many corporate credit cards are used by the OIPC and what are they typically used for?

**Ms Bruce**—We do not actually have the number of cards by OIPC. We have it for the whole department. Did you want those?

**Senator MOORE**—That is what I thought you would have.

**Ms Bruce**—For the whole department?

**Senator STEPHENS**—We can get to the whole department, but perhaps you could take on notice that question about the OIPC and provide that to the committee.

**Dr Harmer**—Yes, we can take that on notice.

**Senator STEPHENS**—Thank you. But, for the whole department, away you go.

**Ms Bruce**—For the year to date, we have 820 credit cards.

**Senator STEPHENS**—What is their general use?

**Ms Bruce**—They are really for minor administrative purchases.

**Senator STEPHENS**—Is there a limit?

**Dr Harmer**—We have guidelines for the use of the card. They are for, obviously, official purchases. As you can imagine with an organisation as dispersed as we are, with people having to operate in quite remote locations, it would be very inefficient if they had to go through a whole process of getting back to Canberra before they could purchase things. So for purchasing, for the running of the business, many of those people in those locations have credit cards for efficiency. They operate under strict guidelines about acquittal, what they can purchase et cetera. There are processes of acquitting that expenditure and going through a

formal central process at the end of the month. That is why we do it. Because we are so dispersed and because we operate from many locations, we have probably got quite a number of credit cards in the hands of people outside Canberra. I suspect that is why there is the big number.

**Senator STEPHENS**—In relation to the Audit Office's concern about the OIPC, can you tell the committee how many unauthorised transactions on the department's credit cards the Audit Office identified?

**Ms Bruce**—Not specifically, but we have a process with our credit card provider that if there are any disputed transactions they are thoroughly investigated. The department has very few transactions where there are any issues identified. My understanding is that the Audit Office was concerned about whether receipts were able to be obtained and sighted. We have tightened up the processes around that in the last six months or so.

**Dr Harmer**—A little bit like the B and C findings, the Audit Office were not saying necessarily there was anything wrong with the use. It was just perhaps not sufficient tightness around the paperwork in the end play for acquittals.

**Ms Bruce**—That is right.

**Senator STEPHENS**—Do your guidelines allow for cash advances?

**Ms Bruce**—No.

**Senator STEPHENS**—Not at all, in any circumstance?

**Ms Bruce**—Not at all.

**Senator MOORE**—Dr Harmer, in terms of your guidelines for FaCSIA, are they significantly different, if at all, to the general guidelines for APS use of credit cards? My understanding is every department that has credit cards has guidelines. DOFA or someone does training in terms of how that operates. Are FaCSIA different in any way?

**Ms Bruce**—No. In fact, only in the last couple of weeks we have reviewed other agencies' rules and chief executive instructions around credit card use. We have found that FaCSIA is probably tighter than many of the other agencies. We are quite strict in comparison to some other agencies.

**Senator MOORE**—And to a large extent these are standard operating practices?

**Ms Bruce**—Very much so.

**Senator MOORE**—One of the difficulties we had with the audit report was that it was a statement of stuff that is not new and it was actually reiterating basic operating practice for public sector which has been around for years eternal. The point is well taken that it was looking at documentation, but I am concerned from the department's point of view that there was nothing new. If you are purchasing something as a public servant, you are expected to keep the documentation. That is not a 2006 law. That goes back.

**Dr Harmer**—Indeed.

**Senator MOORE**—That was the worry with the audit report, and I am sure it was one shared by the department when it got there. So in terms of where we go next, is it reaffirmation of the guidelines?

**Dr Harmer**—Yes, indeed. I can assure you it has our attention. I made a comment earlier about the significant change to FaCSIA—as you know, we have absorbed additional functions. We have been through quite a process of making sure that there is one departmental position across the whole organisation—we call it ‘one FaCSIA’. When we have brought other elements of the department from other departments we have had to reinforce the standard operating procedures.

**Senator MOORE**—What is the basic level of use of a credit card?

**Ms Bruce**—What do you mean by ‘basic level of use’?

**Senator MOORE**—What is the lowest level of officer that is able to use a credit card?

**Ms Bruce**—I think in the states the level would be fairly junior because it is convenient. We do not actually have a rule that says you have to be a certain level before you can get a credit card.

**Senator MOORE**—You do not have a delegation in terms of—

**Ms Bruce**—Yes, it is linked to the delegation structure.

**Senator MOORE**—Can we get a copy of the guidelines?

**Ms Bruce**—Sure.

**Senator MOORE**—That will be easier all round, then if we have supplementary questions—

**Dr Harmer**—That would be our chief executive instructions relating to credit card usage. That certainly exists right now, so we can get a copy during the course of the day, if you wish.

**Senator HOGG**—On the credit card use, is there an internal audit done of the use? If so, how often and by whom?

**Ms Bruce**—It is done by internal audit and it is done on a rolling cycle. There was one done about 18 months ago, but we can probably confirm exactly when that was last done.

**Senator HOGG**—Did they pick up any of the deficiencies that the ANAO picked up? And if not, why not?

**Ms Bruce**—I will have to check.

**Dr Harmer**—We would have to take that on notice but I would be pretty confident. Our internal auditors are pretty good. They go through an efficient targeting of risk—and credit cards are obviously an area they check. It is about departmental organisational reputation; we are very attuned to making sure that we manage those credit card usages efficiently. So the audit does focus on that.

**Mr Leeper**—We will check the timing but when the internal audits were taking place 18 months ago, OIPC was not part of the portfolio. So the matters that the ANAO expressed concerns about from a procedural point of view would not have been capable of being detected by an internal audit. I am the chair of the audit committee and from time to time

things like credit card usage, Cabcharge, travel allowance and travel arrangements are audited. That is the same as in any department: from time to time you have a look at these things because they are quite sensitive, and you need to provide assurance that proper processes are being followed.

**Senator MOORE**—Is there any training? I apologise, Mr Gibbons, because we keep mentioning OIPC, and you are sitting there and we are not engaging with you. The audit picked up some issues and you have identified that they are mainly documentation, awareness and that kind of thing. We have the guidelines. Has there been any training? There used to be short training sessions: ‘You now have a credit card; this is what you can and can’t do.’ A number of people were brought together so that it was not looked at in this way: ‘Claire Moore, you’ve got some doubts about how you can use it.’ A bunch of people who were going to have that delegation were brought together. Has there been some specific training put in place as a result of the audit, to ensure that people are really confident with what they can and cannot do, without feeling as if they are being policed?

**Ms Bruce**—Yes, our card holders are required to sign for their credit card when they first receive it. And they are given a copy of the policy and the guidelines. My staff run a training session as part of the induction program—

**Senator MOORE**—Good.

**Ms Bruce**—and that is about every four to six weeks, depending on demand.

**Senator MOORE**—Has anything particular been done in OIPC since these issues have been raised just to reinforce the issues with that group of staff?

**Ms Bruce**—The main thing with the introduction of OIPC has been a slightly different system that they have had to get used to in terms of acquittal.

**Senator MOORE**—So there has been no training?

**Dr Harmer**—They go through the training with everyone.

**Ms Bruce**—It is the same training but the issues that have been a little different for OIPC staff have been around a different acquittal system that they have had to get used to.

**Senator STEPHENS**—There is just one more issue about the Audit Office report, and that relates to the fact that the Audit Office revealed a breach of the Financial Management and Accountability Act. That was in relation to FaCSIA bank accounts being in overdraft. Do you now have an arrangement in place to deal with overdrafts?

**Mr Hunter**—To my knowledge, the bank account has been overdrawn twice. Errors did occur in both situations, and the error was rectified the following day.

**Senator STEPHENS**—Do you now have an agreement in place to operate an overdraft? That was one of the issues identified by the Audit Office report.

**Mr Hunter**—No, we do not, Senator.

**Senator STEPHENS**—Do you operate in overdraft now?

**Mr Hunter**—No.

**Senator STEPHENS**—You said you identified two events. Which accounts were they in?

**Mr Pahlow**—The first one was the departmental payments and receipts account. It was overdrawn, unfortunately, on 30 June 2006.

**Senator STEPHENS**—For a day?

**Mr Pahlow**—For a day. And, previous to that, on 7 November, the same account was overdrawn for a day. Prior to that I think it goes back to 2004 or early 2005. On both of those occasions it was just human error. We tightened up the processes and procedures around that after the earlier 2004 overdraft to ensure that if something does happen it is picked up. And our procedures worked in this instance. It was detected immediately when it happened but, unfortunately, due to the processing time at the Reserve Bank, not in time to fix it. So it was fixed the next business day in both instances.

**Senator STEPHENS**—I refer to page 13, ‘Other variations’, table 1.3—can you explain what changes in price and wage indices or outcomes 1, 2 and 3, mean?

**Mr Jennaway**—Effectively, when we do these updates we take into account the latest parameters released from Treasury for both CPI and male total average weekly earnings. So those are factored into each of these, and that is what these adjustments are.

**Senator STEPHENS**—I appreciate that. I just wanted to be sure. On this issue I have a couple of quick questions: one about pages 32 and 33 and ‘Administrative versus departmental costs’. That does seem to be quite a large figure. A quarter of your budget would be departmental expenses. The department is going to administer \$43 million in Indigenous programs in 2006-07, and that includes \$292 million in community housing and infrastructure, which is about a quarter of the administered funds. So if you take out the community housing and the infrastructure projects, the amount of departmental expenses, it is almost equivalent to the amount of administered funds.

**Mr Leeper**—The administered appropriations are appropriations that the department delivers on behalf of government. The costs of delivering those appropriations are departmental expenses, which is on the other page. So the left-hand side is what goes out, and the right-hand side, broadly, is what it costs us to put that money out there.

**Senator STEPHENS**—Also, on page 25 can you explain the difference in the budget estimates for the Indigenous Land Fund and the revised estimates?

**Mr Jennaway**—I don’t have that figure, but my understanding is that that has to do with the rate of return from the fund. I would need to clarify that with my colleague.

**Mr Pahlow**—I would need to check that, but I think what Mr Jennaway said is correct. The estimate has been revised as a result of changes in estimated returns for the Indigenous Land Fund. We will take that on notice and get back to you.

**Senator STEPHENS**—We can pursue that again this evening. I have one more question, and that is to do with the issue of water. It was interesting to hear that Commonwealth departments do not actually undertake water audits. Is that correct? Do you undertake any kind of water use audits for your office, or energy audits, or water efficiencies or water savings?

**Dr Harmer**—The Department of Family and Community Services and Indigenous Affairs is one of a number of departments that has a triple bottom line report. There is significant

effort within the department on energy saving and information to staff, messaging and signing around different buildings about the use of water. So it is a very energy-efficient, water-conscious department. Our triple bottom line report, which is available to the public and senators, et cetera, goes into some of the activity that we undertake in that regard. But I will let Mr Wood answer the question.

**Mr Wood**—The current report for the department is finalising its audit and has not yet been published. It is a more difficult report to publish, given the changes in the portfolio and the accommodation for the department following the MOG change, but it will be published soon. That will provide information on things like electricity and water use, et cetera, and the trends for the department, albeit post MOG changes, over the last couple of years. As the secretary said, we have been publishing an annual triple bottom line report now for a few years. But yes, the most current figures are going to be published soon.

**Senator STEPHENS**—So if you are acquiring new premises, are these all parameters that you consider?

**Mr Wood**—Yes. For example, in April we are due to move into a new building in the Woden area and we have a Commonwealth obligation to aim for a 4½ star environmental rating. We are actually contracting for a five star environmental rating, so we do take it seriously.

**Senator MOORE**—Who does the evaluation for the rating?

**Mr Wood**—Of the building?

**Senator MOORE**—Yes.

**Mr Wood**—I may be corrected by my property and security branch head in a moment: it has to be achieved through a joint effort by the building owner and the tenants. We will be the significant tenant in that building. There will be some retail use in the building as well at ground level but we will have the vast majority of that building. It will be a joint effort between us, the building owners and managers to achieve that rating. We do have an environmental team within the department with expertise in this area, among other—

**Senator MOORE**—And you have had one of those for a long time.

**Mr Wood**—Correct.

**Senator MOORE**—It is one of the leading departments.

**Mr Wood**—Yes.

**Senator MOORE**—One of the things we have talked about, and Senator Stephens has particular interest in the area of this saving because she has worked on it for a long time—

**Senator STEPHENS**—And I come from Goulburn!

**Senator MOORE**—That says it all. The difficulty with the Public Service as a tenant is that you very rarely have full tenancy of a building.

**Mr Wood**—That is right.

**Senator MOORE**—I do not know the current situation with FaCSIA but the process seems to be that you cannot own it because you are sharing so much.

**Mr Wood**—That is correct but we do have significant influence. For example, Tuggeranong Office Park is a building that was designed with a number of internal and external fountains. They have all been disabled and in some cases replaced with garden areas rather than continuing to use the fountains.

**Senator STEPHENS**—Does your planning go even to the extent of water-efficient dishwashers and things like that?

**Mr Wood**—Coming back to some of your earlier procurement questions, they are part of the procurement guidelines, both at a government level as well as a departmental level, yes.

**Senator MOORE**—That will all be in the triple bottom line report that are about to publish? Will it be down to that degree of detail, what you are doing with procurement?

**Mr Wood**—Certainly our policies will be referred to within that report. Whether it goes down to individual transactions, I very much doubt it.

**Senator STEPHENS**—When should we expect to see this report?

**Dr Harmer**—It is produced annually.

**Senator MOORE**—Do you have any kind of award in your department for best practice in this area? Because you have facilities across the country, is there any kind of encouragement award to see whether, for example, the Goulburn office—I do not know whether you have an office in Goulburn—is the most efficient office in this area?

**Dr Harmer**—I need to rely on my colleagues, Senator. I am not sure.

**Mr Wood**—It is likely to be another couple of months before we table the triple bottom line report because the number of properties we are now covering is quite significant compared to the previous financial year. Your question, which I half heard, was about Goulburn?

**Senator MOORE**—No, it was about encouragement. In various departments there are staff suggestion and staff reward processes. I am wondering whether your department has anything along those lines, particularly on energy efficiency and best practice in that way.

**Mr Wood**—Certainly the fact that we measure and report means it gains attention—that is certainly a first step. The other thing is engaging staff in the design of new buildings, in particular their fit-out, and engaging staff in the refurbishment of areas. For example, in Juliana House, a fairly old building in the Woden area of which we occupy 100 per cent, we have replaced quite a few of the lights with a system of lights that uses less power. We have engaged staff in that to ensure that they are still comfortable with the level of ambient light in the work areas. So there is a constant level of engagement but it tends to be around individual work sites, as well as a broader campaign through staff newsletters that are issued every week, et cetera.

**Senator STEPHENS**—Those are all the questions I have on corporate things, Chair.

**Senator MOORE**—I have a further question—I apologise: I should have asked it earlier when we were talking about staffing but I got distracted—and it is to do with average staffing levels. We had a discussion about the model. In the additional estimates there was a revised estimate for staffing against outcome. The budget for outcome 1, including services for

Indigenous Australians, was for 737 for 2006-07 and the revised estimate was for 895. Can you explain that? Was it not counted in the previous model? Are they new staff? I know that we are still working our way through the transition of bringing everybody on board, but I want to be clear about where that revision came from.

**Mr Jennaway**—The ASL, as we talked about before, has come out of the new model and it did involve breaking it down by each outcome. That has produced a significantly different breakdown from what we had in the PBS. In that column for each outcome the variation is significant by outcome, whereas overall it is not. As I said before, this one is a more accurate figure.

**Senator MOORE**—It is such a big difference. In terms of figures we have had previously about staff who work in the Indigenous area in particular and the allocation of resources from other areas of the department to that area, which we talked about earlier, I would like to know whether that counts for most of it or whether it is new programs.

**Mr Jennaway**—I cannot tell you whether it is most; all I know is that it is a combination of both in this case because of Indigenous specific measures, as well as the attribution of—

**Senator MOORE**—Can we have a closer look at that and see whether we can get more information on it? It could well be with OIPC and that process. As you know from previous estimates questions on notice, we have been following through on staffing—all areas but particularly this one. I just want to clarify that large difference.

**Mr Jennaway**—Yes.

**Dr Harmer**—As Mr Jennaway has said, much of it is about the attribution model and its application. Because of the minister's energy and effort around Indigenous reform, there are additional resources in that part of the portfolio.

**Senator MOORE**—Can we refine that so we know, as closely as possible, what is what?

**Dr Harmer**—We can probably give you a breakdown between the two bits.

**Senator MOORE**—That would be good.

**Mr Leeper**—Chair, there was a question about whether our internal audit branch does reviews of credit cards. I am advised that an internal audit of credit card usage was commenced in May last year and will be presented to the audit committee early next month.

**Senator MOORE**—If it started in May last year it will pick up the new structure?

**Dr Harmer**—Yes.

**Mr Leeper**—Absolutely. It is not completed. Therefore, the question of whether or not it was known about when the audit work itself was done does not really come to light.

[10.03 am]

**CHAIR**—We will now move to outgroup 2.1, Support for the aged.

**Senator STEPHENS**—I go straightaway to question 197 by Senator Evans that was taken on notice. It was in relation to the current assets test and pensioners having 12 months to build or purchase a new home before the proceeds of the sale of the original home are assessed as assets. The response to that question was, I have to say, a bit dismissive: 'See the minister's



press release of 2 January 2007, attached.' It did not really answer the question at all. It did not actually go to that issue. So, first of all, can anyone enlighten me a bit more about the specifics of the question that Senator Evans asked, which was really about how many pensioners had reached that 12 months, how many of them lived in Western Australia and whether or not the department is aware of any complaints from pensioners affected by this rule? Are you able to help a little more specifically rather than just the media release?

**Mr Hartland**—One of the difficulties we had in constructing an answer to that question was that we do not as a matter of routine interrogate and publish information by financial year about pensioners in those circumstances, so it was hard. We did not have some figures to hand. Since that question was asked, the minister had made a release that outlined the government's policy position on it.

**Senator STEPHENS**—Are you referring to Minister Cobb's release on 2 January?

**Mr Hartland**—Yes.

**Senator STEPHENS**—He does make the statement—I presume it was drafted by someone perhaps even at the table—that there may be some people in the Cyclone Larry area who would need assistance after the expiration of the 12-month exemption period. So you were able to actually identify those people, and it is a few. It was a genuine issue raised by Senator Evans about the housing boom in Western Australia and how pensioners were inadvertently caught up in that issue. I wonder if, since you have provided that response, you have any other information.

**Mr Hartland**—I can give you some information that is not exactly in the form asked for but which may be helpful.

**Senator STEPHENS**—Great.

**Mr Hartland**—In assisting the ministers to consider this policy issue we did look at what we could get off the Centrelink mainframe in the 12 months from 1 October 2005. In that period there were 79 age pensioners who had reached the end of the 12-month period without completing a new home and had the sale proceeds assessed as an asset for the purpose of the asset test.

**Senator STEPHENS**—That was nationally?

**Mr Hartland**—Yes. Twenty-nine of those age pensioners were living in Western Australia.

**Senator STEPHENS**—Thank you. That is very helpful.

**Senator MOORE**—Mr Hartland, I missed the beginning of your answer because we do not have any better acoustics in this room than we seem to have in the other one, so I do apologise. Did you say that there was a difficulty in accessing figures for pensioners in a financial year?

**Mr Hartland**—Yes. That particular issue of how many pensioners sell a home and have the proceeds then assessed as an asset 12 months later when they reach the end of the current legislative window in which we disregard the assets is not routinely collected by Centrelink, so it requires some one-off computer runs to go through the screens and customer records to get the information. So it was hard to answer in exactly the form asked.

**Senator MOORE**—We have had this discussion through so many areas in terms of data collection and the fact that the questions we ask do not fit, and it happens. Centrelink's current processes do not routinely collect the number of people who click over the 12 months and therefore fall into this batch, so we will ask Centrelink about that.

**Mr Hartland**—That is not to say they do not know the customers. It is just that they do not collect it on an aggregate basis.

**Senator MOORE**—We will have a chat to them. This time we have got them on a different day, so it is useful.

**Mr Hartland**—We are aware of that.

**Senator MOORE**—We will ask them about the data collection. One of the issues we had when we were looking at the answer was that that was not the answer we got. Sometimes we discuss the quality of the answers and the timeliness, but normally when we get an answer back from FaCSIA there is a degree of information sharing there. On this particular one, if we had had your answer about the databases, which we are used to getting, perhaps we would have been able to come at it that way. The answer we got on this one, which was quite specialised, about Western Australia, and of great interest to some of the senators there because they had been raised by constituents, was 'See the attached press release'. Whilst we actually enjoy getting press releases, Senator Scullion, that one didn't come near the question. Was it just a poor day?

**Dr Harmer**—We get a lot of questions on notice.

**Senator MOORE**—A lot from us.

**Dr Harmer**—It generates a lot of work in the organisation, which is pretty busy. The new minister, Minister Brough, has been reviewing the amount of staff and energy diverted to these as opposed to pursuing his pretty active agenda, has made it very clear to me and to the senior officers that where we can point to information that might be available already published, like a press release, we do it. We do our best to answer the question, but we divert only the resources needed to answer it to it. So we have been inclined to refer more and more to published material, published information. That is probably the change you have noticed.

**Senator MOORE**—We are cool with that, if the attachment that we get actually comes close to answering the question. In this case it didn't come close. That is something we are not used to in FaCSIA. Is there an acceptance from the departmental officers that perhaps that particular question may have been answered differently?

**Dr Harmer**—I think Mr Hartland has just provided some additional information to you which has probably come to light since we provided the answer.

**Senator STEPHENS**—In relation to that information you said 79 nationally and 29 in Western Australia. Do you have a breakdown for the other states and territories, or any other states and territories?

**Mr Hartland**—No, I do not have it in front of me. It depends how precise you want to be. From memory, when I discussed these figures with my branch, it would not be a surprise to learn that a lot of them are in New South Wales by dint of the population of New South

Wales, but I do not have a precise breakdown. There did not look to be anything particularly interesting, if you like, about the states' breakdown.

**Senator STEPHENS**—New South Wales does have its own housing challenges, that's for sure. So if you do have any other preliminary information about the other states and territories it would be helpful if you could take that on notice.

**Mr Hartland**—We will take that on notice.

**Senator STEPHENS**—I am quite interested in what was contained in this media release because the minister announced an exemption period of up to 24 months for pensioners affected by shortages. Will that require legislative amendment?

**Mr Hartland**—Yes.

**Senator STEPHENS**—Will this benefit all pensioners or just those in particular circumstances? Have you identified groups of pensioners?

**Mr Hartland**—The minister's announcement had three components. They were all around the situation of pensioners who for one reason or another either cannot live in a house that has been affected by a disaster or have sold a house and have not yet moved into another permanent residence and are having difficulty. There are two specific ways the act has set limits on how we can look away from assets for people in those circumstances. The first is the issue that has been current in Western Australia and that Senator Evans raised, I believe also in a debate on one of the bills around curtilage. That is when someone sells their house and wants to devote the proceeds of the sale of that house to the purchase of another one. In those circumstances, currently we can only disregard those proceeds as an asset for 12 months. Legislative amendment is required to lengthen that time. There is a second circumstance that is perhaps close to the situation for people affected by Cyclone Larry. If your house is uninhabitable and you have to live temporarily elsewhere, we can regard that as your principal residence and disregard that property from the assets test for a period of 12 months currently. That also needed legislative amendment to allow more flexibility.

The third issue covered in the minister's press release related to a commitment that we would consider *ex gratia* payments for people in the area affected by Cyclone Larry. If they are unable to move back into their house soon—the anniversary of Cyclone Larry must be in March—the legislative amendment will not have been enacted by that time and we will have to address the circumstances of those people by way of *ex gratia* payments.

**Senator STEPHENS**—Are you aware already of applications for *ex gratia* payments under the Cyclone Larry arrangements?

**Mr Hartland**—No. We have made an estimate of how much we think it might cost us, which appears in the portfolio additional estimates statements, and it has to be said that a small amount is our best guess at this stage. On page 12 there is an amount of \$44,000 set aside for *ex gratia* payments. Our best estimate is that it will not be large. Obviously, for the people affected it will be a large issue and the government has sought to make some provision to ensure that, if it does get claims, it can deal with them.

**Senator STEPHENS**—I know Senator McLucas wants to come back to the disaster recovery funds this evening. Can you explain to the committee the structure of *ex gratia*

payments in these circumstances? How will they be determined? Is it a rental subsidy? Can you explain that?

**Mr Hartland**—Ex gratia payments in general are payments that the government would make when the legislation produces an anomalous or unjust outcome. In these cases the legislation would operate so that the pension payments of these people would be reduced by dint of their assets becoming assessable. So in these circumstances the payment, in effect, would be to increase their payment back-up to what it would be if the asset had been disregarded.

**Senator WEBBER**—Before we move on, I go back to the age pension issue with the change in home. I am sorry I was not present for the earlier discussion. I think you alluded to the fact that there needed to be legislative change. Do we have a time line for that?

**Mr Hartland**—The current plan is to introduce the bill in the autumn sittings and to pass it, presumably, quite quickly.

**Senator WEBBER**—In the autumn session this year?

**Mr Hartland**—Yes. We would be hoping to have these provisions operating this year.

**Senator WEBBER**—A whole bunch of age pensioners lost their pension for Christmas. They signed a contract, the pad has gone down for their new home, but the skill shortage in Perth means they are probably not going to get their new home for the next 18 months. They are without income and cannot rent anywhere.

**Mr Hartland**—We are aiming to start this provision on 1 July this year.

**Senator WEBBER**—Will there be the provision for back-pay?

**Mr Hartland**—There is not currently a provision for back-pay, no.

**Senator WEBBER**—So you kicked someone off the pension at Christmas and they will get back on it in July. They are going to have six months with no income support from the government because they cannot build their house.

**Mr Hartland**—That is July this year—1 July 2007.

**Senator WEBBER**—I am dealing with constituents. This has been an ongoing issue. Senator Evans, when he had the portfolio, raised it repeatedly last year. It is not a crisis that suddenly happened. Whenever I raise it with Centrelink they tell me it is a policy problem for FaCSIA and they are doing what they can.

**Ms McKay**—We are introducing this legislation to deal with a problem in the current sitting. We expect it to be passed in the budget sittings so that it will have effect from 1 July this year. We have made provision for ex gratia payments in respect of a particular group of customers. If there are other groups of customers we would need to look at that.

**Senator WEBBER**—When was FaCSIA first aware that this was a problem?

**Mr Hartland**—There is always provision to consider ex gratia payments. I guess it is unusual to set them aside, because you do not usually know about unusual and unpredicted circumstances, but in the case of Cyclone Larry I think we can predict it.

**Senator WEBBER**—I am talking about age pensions.

**Mr Hartland**—Yes, I was going to get to that.

**Senator WEBBER**—I will leave Cyclone Larry to my Queensland colleagues. I am sure we will have our own cyclone soon enough to cause trouble with you in the west.

**Mr Hartland**—In the debate on curtilage we made a commitment to Senator Evans to consider this issue. There had been public statements about this being in the government's mind at that point. We had been briefing ministers before that—I do not have that precise information in front of me—so it is true to say that this problem has been worked on for some time.

**Senator WEBBER**—From my memory that would be at least 12 months, yet we are not looking at having a start-up date for the change of arrangements until 1 July this year. It is a long time to leave people wanting ex gratia payments through no fault of their own or leaving them without income.

**Senator MOORE**—Minister, do we have a draft bill for this legislation? I am sorry to show my ignorance, but I do not know.

**Senator Scullion**—I am advised that we do not have that legislation at this stage.

**Senator MOORE**—It is just that we are raising this particular issue in terms of back payment. There are two issues. There is back payment—the legislative change—which we can take up in processes around the legislation. The other issue is the forwarding of cases for ex gratia payments for people who are caught up in this process who are not victims of Cyclone Larry. So there is a double process. Can you refresh my memory as to how you make recommendations for ex gratia payments? Does it need legislative change to have an ex gratia payment?

**Mr Hartland**—The ex gratia payment is a power that is available to the Commonwealth generally.

**Senator MOORE**—Yes, it is a delegated power.

**Mr Hartland**—It actually requires the agreement of the minister for finance.

**Senator MOORE**—So it is a finance delegation?

**Mr Hartland**—Yes. We would produce a brief for our minister who would write to the minister for finance outlining the case for or against the request for an ex gratia payment and the decision would be made on that basis.

**Senator MOORE**—So the process for proceeding down this track would be, first, agitation to the minister for families, seeing that it is families legislation—and that has been identified—and then internal processes, through families to Treasury, to get the payment. Is that right?

**Dr Harmer**—We would not necessarily use the word 'agitation' but we would provide information to the minister. The minister has shown himself to be responsive to these sorts of issues and there is a mechanism through the payment—

**Senator MOORE**—It is a finance thing, isn't it?

**Dr Harmer**—Yes.

**Senator MOORE**—So that would be based on policy information from your department looking at the whole process. Also emergency need would be the stimulus, would it not?

**Dr Harmer**—Yes.

**Senator MOORE**—That is something we will have to take up. The legislation at this stage is for the autumn sitting but we have not got it yet. There is a process in terms of the particular people we have identified at two estimates and I am sure that Western Australian senators have been taking it up as well.

**Senator WEBBER**—It is a long time to wait for a legislative solution to a problem for age pensioners.

**Dr Harmer**—We will regard that as a statement, Senator Webber.

**Senator HOGG**—How long does the process take once it has started and what triggers the process?

**Mr Hartland**—Are you talking about ex gratia payments?

**Senator HOGG**—Yes.

**Mr Hartland**—What triggers the process is usually a complaint by a customer or a specific request for an ex gratia payment or an act of grace payment to be considered.

**Senator HOGG**—But how many times do they need to complain for it to trigger a decision by an officer that a warrant is going down that path?

**Mr Hartland**—That is a good question. They have to exhaust the appeal processes that exist under the act. I guess in terms of how many times they have to complain, they have to ask for the level of internal review within Centrelink, two levels of internal review within Centrelink and an SSA.

**Senator HOGG**—How long roughly on average would that take?

**Mr Hartland**—I do not have a sense of the length of time—

**Senator HOGG**—You would not have an average?

**Mr Hartland**—No.

**Senator HOGG**—Is it one month, two months or three months? What would you suspect?

**Mr Hartland**—I do not have any sense of the time line. I do not think my guess would be useful.

**Senator HOGG**—From when it is triggered until when the matter then is processed through to the minister for finance for an ex gratia payment, how long does that process take?

**Mr Hartland**—That can be quite quick. That simply requires my branch to write a brief to the minister that is well enough argued that it is accepted without a request for further information. We could turn that around within a few days to a week. It does depend a bit on—

**Senator HOGG**—That is a few days to a week, but the other part of the process could be substantially longer or would be substantially longer?

**Dr Harmer**—It would be, Senator, because there are established appeal mechanisms and stages to go through.

**Senator HOGG**—I am just trying to get an idea of how long these people could be going without some sort of income support. It seems to me that, without tying you down to a period of time, it would be some substantial period of time indeed. That seems grossly unfair.

**Mr Hartland**—I was just thinking about whether there are other provisions of the act that might be able to assist them, but I am not sure that I would want to go down that path.

**Senator HOGG**—In which case, could you take that on notice. Are there other provisions of the act that could be applied in these circumstances? Can you take that on notice and get back to us?

**Mr Hartland**—I am just thinking about whether the pension loans scheme, for example, would be a source—

**Senator HOGG**—All right. I will put the question formally on notice to you.

**Mr Hartland**—but I would have to think that one through.

**Senator WEBBER**—I can actually answer the question, believe it or not. That tells you how many constituents I have with this problem.

**Senator HOGG**—I did not ask you!

**Senator WEBBER**—I just want to place on record that Centrelink are very helpful and they do enact the hardship provisions of the act. The problem is that the constituent has to come to see someone like me and they have to have a break in income support rather than just being able to go into Centrelink and say: 'Here is my signed contract, here is proof that the pad for my new dwelling has gone down. It is not my fault that the 12 months has evaporated and I still do not have a house.' So they get turfed off because of the assets test and because they have done 12 months. Then they find someone like me and they get the hardship test and go back on. But you have to know your way around the system.

**Mr Hartland**—Those are very good arguments as to why we have seen the need to change the act.

**Senator WEBBER**—That is right.

**Senator MOORE**—Pages 26 and 36 show a reduction in estimated expenditure on the age pension of \$104.8 million compared to the budget. Can we get some explanation of that? What were the determining factors of such a significant change?

**Mr Hartland**—The main driver there was a reduction in customer numbers compared to what we expected.

**Senator MOORE**—And the original process was based on modelling of what you and Finance expected?

**Mr Hartland**—When we did the estimates we expected a level of customer numbers. In updating the estimates we now expect them to be I think 13,000 fewer. That has driven a reduction in what we are estimated to spend. I should say that in a way this is good news. The reason why we have fewer customers than we expected is because people have more assets than we were expecting. They are richer so they are getting less pension.

**Senator MOORE**—So this is based on eligibility rather than just being alive or dead?

**Mr Hartland**—That is right, yes. It is eligibility.

**Senator MOORE**—Page 37 shows the reduction in departmental appropriations in output 2.1 in 2005-06 of almost \$100 million. It shows an increase in policy services and program management but a decrease in service delivery. Can you tell us what the average staffing level of this output is, and has that increased or decreased compared to last year?

**Mr Hartland**—There has been no change in the estimates for policy services and program management. It has increased over what was estimated for last year. The increase in service delivery—

**Senator MOORE**—Decrease.

**Mr Hartland**—over the two estimates provided—the budget estimates and the revised estimates—is due to the government's decision to implement the superannuation changes. That is some Centrelink departmental costs that will be provided in this financial year.

**Senator MOORE**—So the service delivery component is the Centrelink component.

**Mr Hartland**—Yes; associated with the superannuation changes.

**Senator MOORE**—And the variation compared to the original budget estimates there?

**Mr Hartland**—Are you talking about the difference between the figures of \$238,848,000 and \$248,221,000?

**Senator MOORE**—Yes.

**Mr Hartland**—That variation is accounted for by the additional funding that will be flowing to Centrelink as a consequence of the superannuation changes.

**Senator MOORE**—So it is specifically that program—the superannuation changes in effect make up the whole change?

**Mr Hartland**—Yes.

**Senator MOORE**—There is nothing else caught up in that, to the best of your knowledge?

**Mr Hartland**—No.

**Senator MOORE**—Thank you.

**CHAIR**—We will now take a break for morning tea. We will resume with output 2.2 when we come back. I want to also indicate that there is an informal agreement that we will swap output groups 4.1 and 4.4. So if we resume to our program, that means we will start 4.4, Community partnerships and delivery, at about 4.45 and at about 5.30 we will start output group 4.1, Housing support.

**Proceedings suspended from 10.32 am to 10.49 am**

**CHAIR**—The committee will recommence with output group 2.2, Support for people with disabilities. Are there any answers now available for questions that were taken on notice during the last session?

**Dr Harmer**—We are still working on them. We are quite confident that, for most of the questions we have taken on notice with a commitment to try to get back today, we will do so.

**CHAIR**—Thank you.



**Senator McLUCAS**—I have some questions on the CSTDA negotiations. I think the department would be aware that the Senate committee brought down a unanimous report on the operations of the CSTDA last week. Whilst I will not go to the recommendations of that report, because the department will have some time to respond to it, can you give me an understanding of the context of negotiations as they are at the moment?

**Mr Wallace**—My understanding at present is that a special meeting of disability ministers has been arranged for 3 April; I think that has been confirmed by the HCDSMC secretariat. There have also been some ongoing discussions with state and territory governments at officials level. In September last year, Minister Brough outlined his key priority areas for the negotiation of a further agreement with the states and territories. Prior to that, there was a meeting of community and disability services ministers at which there was broad agreement on the parameters for the negotiation of a further agreement.

**Senator McLUCAS**—I dare say that in those discussions the states indicated that they would be calling for a greater contribution from the Commonwealth. What was the context of those discussions?

**Dr Harmer**—In Commonwealth-state negotiations on special purpose payment programs, such as the Commonwealth State Territory Disability Agreement, the states are always calling for additional money. We are constantly dealing with that negotiation process. We listen to them, we provide advice back to the minister about their arguments and, in turn, we share with them the priority areas that we want them to concentrate on and where we want to do better, so it is a standard negotiation process at the officials level. But, as Mr Wallace said, our minister will be meeting with his state and territory counterparts early in April for a key meeting to talk about the next stage of the renegotiation.

**Senator McLUCAS**—At this point in time, what indications have been given to the states about funding?

**Mr Leeper**—At a meeting between Commonwealth and state officials last Thursday in Adelaide, which Mr Wallace, Ms McKenzie and I attended, the minister agreed that we would outline to them the nature of the offer that the Commonwealth was prepared to make for a fourth agreement, which we did. In the context of ongoing discussions, the Commonwealth's offer was listened to. I would not say to you that it was accepted.

**Senator McLUCAS**—Can you share with the committee the nature of the offer?

**Mr Leeper**—Broadly, in financial terms, the offer is for unchanged funding over CSTDA 3, the current agreement, with the exception that indexation under normal arrangements would in our estimation provide approximately \$400 million in additional funds. So the total package that the Commonwealth outlined is about \$3.28 billion over the life of the five-year agreement.

**Senator McLUCAS**—So the contribution from the Commonwealth at that meeting last Thursday would stay the same as—

**Mr Leeper**—With the indexation of WCI2—

**Senator McLUCAS**—We will go to indexation in a moment, Mr Leeper. The substantive component is at the same rate?

**Mr Wallace**—It comprises the base funding and a continuation of the unmet need funding which was provided initially in CSDA 2 in the final two years and which was provided again in CSTDA 3. That unmet need component of funding will be continued under the offer from the government.

**Senator McLUCAS**—Has the minister or the department seen a press release from the New South Wales Minister for Disability Services, Mr John Della Bosca, calling on the government to match New South Wales spending dollar for dollar?

**Mr Wallace**—Yes, I have seen it.

**Senator McLUCAS**—It would seem that that call from Minister Della Bosca will not be able to be accommodated if the Commonwealth is maintaining its commitment from CSTDA 3.

**Mr Wallace**—The Commonwealth's offer is to maintain that offer, with indexation.

**Senator McLUCAS**—I think that will be somewhat disappointing to the states and territories and people with disabilities, given the strong recommendation No. 14 from the Senate report. What is the process that the department would now undertake to process that recommendation from the Senate committee?

**Dr Harmer**—Clearly, we have not had a chance to look at the report in detail. We will be doing that. Clearly, we will also be providing advice to the minister in relation to that report, and I think it is fair to say that that will feed into his thinking on the renegotiation process.

**Senator McLUCAS**—So you are saying there could potentially be a change to the indication that has been given to the states to this point?

**Dr Harmer**—No, I am not saying that at all. Your question was about the handling of the report. We will brief the minister on the contents and recommendations and it will be up to the minister and the government for consideration. I make absolutely no prediction about where the minister is likely to take that. It would be presumptuous of officials to talk about where the government is likely to come out on that.

**Senator McLUCAS**—But, in a process sense, the report has been handed down and it makes very clear and unanimous recommendations about an increase in funding from all participants in the agreement. The Commonwealth has already told the states they are getting the same as CSTDA 3. How does that recommendation factor into the process of decision making?

**Dr Harmer**—That position was agreed by the minister and the government in advance of the report. We do not know yet because we have not briefed the minister and we have not had the discussions about exactly how the release of the report will factor into the negotiations. So we would be talking hypothetically and that would not be very helpful.

**Senator McLUCAS**—I understand. Maybe we should have done the inquiry in the first half of last year as I originally suggested. But, never mind, that is a different question. On ABC Radio in Brisbane last Friday, Minister Brough said there was an additional \$550 million and that disability people were telling him there is no appreciable improvement or increase in level of service. Can you tell me what that \$550 million is that Minister Brough is referring to?

**Mr Wallace**—The minister referred to the unmet need funding provided in CSTDA 3, which was around \$150 million. The figure of \$550 million equates to an extrapolation of that figure over the life of CSTDA 3.

**Senator McLUCAS**—So that is \$550 million over four years?

**Mr Wallace**—Five years.

**Senator McLUCAS**—Let us go to the question of indexation. You would have noticed the recommendation of the committee inquiry that a realistic indexation level be set and that the efficiency dividend not be applied. Can you explain to the committee what level of indexation will be applied to CSTDA 4?

**Mr Wallace**—There is not an efficiency dividend applied to the current agreement. The indexation applied to the agreement is wage cost index 2, which is one of a range of indices devised by the department of finance as part of the whole-of-government indexation policy.

**Senator McLUCAS**—You would be aware of the evidence that we have had from all of the states, I think, and many of the service providers that indicated there was an efficiency dividend applied. Is that incorrect?

**Mr Wallace**—There is no efficiency dividend applied to the Commonwealth contribution to the states through the CSTDA.

**Senator McLUCAS**—Did you provide that in evidence to us during the inquiry?

**Mr Wallace**—We would have if asked. I am not sure whether we were asked.

**CHAIR**—It is my recollection that the department did apply a discounting factor of some sort to the payments that were made to states under CSTDA and that was based on a requirement for states' programs to meet a certain level of efficiency with respect to delivery of services.

**Mr Wallace**—I do recall the opening statement and some questioning directed to Mr Hunter at the hearings. He was explaining the nature of the construction of the wage cost index in broad terms and the intention of the application of indexation. There is not a separate efficiency dividend applied, so it is not that there is an indexation rate applied—from which there is then an efficiency dividend deducted—to state and territory payments as there is in some other programs. The wage cost index is wage cost index 2, which at present is at the rate of 1.8 per cent. The full amount of that 1.8 per cent of indexation is applied to the amount that is then transferred to the states. There is not an efficiency dividend applied to the 1.8 per cent.

**Senator McLUCAS**—They take it off before they give it. Mr Wallace, I recognise that you are not from the Department of Finance and Administration, but can you give the committee your understanding of how wage cost index 2 is arrived at?

**Mr Wallace**—I have an understanding but certainly not a detailed one. The intention of wage cost index 2 is to reflect a significant proportion of wage costs in the sector to which it is applied and a smaller proportion of general cost increases. So it is weighted much more heavily to wage costs than to general cost increases.

**Senator McLUCAS**—Is it 80 to 20?

**Mr Wallace**—No, it is 90 to 10.

**Senator McLUCAS**—Once that percentage is arrived at, is it your understanding that DOFA then takes out some sort of efficiency dividend prior to giving you the figure of 1.8 per cent?

**Mr Wallace**—I am not aware of the inner workings of the constructions of the index, I am sorry.

**Senator McLUCAS**—I understand that. We will have to ask the Department of Finance and Administration that question. We might have to go back to the report and have another look at that question, and maybe put some questions in to DOFA.

**CHAIR**—Yes.

**Senator McLUCAS**—Are you aware of the levels of indexation that are being applied by other states?

**Mr Wallace**—I am aware that they vary. The agreement requires that the states and territories at least match the rate of indexation applied by the Commonwealth, but beyond that they vary.

**Senator McLUCAS**—And is your understanding that all states are above 1.8 per cent?

**Mr Wallace**—I am not sure whether it is all states. It is certainly most states and territories.

**Senator McLUCAS**—Can you provide us with a table that indicates the indexation level being applied by the states and territories to CSTDA 3? I do not know that I can ask you what they are intending for 4, because that is part of the negotiations at the moment.

**Mr Wallace**—I am not sure we have that information but, if we do, we can certainly provide it.

**Dr Harmer**—We will provide it to you if we have it. We would not be able to write to the states—

**Senator McLUCAS**—I am not asking you to write to the states to answer the question; I can do that myself.

**Mr Leeper**—I am aware that at page 47 of the committee's report there is a chart which outlines those indexation rates. One of the papers we considered last week was a paper from the Western Australian government around the issue of indexation. That was exactly the chart that was included, not inappropriately, because it was drawn from the WA submission. I am not sure that we would know anything more than what is in that table. Information was presented to us in terms of the states saying, 'These are our indexation factors.' I am not sure that we can improve on that at this point.

**Senator McLUCAS**—Do not take that question on notice, except that, if you are of the view that that table is incorrect, you can provide that information to the committee.

**Mr Leeper**—Certainly in relation to the Commonwealth our view is that the table is correct in that it says that the indexation factor currently prevailing is 1.8 per cent, and that is what is in the charter. I am not sure that we can speak on behalf of the states.

**Dr Harmer**—We could not categorically validate that. What we are saying, I think, is that we have no information at hand at present to disagree with those figures.

**Mr Wallace**—The process of the level of state and territory government funds will not allow us to separately identify the different factors they apply.

**Dr Harmer**—We cannot confirm them because we do not have sufficient information about those figures. We can do ours.

**Senator McLUCAS**—Thank you. You would be aware of the discussions during the inquiry about a desire by the disability community and the disability service providers in the states for an agreement that is not focused on inputs but outcomes. That is also reflected in the ANAO report. How does that inform the negotiations? It is a huge shift structurally in the way the agreement will read.

**Dr Harmer**—As the chief policy-advising department to the government on the Commonwealth State Territory Disability Agreement negotiations, we provide information to the minister across a whole range of things. We try to be as comprehensive as we can with information that is available to us from all sorts of sources so that the government can truly make an informed decision. There will be lots of information we provide to the minister and the government as they frame their position for negotiations. I would like to think that we are pretty comprehensive in what we advise the government about.

**Senator McLUCAS**—I am sorry, Dr Harmer; I think you may have misunderstood my question. It is a process question around how the CSTDA 4 will be drafted, focusing not on financial inputs but, rather, what results people with disabilities will achieve out of this agreement.

**Mr Leeper**—Ultimately that will be a matter for ministers. At officials level we are working to draft some material which focuses on outcomes—inputs, outputs leading to outcomes. That is work from an accrual budgeting point of view that we are familiar with at a Commonwealth level at least. But that is work in progress. I cannot really comment much further than that, other than to say that at officials level we are endeavouring to put to ministers material which is capable of focusing on outcomes rather than inputs or outputs in their own right.

**Dr Harmer**—Given where we are in the process—we are at the critical stage of negotiation where we have made the minister's position clear to state officials; he is meeting with his counterparts in early April—we can answer questions, but we cannot provide information on our negotiating position. I am trying to make sure that we protect the Commonwealth negotiating position while trying our best to answer your specific questions.

**Senator McLUCAS**—The evidence to the committee from the Commonwealth Department of FACSIA also focused on an outcomes based agreement. I thought that was clearly on the public record. I was wondering whether that intent was going to turn into measurable outcomes for people with disabilities.

**Mr Wallace**—It is certainly one of the four key areas that the minister outlined in his correspondence to his colleagues in September, drawing in part on the ANAO's audit recommendations that more could be done for the outcomes achieved for people with disabilities than we have been able to do collectively under the current agreement. That is certainly something we are working towards with state and territory officials and was a part of the discussions on Thursday and Friday of last week.

**Senator SIEWERT**—You may have told us this before and I have missed it, but, in the letter that was written, what were the four things?

**Mr Wallace**—The four things were: improved transparency and accountability, a focus on unmet need, improvements in quality assurance, and improvements in Indigenous access to disability services. I am paraphrasing, rather than quoting from, the letter.

**Senator SIEWERT**—Can I go back to the unmet need? My understanding from the letter is that those are the four key areas you want to focus on, but, from answers that you have just given to Senator McLucas, there is no increase in Commonwealth funding besides indexation being offered. So do you have suggested ways in which you are going to deal with unmet need if the funding is not increasing? From our inquiry, the only way it appears you can deal with unmet need is by increasing the funding that is available. There is no way you can deal with unmet need within the funding, even with indexation. How are you addressing these issues of unmet need if you are not increasing the funding?

**Mr Wallace**—One of the issues raised throughout the course of the Senate hearings was a difficulty in coming to an accurate understanding of the levels of need at present. Certainly one of the areas of focus for the minister has been on improving our understanding of unmet need and looking at getting a more nationally consistent understanding. Recalling the evidence of the Institute of Health and Welfare, which was provided in the Canberra hearings, they have tried wilfully to get a good understanding nationally of the levels of need across different service types, et cetera, and have found it very difficult because of different ways of measurement and inconsistencies in data and reporting. So one of the areas of focus will be on getting to a much clearer understanding nationally of the profile of need.

**Senator SIEWERT**—And then what? Let me clarify. The letter that you are writing is to try to clarify the areas of unmet need before you sign the agreement or over the five-year period of the agreement?

**Mr Wallace**—I guess I can only reiterate in relation to the Commonwealth's position and offer what we had stated earlier, which is that the amount of funding would continue at existing levels, which includes previous provisions for unmet need and applies indexation.

**Dr Harmer**—In terms of context, while we do not have accurate figures, probably—without having read all of the report—the focus on unmet need appears to be in the area of accommodation and related services, which are, under the Commonwealth State Territory Disability Agreement, a state responsibility rather than a Commonwealth responsibility. So the focus in meeting unmet need is, first, to get more accurate data, which we have been trying to do, from the states and, second, to urge the states to deal with it through the areas for which they have responsibility.

**Senator McLUCAS**—I thought we said we were going to end the blame game.

**CHAIR**—Before we leave that area, the committee obviously has recommended a substantial improvement in funding by all governments, and the federal government's position at the moment is that it is considering this report and will respond to all of the recommendations in the report.

**Dr Harmer**—That is right.

**Senator McLUCAS**—What will the time frame for that be?

**Dr Harmer**—It is certainly a matter for the minister and the government, but we have only just got it so it will take us some time. It is a significant report. I am not sure whether we have had a discussion with the minister yet about his time frame. We would need to do that before we give you an answer.

**Senator SIEWERT**—I think the issue there is that the history of response of government to Senate reports is not good. Obviously, there is a pretty intense time frame around this one in particular. What I am definitely looking for is a commitment that it will be responded to within the time frame in which the negotiations are occurring.

**Dr Harmer**—I cannot give you that commitment on behalf of the government. What I can do is say that I am quite confident that the minister and the government would be well aware of the relevance of the report to the negotiations.

**Senator McLUCAS**—Is it the current expectation of the department that CSTDA 4 will start up in July this year?

**Dr Harmer**—That is our expectation, yes.

**Senator McLUCAS**—It remains your expectation?

**Dr Harmer**—Yes, it does.

**Senator McLUCAS**—I go to the National Disability Advocacy Program. Can you give the committee an update on the processes for NDAP as it stands? At the end of January, I understand, there were meant to be indications from each funded program on their business plan. Is that right?

**Mr Wallace**—That is right.

**Senator McLUCAS**—Has that occurred?

**Mr Wallace**—I understand that it has from if not all then almost all providers. We were still talking with a couple of providers late last week, but I certainly did receive a couple of the final providers' reports I think on Wednesday of last week.

**Senator McLUCAS**—And that is to lay out their compliance with the new intent of the National Disability Advocacy Program, is it? Is that a shorthand description of what it is?

**Mr Wallace**—My understanding is that this is one component of the proposed series of changes and that this component really is around getting a clearer and more consistent understanding of the nature of services being provided through the advocacy program. It is really around reporting of their activities in a consistent way rather than outlining how they will comply with a series of proposed changes over the coming 18 months.

**Senator McLUCAS**—So essentially it describes their reporting arrangements rather than their business plan?

**Mr Wallace**—That is my understanding, yes. I might get some clarification if it is any different to that, but my understanding is that one of the recommendations of the review was that we do not have as consistent an understanding or as consistent information as we could about who it is that service providers are providing services for, how many services are being

provided and what types of advocacy are being provided. The role of the plans is to improve the level of consistency across the 70-odd providers that we have in our understanding of what it is they are doing.

**Senator McLUCAS**—There are some providers that do not provide, for example, individual advocacy. Do they have to change their approach?

**Mr Wallace**—The changes are not to the services they are providing but to the way in which they are providing information to the department about what they are doing.

**Senator McLUCAS**—What is the next step then, Mr Wallace?

**Mr Wallace**—You may be aware that there were 18-month funding agreements offered to all existing providers. We have established as well a reference group to guide the course of the next 18 months, looking at the recommendations of the report that Minister Cobb released in I think September or October last year—the precise date eludes me.

**Senator McLUCAS**—That is the social options report?

**Mr Wallace**—No—the minister's review report, so not the social options report itself. That group met for the first time on Friday in Sydney. It has broad membership, including membership obviously from advocacy providers and least one provider who has a significant interest in systemic advocacy. It has a member from the New South Wales state government, coverage from the National Ethnic Disability Alliance, and Brain Injury Australia. There is a parent of a person with a disability involved, representing a carer perspective. The first meeting of that group was Friday of last week. A second reference group has been established as well, which will not be able to meet face to face and have as an intensive an involvement as the first group, but which has been set up as a sounding board for the first reference group. So as that first group produces views about the way forward, there is a slightly broader group of representation that can reflect on the deliberations of the first reference group.

**Senator McLUCAS**—So I can get an understanding, can you provide the committee with the name of each of the reference groups and a list of the members of each reference group?

**Mr Wallace**—Sure.

**Senator McLUCAS**—And also give the committee an understanding—you might be able to do this now—of how each member was selected. What was the process of appointing people to those committees?

**Mr Wallace**—I can certainly provide you with the names and groups whom they represent. The representatives on the reference group—I will get my terminology correct—which is a group that will meet face to face on a number of occasions—are: Chris Allison, who is the parent of a person with a disability from Toowoomba; Mark Grierson, from the Disability Advocacy Service, Hunter, Newcastle—

**Senator McLUCAS**—Mr Wallace, I am sorry to interrupt but if you could hand that over, rather than read it into *Hansard*, it might save a little time.

**Mr Wallace**—We will need to provide it in another form.

**Senator McLUCAS**—Certainly. And the broader question: what was the process by which those people were appointed?



**Mr Wallace**—There was a call for nominations. We certainly were not able to accommodate as many nominations as we received. There was a desire to get representation from a range of different geographic regions, a range of different advocacy service types—importantly, ensuring that there was representation from some service types who have more of a focus on systemic advocacy—to get a carer perspective and to get a state government perspective. So from the list of nominees we tried to ensure that we had that breadth of representation.

**Senator McLUCAS**—So the department made recommendations to the minister. I am surmising now. The department came to a view about who they would recommend to be on the committee on both reference groups?

**Mr Wallace**—The department certainly briefed the minister on the membership of the committees, yes.

**Senator McLUCAS**—And then the minister appointed those individuals?

**Mr Wallace**—I would need to check whether it was a process of appointment. It was not a process of appointment, I am told. The minister was informed about the group and the membership, but the membership was not selected by the minister.

**Senator McLUCAS**—When did that occur?

**Mr Wallace**—It was late last year, I understand.

**Senator McLUCAS**—Through Minister Cobb?

**Mr Wallace**—Through Minister Cobb; that is right.

**Senator ADAMS**—Does Western Australia have any representatives on either of those reference groups?

**Mr Wallace**—There are three members on the consultative committee from Perth, and one member on the representative group from Bunbury.

**Senator ADAMS**—Can you tell me the names and organisations?

**Mr Wallace**—For the Western Australian folk?

**Senator ADAMS**—Yes—there are three Western Australian senators here, and it is very important we know.

**Mr Wallace**—On the reference group it is Peta Kierath from Advocacy South West in Bunbury. On the consultative group the members are Luke Garswood from People With Disabilities Western Australia in Perth, Denise Beer from Sussex Street Community Law Service in Perth, and Judith Chernysh from the Disability Services Commission in Perth, who is the state government representative.

**Senator McLUCAS**—On the issue of all services having to provide statewide coverage, how is that going to occur?

**Mr Wallace**—I am not aware that there is a requirement for statewide coverage for all services. Certainly the review indicated that statewide coverage was variable. I know there was some concern about whether or not each service needed to cover a wide geographic area. My understanding is that there is nothing in the path forward from here that requires any

provider to have statewide coverage. There was a concern about balancing advocacy around particular disability types and more general disability advocacy and ways in which to ensure that the needs of people with particular disability types who had particular needs could be met if they were in a particular part of the state. One of the ways in which to try to allow a broader coverage that has been suggested in the review was the establishment of the telephone service.

**Senator McLUCAS**—So the telephone service is essentially the statewide service that the department refers to?

**Mr Wallace**—Larger providers have been asked, in their plans to be submitted by June, ways in which they could improve their statewide coverage. It is not a requirement that they have statewide coverage, but they are to indicate the way in which they could enhance their coverage.

**Senator McLUCAS**—You might recall question No. 200 that I asked from November estimates last year. I did ask that you indicate which services are going to have the statewide requirements. Can you update that table for me by way of confirmation: are those services that are marked as needing to provide a statewide service remaining the same?

**Mr Wallace**—I am not sure that I have that information with me, but we can seek to update that during the day.

**Senator McLUCAS**—That would be great, if you could do that. Thank you. Is the government still planning to go ahead with the competitive tendering process for the Disability Advocacy Program?

**Mr Wallace**—Yes, that is the plan at this stage.

**Senator McLUCAS**—And when is that expected to occur?

**Mr Wallace**—I am going from recollection—I will get the precise dates—but I understand that there was an intention that there would be an exposure draft of a tender document to be provided in July this year, 12 months from the expiry of the current funding agreements, that the tender would go ahead in September this year with the intention of allowing sufficient time for any transition, and that the results of that competitive process would be announced in February 2008, with services then to be rolled out in July.

**Senator McLUCAS**—In some areas advocacy is partly funded by the states through the CSTDA. How do you include those programs that are part of the CSTDA negotiations with the National Disability Advocacy Program funding stream?

**Mr Wallace**—As you are obviously well aware, advocacy is provided by both jurisdictions under the CSTDA. A number of state and territory jurisdictions, I understand, are also looking at their state advocacy programs at present. In implementing the review we would certainly be looking to work with states and territories to have a good understanding of where their services are located and what services they provide to inform decisions about where the future Commonwealth services are directed.

**Senator McLUCAS**—What is the rationale for not including the National Disability Advocacy Program in with the negotiations around the CSTDA?

**Mr Wallace**—I am not sure that there has been any indication on the part of the Commonwealth or of the states that there be a move away from advocacy being something that both jurisdictions have some level of responsibility for.

**Senator SIEWERT**—Isn't it true with the current agreement, though?

**Senator McLUCAS**—That is the point I am making. This review is happening outside of the negotiations with the CSTDA.

**Mr Wallace**—It is, but in consultation with states and territories. As we have noted, on the reference group there is a person from New South Wales, and the consultative group has a person from Western Australia on it. The fact that this is proceeding outside the formal negotiations does not mean we are not working with the states and territories to make sure it is done effectively.

**Senator McLUCAS**—Are you aware that we asked that question of a number of the states during the inquiry that we held and they said they were unaware of what the Commonwealth was proposing for NDAP?

**Mr Wallace**—They have certainly been made aware of the review of the program. Whenever I have discussions with my state and territory colleagues they are well aware of it. As you will note, we have actively sought to engage them in the process of the reference group and the consultative group. It has been a matter discussed by the disability policy research working group—that is a new acronym we have created for you—the former national disability administrators group. It has been something that has been discussed there over time. It has not just reached their attention recently. I understand also that the state and territory governments were written to at least twice during the review.

**Senator SIEWERT**—With due respect—and it might be because I interrupted—it does not explain why it has been negotiated outside the agreement. You may not be aware yet, but one of the recommendations in our report was that it become part of the agreement. What is the rationale for negotiating it outside the agreement when the agreement has been negotiated? Wouldn't it be simpler to do it as part of the agreement?

**Mr Wallace**—There are a whole range of decisions that individual jurisdictions make around the way in which they deliver their services under the agreement, through the course of the agreement and over the course of the negotiation period. It is our expectation that the states and territories continue to make decisions about the application of their programs during the negotiations as well.

**Senator SIEWERT**—But this about the Commonwealth. You are in the middle of negotiating the program. Let's forget about the states and territories, because no-one can read their minds. What is the Commonwealth's rationale for that? Why is the Commonwealth doing this outside the process and not bringing them into the process?

**Mr Wallace**—It is one of a series of things on which we will continue to work with the state and territory governments, where we both have an interest. The fact that the agreement more broadly is being renegotiated does not prevent us from moving forward in the administration of the Commonwealth program as it is and continuing to work with the states and territories to make sure that it will operate effectively under any future agreement. This is

a program we are currently responsible for and one that we envisage having continuing responsibility for, and rather than wait a further 12 or 18 months to move forward with the program the decision was taken that we would do that in consultation with the states, concurrent with the broader renegotiation.

**Senator SIEWERT**—Once the tenders are in and are announced in February, who will make those decisions?

**Mr Wallace**—The probity guidelines and the full tender assessment process have not yet been finalised or approved, so I am not able to outline the exact processes yet.

**Senator SIEWERT**—Will there be consultation with the reference and consultative committees?

**Senator McLUCAS**—With the reference group.

**Senator SIEWERT**—You have outlined two committees for us—that is, the reference committee and the consultative group. Will they be consulted on the tendering process?

**Mr Wallace**—There will be an exposure draft of the tender selection documentation, which not only this group but anyone who cares to will be able to provide feedback on, and it is intended for that to happen in July this year.

**Senator SIEWERT**—Will they be involved in the tender selection process?

**Mr Wallace**—At this stage, I do not think the intention is for that to happen.

**Senator SIEWERT**—Will anybody receiving these services actually be involved in the tender selection process?

**Mr Wallace**—As I say, the tender selection process and the documentation around that have not yet been finalised.

**Senator SIEWERT**—Is their involvement being considered?

**Mr Wallace**—I am not sure whether it has been considered at this time.

**Senator SIEWERT**—This question may be going to an opinion, and you can tell me whether it is: do you think it is appropriate that somebody who receives these services be involved in the tender process?

**Dr Harmer**—I do not think Mr Wallace should answer that sort of hypothetical. His personal view about that is not relevant.

**Senator SIEWERT**—Does the department believe it is appropriate? Are people with disabilities normally involved in these sorts of decisions?

**Dr Harmer**—Through this and our various consultative mechanisms we have a number of ways of seeking the views of people with disabilities. I am not sure whether we need to create another mechanism, although if your Senate report makes suggestions we would obviously take them into account in considering the government's response and in making recommendations to the government.

**Mr Leeper**—We do intend to issue an exposure draft of the tender, and both the objectives being sought and the evaluation criteria and methodology, which is standard Commonwealth practice, will be included. So the members of the reference and consultative committees, like

anybody else, will be able to give us commentary on ways in which they feel the tendering process might be improved, including the application of the selection criteria.

**Mr Wallace**—Specific comments may be sought from other groups as well. It should be clear that there is no intention not to have the possibility for public comment or comment from particular groups. I am just saying that, at this stage, the final process has not been resolved.

**Senator SIEWERT**—When will the process be resolved?

**Mr Wallace**—I hope that it will be significantly in advance of the exposure draft going out in July, so we will need to have the process finalised in the next few months.

**Senator SIEWERT**—Earlier, you talked about people who are on the reference and consultative groups. You have outlined that people with disabilities are on them; are carers also represented on either or both of those groups?

**Mr Wallace**—Yes. There is a family carer on the reference group. In relation to the consultative group, they are all representatives of organisations, most of whom are advocacy service providers, other than the state and territory government rep.

**Senator SIEWERT**—So there is just one carer on the reference group? Could you tell us who that is?

**Mr Wallace**—The carer representative on the reference group is Chris Allison from Toowoomba.

**Senator McLUCAS**—I might go quickly through a couple of other areas. The National Disability and Carer Ministerial Advisory Council was appointed last year. I have a list of the names of the people on that committee. How regularly will they meet?

**Mr Wallace**—The intention is they will meet four times a year face to face. They have already met in subgroups and working groups over the telephone in the interim.

**Senator McLUCAS**—Who makes up the agenda for those meetings?

**Mr Wallace**—The council does, the executive of the council being the chair, the two deputy chairs and the special envoy. I guess ultimately the chair is responsible for the agenda and the running of the meeting.

**Senator McLUCAS**—How does the department input into the agenda?

**Mr Wallace**—The department support the advisory body, so we are not responsible for constructing the agenda. Our views have been sought by the chair and the executive from time to time on whether there are other things that it would be useful for them to consider, and we have input into that. The committee asks for updates on things happening within the department, so we contribute to those sorts of items.

**Senator McLUCAS**—Can the minister ask for an item to be discussed?

**Mr Wallace**—Yes.

**Senator McLUCAS**—Is that a formalised process?

**Mr Wallace**—No, it has not been formalised to date in terms of there being written correspondence.

**Senator McLUCAS**—Some advisory committees or councils have a formalised relationship with the minister. You are saying that does not occur here. So if the minister wants the council to address an issue, how does he do that?

**Mr Wallace**—He would communicate that directly with them. He has met with the executive on several occasions. He attended the first meeting. The council have written to the minister on a number of occasions saying they saw some areas they thought it would be useful for them to focus on and seeking his views on that. So there has been a range of different ways.

**Senator McLUCAS**—Are the minutes of those meetings published?

**Mr Wallace**—No, they are not. There is not a formal record.

**Senator McLUCAS**—There is no formal record?

**Mr Wallace**—There is no formal public record of the meetings.

**Senator McLUCAS**—I am sure they write minutes, but they do not publish them.

**Mr Wallace**—Yes, there are notes.

**Senator McLUCAS**—It is an advisory council. Surely there must be recommendations that they make.

**Mr Wallace**—Yes, there is advice produced for the minister in written form.

**Senator McLUCAS**—As advice to the minister it cannot be published.

**Mr Wallace**—That is right.

**CHAIR**—We might move to questions from other senators on other areas. We did say we were going to leave this area at a quarter to 12. Have you got other questions that you could place on notice?

**Senator McLUCAS**—Can I ask one question?

**CHAIR**—Sure.

**Senator McLUCAS**—I do have a lot of questions about the Young People in Nursing Homes Project, but I can put those on notice.

**CHAIR**—Okay. Ask your other question and then we will go to Senator Allison.

**Senator McLUCAS**—Mr Wallace, can you explain to the committee what if any role FaCSIA has in determining Australia's position on the Convention on the Rights of Persons with Disabilities?

**Mr Wallace**—The department has been represented with the Attorney-General's Department at each of the eight, I think, ad hoc sessions, the last of which was in August last year in New York. We have jointly attended and represented as part of the Australian delegation at those deliberations. We provide advice to Minister Brough in relation to, in the first instance, recommendations around support or otherwise of the adoption of the text of the general assembly. Then, beyond that, we will provide further advice, as advice is required, about signing and ratification and so forth. The Attorney-General, likewise, is advised by his department.

**Senator McLUCAS**—Do you go to New York, Mr Wallace?

**Mr Wallace**—I have attended once.

**Senator McLUCAS**—You are lucky! You should have gone eight times.

**Mr Wallace**—I should have.

**Senator McLUCAS**—But that would be an opinion that I was seeking from you.

**Mr Wallace**—You could take that up with Dr Harmer.

**Senator ALLISON**—Can we have a brief report on the young people in nursing homes program over the next four years? How is it going?

**Mr Wallace**—The bilateral agreements have now been signed by all jurisdictions. The last signature came in I think not last week but the week before. States and territories are at varying points in the process in terms of establishing their services on the ground. There have been tender processes undertaken in Queensland. There have been two processes there—the first for an external assessment provider and the second for construction of some accommodation. I understand there were two successful applicants there. Victoria, I understand, has had a tender process for an assessment provider as well.

**Senator ALLISON**—What is the task of the assessment provider?

**Mr Wallace**—The task is, having contacted people within the eligible target group, to undertake a process of assessment about their care needs and what their desires are, I guess, in terms of accommodation and then to determine what can be done for them under the program. The assessment process for this program is relatively complex in that people have both clinical and non-clinical needs. So a number of jurisdictions have taken the decision to contract an external assessment provider.

**Senator ALLISON**—Just going back to the bilateral agreements, are they public documents?

**Mr Wallace**—It has been the Australian government's position that we would like to make a model bilateral agreement available, that being the bilateral agreement without the state specific information in it.

**Senator ALLISON**—Why shouldn't we see the state specific information?

**Mr Wallace**—It is also the Australian government's position that they are happy to make the bilateral agreements available but that is something we would need to discuss with the individual state and territory. Given that it is an agreement between the Commonwealth and the state and territory, we would need the agreement of both parties to release them.

**Senator ALLISON**—How much money have the states and territories committed?

**Mr Wallace**—Over the course of the five years the states and territories have committed \$122 million, which is matched by the Commonwealth at \$122 million.

**Senator ALLISON**—Have any young people been moved out of nursing home accommodation at this point?

**Mr Wallace**—I understand there has been at least one in Victoria. I am not aware of others at this stage.

**Senator ALLISON**—What sorts of figures were in that bilateral agreement by way of alternative accommodation for people in nursing homes?

**Mr Wallace**—There were targets agreed with each jurisdiction across the three different elements of the program.

**Senator ALLISON**—Are you able to give us those?

**Mr Wallace**—No, I am not in position to provide those without in the first instance having an agreement from the relevant state or territory to their release.

**Senator ALLISON**—Can an agreement be sought, Minister?

**Dr Harmer**—We will take that on notice, Senator, and consider that.

**Senator ALLISON**—Well, the minister is here. It is the minister's decision, isn't it? How many places have been agreed to in the bilateral agreement with the states on moving young people out of nursing homes and into alternative accommodation?

**Senator Scullion**—In terms of consistency, again if it were for a bilateral agreement it would have to seek the support of the other partnership in the agreement before listing any of that information.

**Senator ALLISON**—I am asking: will you do that?

**Senator Scullion**—In regard to a specific question?

**Senator ALLISON**—Will you ask the question? That is all I am asking.

**Senator Scullion**—Yes, we can ask the question, but just to be clear, you are asking exactly how many places. That is the only aspect of the agreement you wish us to ask the question about.

**Senator ALLISON**—Well, I would like to see the whole agreement, since we are discussing it.

**Senator Scullion**—I think we have given you a comprehensive answer from the officer.

**Senator ALLISON**—That is the first objective, but at the very least, given that the Commonwealth is spending \$122 million—

**Senator Scullion**—We will seek to get that information.

**Senator ALLISON**—we ought to know how many places that is delivering, I would have thought. As a result of this commitment, how many young people will likely be provided with the additional disability-specific support that is required? I assume the understanding is that if young people with disabilities are moved into alternative accommodation they need physiotherapy and a whole range of services which are not available in nursing homes. Where do those agreements come to with the states with respect to those services?

**Mr Wallace**—I will see whether I have understood your question correctly, Senator. Unlike in the current Commonwealth State Territory Disability Agreement, the bilateral agreements here do allow for a range of services that are not covered under the CSTDA, which include clinical, and things associated with clinical care. It would be our expectation that many, if not all, of the younger people who have moved from residential aged care would



have a set of service requirements across not just the accommodation but related support services. That is certainly possible under the agreement as it is drafted.

**Senator ALLISON**—It is possible.

**Mr Wallace**—It is possible, yes.

**Senator ALLISON**—Meaning that Commonwealth money can be used for this purpose. Is that what you are saying?

**Mr Wallace**—That is right; yes.

**Senator ALLISON**—What was the understanding about the \$122 million? It has been matched by the states, as requested by the Commonwealth. What conditions apply to that? Did a specific number of places have to be provided within that? Was there a specific proportion which could be spent on additional services?

**Mr Wallace**—There was neither an agreement on the number of people who would be supported in each of the three categories that we have talked about at previous hearings, nor a requirement in terms of the division of effort between the three categories or different service types. There is certainly no prescription in terms of the model of service other than to the extent that services need to comply with the Disability Services Act and the standards that are set out under that. There was a clear requirement from the Commonwealth to ensure that those standards apply to this program as they do to the CSTDA.

**Senator ALLISON**—So how was the \$122 million struck, and the \$6.2 million—\$0.5 million of which comes from health and aging—in this current budget? Is that going to be spent, and if so, what is it going to be spent on?

**Mr Wallace**—My understanding is that the money that has been committed in this financial year will be spent.

**Senator ALLISON**—What will it be spent on?

**Mr Wallace**—The funding will be spent by state and territory governments. The \$122 million that the Commonwealth is committing is transferred to state and territory governments for them to purchase and provide services. So the Commonwealth does not have a direct funding role.

**Senator ALLISON**—And the states do not have to say, ‘And we will have spent this on this, this and this’?

**Mr Wallace**—They have to have spent it consistent with the bilateral agreement, which is—

**Senator ALLISON**—Anything that is within that agreement.

**Mr Wallace**—That is right.

**Senator ALLISON**—Again, can I ask you: the \$122 million, some work must have been done to develop that figure. If so, what was that? What was it based on?

**Mr Wallace**—It was an agreement struck through the COAG process by all governments as a figure that would be a significant contribution to addressing the issue.

**Senator ALLISON**—So it was arbitrary; it was a figure plucked out of thin air.

**Mr Wallace**—I am not familiar with the precise history of how the figure was constructed, other than to know that the conclusion was—

**Senator ALLISON**—Dr Harmer might know.

**Dr Harmer**—It was a government decision on the amount. Presumably, we—plus the department of health—provided advice and the government made a decision. As with many other budgetary decisions, competing priorities were dealt with in the amount that it decided.

**Senator ALLISON**—So there was never an understanding of how many people would be able to be moved out if this money were matched by the states?

**Dr Harmer**—I stand to be corrected, but I would assume that we would have provided some estimates about numbers around the amounts of money; I do not know.

**Mr Wallace**—There were not figures agreed on at the time of the COAG announcement about the number of people who would be moved. It was always the position of the Commonwealth that targets would need to be agreed and that we would need to measure our performance against those targets collectively. But there was concern raised by the states and territories, which the Commonwealth took on board, that it was very difficult to know how many people would be able to move in the absence of an understanding of how many people would want to move and in advance of having an assessment process of what their care needs were. The predominant task in the first year of the agreement is to get a much clearer understanding of the profile of the people involved—what their care needs are.

**Senator ALLISON**—I can understand that some would be more expensive than others—that is pretty obvious—but there must have been a bit of a range of costs assumed and there must have been a range of places also assumed.

**Dr Harmer**—I think what Mr Wallace is saying is that there may have been; we did not require states to sign up to a certain number.

**Senator ALLISON**—I understand that. I am interested in the Commonwealth's contribution to this as much as anything. When will we have some better grasp of what the \$122 million will fund?

**Mr Wallace**—As we mentioned before, as part of bilateral agreements there has been a requirement for targets.

**Senator ALLISON**—When will we know what those targets are?

**Mr Wallace**—Those targets are contained in the bilateral agreements which we would need to—

**Senator ALLISON**—So the targets are already there. The question is: can we get access to them?

**Dr Harmer**—You have asked: could we seek the agreement? We will. We will take that on notice.

**Mr Leeper**—The agreements contain lower and upper figures, so it is a range. Subject to the ministers' consideration and the views of their bilateral partners, we would look to see whether we can release any of that information.

**Senator ALLISON**—At some stage we will finesse those numbers, presumably, because we will know the scope.

**Mr Wallace**—Yes.

**Senator ALLISON**—When do we anticipate that will take place?

**Mr Wallace**—The minister has undertaken, with his state and territory colleagues, to relook at the target ranges originally agreed on from 1 July last year when the program could first have begun. There is an agreement between the Commonwealth minister and state and territory ministers to relook at the targets at a point when more assessments have been completed.

**Senator ALLISON**—The number of people requiring alternative accommodation has been estimated to be thousands. Is that in the ballpark of what this program will deliver—the estimates that have been made over time?

**Mr Wallace**—The upper and lower targets, as we have said, are contained in the bilateral agreements. The initial target group COAG agreed is on the under-50 age group. There are around 1,000 younger people in residential aged care under the age of 50, and a much larger group again between 50 and 65.

**Senator ALLISON**—So they will be covered in the range of targets?

**Mr Wallace**—The initial focus is on that group of people, yes.

**Senator ALLISON**—What about those who would be due to go into nursing homes? Does this measure also cover them?

**Mr Wallace**—It does. One of the three categories COAG have agreed that program funds can be used for is the prevention category. Where it is clear that a person is at risk of entry into residential aged care some of the funds can be used as a means of attempting to divert the person from needing to go to aged care.

**Senator ALLISON**—By ‘divert’ do you mean going to alternative accommodation?

**Mr Wallace**—That is right.

**CHAIR**—We will now move on to the next item. It is really a subset of output group 2.2—that is, the COAG mental health issues. Are there any other questions on broader areas of support for people with disabilities we can put on notice?

**Senator MOORE**—Firstly, I am trying to find refined figures for mental health in the PBS. There is an amount of \$14 million-odd under the revised estimates. Is there anywhere I can find a more refined figure for administrative and program costings?

**Mr Lewis**—I was checking the figures earlier today. That is for the additional estimates and the figures are as per the estimates, so those figures are the same.

**Senator MOORE**—Turning to the set-up of the process, is there anywhere that spells out the administrative and program costings, as there are for other processes?

**Mr Lewis**—They are in the estimates figures.

**Senator MOORE**—I really cannot find it. Page 36 has the \$14,864 overall figure, which was part of the announcement, but I am trying to find out more so that we can be clear on the departmental appropriations.

**Mr Lewis**—On page 36 you have admin items and then you have departmental outputs. So the cost is the administered money to go out to the door, which is \$10,259,000, and then the cost for the department is the—

**Senator MOORE**—Mr Lewis, can you point me to where that is?

**Senator Scullion**—Senator Moore, I think you may be looking at the additional estimates document.

**Senator MOORE**—Yes.

**Mr Lewis**—It is in the original portfolio budget estimates.

**Senator MOORE**—Which page?

**Senator Scullion**—It is on page 36.

**Mr Lewis**—You will see along the top line: ‘admin’, ‘department’, ‘total’ and ‘by year’.

**Senator MOORE**—That is the one you were referring to.

**Mr Lewis**—It is all there, and the figure is as it is.

**Senator MOORE**—No variation?

**Mr Lewis**—Not at this stage.

**Senator MOORE**—Thank you. I knew it was there but could not find it. Because it was so very new, in the last round of estimates hearings we put a lot of questions on notice. We did get responses, thank you. Many of them were very short, and I counted at least nine that said, ‘These are in the process of being developed.’ I think it would be useful to find out exactly where we are now in the process, and then some of those particular questions can come out.

**Mr Lewis**—Before I comment in too much detail on some of the measures I should say that we are in a tendering process at the moment, as you would know. We went to tender on 3 February for the personal helpers and mentors measure. We have a live website with questions and answers that are updated at least once a week. I think there are 36 questions and answers listed there already. Where I need to answer a specific question I will refer to those questions and answers to try to be consistent for those who apply for tender process. We put a mental health update on the website regularly. The one for February-March went up this week. That gives a snapshot for people about where all three measures are up to, certainly from a FaCSIA viewpoint. There should be links, and there certainly are on the DOHA site, to the cost measures so that people can get a sense about all 19 measures and where they are tracking.

So the personal helpers and mentors measure is going through a tendering process. That tender closes on 2 March. We will then have an assessment process. I think at the last estimates hearings you asked me when we would go live, and I indicated that it would be in March. At this stage we are hoping to have announcements in April, depending on how we go with the tender process.

As you saw, 35 sites are listed. These are the sites provided to us by the states and territories through our collaborative process, and they are the sites they have agreed to commit resources to. As you will recall from previous hearings, the idea is to talk about making sure we are able to do something quickly and well on the ground. We had a process in Sydney, for example, where we had a public forum. We had it in most states, but I will give you the Sydney one as an example. We talked to a huge range of stakeholders. We discussed at some length the intent around having capacity in the first round on the ground. It was very well endorsed at that meeting and others in terms of understanding the rationale behind it.

On the respite measure we are finalising some issues with the Department of Health and Ageing. You will recall last time I talked about the Commonwealth Carer Respite Centres under the HACC program. We are working through with them the impact on those centres of rolling out the money and how best we can accommodate the divergent capacity and the intent in terms of respite places. With the community based one you will see again from the website we are looking at some early approaches to that. Some of our thinking at this moment is that we may work through the family relationship centre model as an early example of that prevention concept in terms of family issues, things like depression and relationship issues that might contribute to a mental illness at some point. That is a snapshot of all three.

**Senator MOORE**—Who is responsible for updating that website?

**Mr Lewis**—My team; my branch.

**Senator MOORE**—One of the things we talked about last time was how the interdepartmental committee would operate, because the distribution of the programs was across at least two departments, with some discussion of maybe even further departments down the track. So there is the Families website and the Health and Ageing website, then there is the COAG website, which does not seem to me to be being updated, because that is more an instrumental site.

**Mr Lewis**—The COAG website's jurisdiction sits within Prime Minister and Cabinet, so it is more about the conceptual framework there. Health and Ageing have oversight at a broad level of coordinating all 19 measures and reporting to the Department of the Prime Minister and Cabinet on progress across all measures. So there is agreement at the IDC. Employment and Workplace Relations, Education, Science and Training, FaCSIA and DOHA are the prime program owners of the 19 measures. We had all agreed that the DOHA website, given that they had many more measures and overall carriage, should be the prime first port of call for general understanding about the 19 measures. We also agreed that there would be links between our respective departmental websites to give people cross-referencing on-links. So we have a DOHA one and we have a FaCSIA website.

**Senator MOORE**—And your team updates the information on your three or four programs, and they do the rest.

**Mr Lewis**—Yes.

**Senator MOORE**—How often does the interdepartmental committee meet now?

**Mr Lewis**—It is still about once a month. It depends on availability of members, obviously. It is quite a large group now. It includes people from Veterans' Affairs, Attorney-General's, Finance and so on, so it is quite a large group.

**Senator MOORE**—They all are. I do not think I know a small interdepartmental group. I want to get a couple of updates on some of the answers you gave us between times, then there may well be some further things. The issue that we talked about at length and was a kind of threshold issue was the definition of mental illness. Your responses indicated that the Wisconsin definition is now agreed, and that is across the board. Is that across the board with all the participants, including the states?

**Mr Lewis**—We had, as you can imagine, a lot of discussion around using that. If you come from a clinical point of view you might argue that people need to be clinically diagnosed by a psychologist, a psychiatrist or a practitioner of some standing in terms of recognised qualifications. Our brief was to deal with the community aspect of demand issues, so we had to talk through the understanding of that with the Australian College of Psychiatry, the psychologists and the other professional bodies. As I mentioned last time, we also talked through with the Mental Health Standing Committee, which is the directors of mental health from all the state jurisdictions, how we were going to approach that. We got agreement to developing an instrument to assist people. We have set up a stakeholder reference group, which is a very large group. It involves consumer representatives as well as professional body representatives—

**Senator MOORE**—It is a very large group.

**Mr Lewis**—to advise us on how the instrument that we are getting developed by the Australian Institute of Health and Welfare might best apply and how it is being used. We also have training planned for people in using the instrument. To the extent that the states will be affected by demand in uptake of their services in referral, the states have been very agreeable to that statute and the approach that we have taken so far.

**Senator MOORE**—When is the time frame for the AIHW instrument to be finalised?

**Mr Lewis**—It is to coincide with roll-out.

**Senator MOORE**—Which is April?

**Mr Leeper**—Roll-out starts in May. So to coincide with roll-out, so that the instrument is available. It will be hard copy initially, and there will be training that goes with it. Then we will see how it goes, depending on how that stakeholder group comments. It includes psychiatrists and psychologists. Even the designer of the life skills profile is on that stakeholder group, which is one of the original baseline reference tools.

**Senator MOORE**—There was a particular question: what was the understanding of the role of the personal helpers and mentors? I know this is out to tender and there are sensitivities around that, but it would seem to me that having a clear understanding of what they were going to do would be an important part. The response we got back to question No. 232 was on three dot points: direct involvement, referrals to relevant agencies and monitoring and reporting. My understanding is that monitoring and reporting are an intrinsic part of maintaining the database and information flows. 'Referrals to relevant agencies' is one about

which we had a degree of discussion on the mental health committee about the knowledge base and also the openness of referral. That seems to me to be a fairly core element of the process. How will that be monitored in terms of referrals and the knowledge base to have the appropriate referrals, anyway? How will that be done?

**Mr Lewis**—The earlier questions around outcomes in the disability context probably are pertinent. Certainly we have specified in the guidelines—this is all part of the tender process, so I will perhaps be a bit more cursory than otherwise—that a certain role would be undertaken by the person. Helper or mentor is defined as a range of functions. The auspicing body needs to work through how best they might, in their environment, apply those roles. Then in terms of people through the door, in some of the sites you have a higher preponderance of particular client groups. So one of the issues for each of the auspicing bodies is how best you address young people who have comorbid conditions or something else that might be specific to their needs. So the data from those sites will be quite different.

What we are more interested in, I suspect, is how the tools are being used, the managed volume, the uptake, and what we call the demonstration site—which is the rationale for calling them those. I suspect that early in the new financial year we will be sitting down with the states and territories talking through how it is looking. We have also encouraged the states, under the care coordination concept—of which our measure is only one small part nationally—to step forward and think much more broadly about how care coordination across each state and territory will be better and more closely coordinated. We are offering to be party to that, but we see that as something the states should be taking a lead on.

**Senator MOORE**—Another of your answers said, ‘provide seamless and coordinated health and community services for people with mental illness’, which is ambitious.

**Mr Lewis**—That is why the state relationship and state coordination and collaboration with us is critical.

**Senator MOORE**—Can you clarify something for me, because I get confused between the different things that are going on. Are the first bunch of sites those sites you refer to as demonstration sites?

**Mr Lewis**—That is right.

**Senator MOORE**—So the ones that are out to tender now?

**Mr Lewis**—Yes.

**Senator MOORE**—They are the demonstration ones that we talked about beforehand?

**Mr Lewis**—That is right.

**Senator MOORE**—Were they always expected to be in place as late as April?

**Mr Lewis**—I think I mentioned last time that we had three months funding this financial year for each of the three measures. So there was only ever going to be three months operation, anyway, this financial year for any of the measures.

I think we also discussed consultation last time. We thought it was important to have the consultation process that I mentioned, where we had over 1,000 people turn up—consumers, providers, NGOs and so on. We also thought it was important to take on board feedback from

consumer groups about our guidelines. On the earlier drafts we got input and advice from the Mental Health Consumer Network and others, including the Mental Health Council of Australia, about the guidelines. We wanted to make them something that would work. So three months operation—hopefully we will have the people on board as we said we would in the budget announcement. We may even have more.

**Senator MOORE**—There is a possibility to have more.

**Mr Lewis**—With 35 sites at five a site—there you go.

**Senator WEBBER**—It would start in April rather than May, though, would it not?

**Mr Lewis**—Yes, starting in May, that is right.

**Senator WEBBER**—A delay to get it right is the important thing.

**Mr Lewis**—Yes. Three months at a hundred or two months at more. That in a sense means you have more on the ground in effect, but for a slightly shorter period.

**Senator MOORE**—In the same vein, the other issue we talked about was that some states were further down the track of consultation than others before Christmas.

**Mr Lewis**—That is right.

**Senator MOORE**—What is the expectation of having 35 as a national spread? The tender document does not make that clear. It says 35. What is your understanding of 35 demonstration sites to get people comfortable and operational leading into more? I would not think we would have 30 in Queensland.

**Senator WEBBER**—They would like it, though.

**Senator MOORE**—I could name them. It is a national program. We identified through consultation leading up to this enormous variation across the country. That in itself is not bad because people work differently. With 35 to get started this year there will be a view that those people will be favoured to get up and running. Do you have as an auspicing body any idea of what the spread would be? I know it is a tender process and you cannot be too pre-emptive before they are defined but do you have any view about how they should be spread with the first batch?

**Mr Lewis**—I should say first that all the sites we went to were the sites that were put forward by the states and territories.

**Senator MOORE**—And you got responses from all states?

**Mr Lewis**—We got responses from all states and we have gone to, in the 35 mix, all the sites nominated by the states. So to that extent the question becomes circular in that we have gone out to all 35. The second part of the question of whether the spread is equal was dependent on the first part in terms of the state's contribution. So ACT we have two; New South Wales, eight; Northern Territory, four; Queensland, seven; South Australia, three; Tassie, two; Victoria, five; and, WA four. In that mix we have 22 metropolitan and 13 non-metropolitan, which includes rural and regional.

**Senator MOORE**—So the model is there. It is just up to them to meet the requirements in the tender process.



**Mr Lewis**—That is right. It may turn out that we do not—this is a question you asked last time. Certainly Senator Webber was concerned about that issue in WA, so we may not get strong providers come forward in all 35 sites. It may not be, in the first pass, that we have an auspicing body in the first instance at 35 sites, but as with many of these processes we reserve the right in the tender process to invite providers to work on particular sites if others do not come forward. There are some strategies around that which are on the public record.

**Senator MOORE**—Question 244, which was how non-government agencies would be funded, led to a degree of discussion. I know there are some questions in the tender process, currently being determined as part of the program design.

**Mr Lewis**—You asked about whether it be block funding in sittings last time.

**Senator MOORE**—Yes.

**Mr Lewis**—My answer was yes, it would be a block fund in the form of a grant. The auspicing body then decides, within the argument they put forward about their strategy, how best they might apply that money.

**Senator MOORE**—Question 245, which was about the community based program, is still in design stage. Has that been moved forward from that stage?

**Mr Lewis**—As I said, each program has three months operation and that one has \$2.24 million to roll out this financial year and you will recall I mentioned the family relationship option.

**Senator MOORE**—The family relationship option is a possible option.

**Mr Lewis**—That is the primary one we are thinking about at this stage as something that seems to bring together the issues in the community with family and mental health, which would be a good exemplar.

**Senator MOORE**—Is that program one that could vary from place to place so it might work in one way in one area?

**Mr Lewis**—Yes.

**Senator MOORE**—So if it works in a place like Townsville where things would work one way, it may not necessarily flow in such a way in Inala—that kind of thing?

**Mr Lewis**—No, it might be quite different. Inala has some cold issues as you can imagine.

**Senator MOORE**—In terms of the ongoing consultation—I know that one of the core elements of this was to get people on board and to continue talking all the way through—you had the advisory committee that you have already mentioned, which involves states, providers, consumers. Is there an understanding that each of the successful locations that will pick up money will be expected to have some form of community consultation program as well? Is that part of the expectation?

**Mr Lewis**—This comes back to my comment about the role of the states and territories. Governance at a local level and issues around how a community comes together around issues—and it might be mental health in this circumstance—are something that under the key coordination model sit primarily with the state and territory. What we said is that there may be existing committees in some communities, for example. There might be community bodies

that already talk about health issues, family issues or all sorts of things. It might not be a big stretch of the imagination to reconvene or add to their brief for mental health. In other circumstances, you may already have state bodies that exist in a locality—state health centres and so on—who might be the primary body for this consultation. We think there has to be some form—and we talked about this in the governance context with states, so it is public knowledge—of governance that each state and territory is comfortable with that helps them manage their service referral as well as reporting and bringing together community input on how things are tracking.

**Senator MOORE**—Is there any requirement from the government funding, because I know it is being governed at the local level but the funding is coming nationally, about consumer involvement. Is that being in any way enforced rather than advised?

**Mr Lewis**—I do not believe so.

**Senator MOORE**—I have not seen anything, but that issue continues to be raised in terms of process. I will let other people have a go, but I wanted to ask some other things: the threshold issue about the difference between—in your definitions but also in terms of the caring role and so on—people with a mental incapacity as opposed to a mental illness; the data that you gave us about the carer mentor program; and the respite program. How is that going to be organised? The respite program was designed to include people who also had some other form of mental incapacity and I know that caused discussion. Has any further definition come out about numbers or how that is going to be done, degree of claim—all those things?

**Mr Lewis**—We obviously had to work through some of that and we may not have come up with the right formula, but the formula as it stands is that the respite measure is the one which includes those with mental illness and/or intellectual disability. That is the terminology in the public statement. That issue for us was something we explored in some of the consultation at length. What we have tried to do is talk about the impact on carers of the functional disability rather than attribute it to a causatory factor. So for the respite purpose, those people who manifest as having severe behavioural and/or emotional and/or mental issues which affect the carer in such a way that it can be described as something that suits the parameters of the program would be able to enter.

So we will do that rather than trying to say, ‘We will define to the nth degree what is intellectual disability versus mental illness.’ As I said last time, the continuum is huge in terms of the schools of thought. If someone has an accident which results in some mental incapacity, is that then a mental illness for the purposes of diagnosis and/or treatment? It becomes quite difficult to unpick that, as you can imagine. I suspect what we will have to do is, in the respite measure, look very closely at the take-up rates and see who steps forward and starts to use those places.

**Senator MOORE**—And the onus is put back on the person providing the service in the respite care coordination role—they balance the needs?

**Mr Lewis**—It would be the Commonwealth carer respite centres. That is one of the issues that I mentioned earlier that we are trying to work through with DOHA to make sure that we

get it right, so that it is sensible and flexible. It is an issue that is quite complex to work through, and having—

**Senator MOORE**—We will be asking similar questions of DOHA tomorrow, in terms of—

**Mr Lewis**—I thought you might.

**Senator MOORE**—how they work. We have to.

**Senator WEBBER**—On the basis of the answers to the questions that we put on notice, I have noticed that most of the answers were around program design. That has been completed now?

**Mr Lewis**—Yes.

**Senator WEBBER**—As part of that program design, where are we at within the evaluation and ongoing monitoring once these programs start up in May? Is that all in place and ready to go?

**Mr Lewis**—Each of the programs is quite different, so there will be an evaluation framework for each program that will be appropriate for that program. I mentioned last time that DOHA have the overall reporting responsibility. In the early days, they will be reporting on implementation: did we get it in place and are the right people coming through the door? Our data will probably not start to come through until late this calendar year and, for each of the programs, it is quite specific and different. For example, for personal helpers and mentors the take-up rate—I have a list I can walk you through if you like—is referred to in the guidelines on the website, so I think it is better that I try to steer clear of listing all of that for you.

**Senator WEBBER**—It is important that we do—

**Mr Lewis**—There is a framework.

**Senator WEBBER**—have that in place, because there are concerns with other—not FaCSIA but DOHA—programs that we do not have the evaluation in place and in fact it is a lot of money for very little outcome.

**Senator MOORE**—Mr Lewis, how big is your unit? It was in its formative stage in November, so, in terms of the current status of the size of the unit, where is it at and what are the plans for the future?

**Mr Lewis**—I think last time you asked me how many I had, I said I had 25 and was aiming for 34.

**Senator MOORE**—You did; that is correct.

**Mr Lewis**—I have 33.78.

**Senator WEBBER**—So you almost got there in time for this hearing!

**Senator MOORE**—What is wrong?

**Mr Lewis**—I was counting part-timers. I must say, part-time staff are like gold if they are committed to a cause. I have many part-time staff.

**Senator MOORE**—That is an issue for the employment and workplace relations portfolio, I think!

**Mr Lewis**—That is in my team. I am only talking about my team.

**Senator MOORE**—In terms of their distribution—as your structure is spread throughout the country—are your 34-odd staff in Canberra or are they spread throughout the states?

**Mr Lewis**—Those 33.78 staff are in Canberra, but my state colleagues and I meet regularly before and after our state COAG discussions with each premier department and we are obviously going to be talking about workload impacts over time and across states, depending on how the measures start to roll out.

**Senator MOORE**—Through the minister and through Dr Harmer before Christmas, we had a briefing process in place. I think we might—through Senator Stephens and whoever else is the right person—

**Senator WEBBER**—Ms Macklin.

**Senator MOORE**—Ms Macklin—try to get the same thing going. It is very useful in terms of getting this kind of information as it goes through and leads into that. We will go through the same process. We found it very useful before the last estimates.

**Senator WEBBER**—In terms of the requests for tender that are out at the moment, are you pleased with the overall response so far? Has it been under or over what you expected?

**Mr Lewis**—I got a figure this morning—I think it is 1,890 hits with an average duration of 2.5 minutes. I think it will probably speed up a bit.

**Senator WEBBER**—Some of them are us!

**Mr Lewis**—I did not want to go there, but I hope so! So 2.5 minutes is the average duration. Some people are spending longer; hopefully they are getting on to download information and then coming back with specific questions. I suspect the Q&As will be ratcheting up by the end of next week. I think it is a pretty good turnout. Given that they are auspicing bodies and they represent a population underneath them, I think that is quite impressive.

**Senator WEBBER**—So there has been no adverse feedback overall? There will always be people who are disgruntled about decisions and the design of the program, but in terms of the overall structure it has gone down well out in the sector.

**Mr Lewis**—Yes. We have come to a good agreement with all the states and territories around the broad issues and the details for their constituencies, because they have got stakeholder forums that they have been running before and after each of our meetings with them, and they have been very positive.

**Senator WEBBER**—Thank you.

**CHAIR**—I want to ask about intradepartmental liaising because we have talked about the interdepartmental process. Because so much of what you have been talking about touches on other forms of FaCSIA service delivery—and I think we did talk about this last time—is there an intradepartmental group that picks up that seamless coordination that we talked about?

**Mr Lewis**—I mentioned the Mental Health Advisory Group last time, which is an internal department group. Dr Harmer commented on the fact that this was a new initiative and that we are doing this in a seamless way. For example, we have included in that group managers from the Indigenous side of the department and people from Families and Communities and so on, right across the department.

**Senator MOORE**—Does that have a regular meeting schedule as required?

**Mr Lewis**—They meet around once every six weeks. Again, it is subject to people's availability. It has been very useful. I mentioned the family relationship connection, for example, and that in part stemmed from some of the discussions in that internal group.

**Proceedings suspended from 12.32 pm to 1.32 pm**

**ACTING CHAIR (Senator Patterson)**—Senator Humphries and Senator Moore have a joint engagement for half an hour, so Senator Humphries has asked me to chair the meeting. Senator Stephens, I presume you have questions.

**Senator STEPHENS**—I will just catch my breath.

**Mr Leeper**—While you do, this morning I was asked about credit card audits. Based on the information provided to me I indicated that an internal audit in FaCSIA was looking at, amongst other things, credit card usage. I am now advised that the audit which will be considered by our audit committee next month is in respect of Cabcharge cards, official travel and record keeping, not specifically credit card usage. In part, this decision was made because their use had been covered by the recent Audit Office financial controls audit. I apologise for misleading the committee. I just need to correct the record.

**Senator STEPHENS**—Thank you for that.

**Dr Harmer**—I will add to that. This morning we talked about 800 credit cards in the department. What was made clear to me—and I do not think we made it clear to senators this morning—is that the vast majority of those are used to pay for travel and Cabcharge. We do not issue both credit cards and Cabcharges in FaCSIA. The credit cards are the Cabcharge document. That is why there are probably a little more than you would think. They are only able to be used for the paying of travel and accommodation.

**Senator STEPHENS**—Thank you. Acting Chair, are we moving on to 3.1, Support for families?

**ACTING CHAIR**—I think it is 2.3, Support for carers.

**Senator McLUCAS**—The department indicated that it was choosing an organisation to deliver information support mediation and counselling services. Have we found that organisation?

**Mr Wallace**—I understand there has been a selection process undertaken for that provider. I understand a provider has been selected for each jurisdiction, although from recollection there is a jurisdiction in which we are having trouble finding an appropriate provider. I have information here on the providers in seven of the states and territories. In the Northern Territory we are still in the process of seeking a provider.

**Senator McLUCAS**—And that would be in Minister Brough's media release of October last year?

**Mr Wallace**—That is right.

**Senator McLUCAS**—Can you give the committee an understanding of what is happening with the rollout of the program?

**Mr Wallace**—The program generally, Senator, not the mediation component?

**Senator McLUCAS**—Yes.

**Mr Wallace**—The legislation was introduced and the program began on 20 September last year. There have been a range of efforts to promote the program, two booklets produced and a series of further consultations conducted. There was one booklet specific to the operation of this trust and a second booklet more broadly around future planning for older parents of children with a disability and things that they might want to consider in that planning process. That was produced on the basis of some of the feedback we had during the development of the policy. The trust is one issue but the broader planning process is another issue that is important for people. That was produced by the Disability Studies and Research Institute in consultation with older parent carers.

The further consultation process has been chaired, if you like, by Ian Spicer who has undertaken meetings in each of the capital cities. It has had two purposes in mind: firstly, promoting the trust itself and the way in which it operates, and assisting people to understand it; and, secondly, getting an understanding from people about what other things may be of assistance in terms of future planning. The results of that will then inform the use of the rest of the research and development money associated with this group of measures. It will feed into the ongoing policy development process.

**Senator McLUCAS**—I think you said there were two booklets. I asked a question in November about the cost of the Special Disability Trust booklet. I dare say that that was the explanation to people about how it works. Then you said there was a subsequent booklet that was developed.

**Mr Wallace**—There is a second booklet; that is right.

**Senator McLUCAS**—What was the cost of that?

**Mr Wallace**—There was a response, Senator, to your question on notice in respect of the first booklet. The cost of the second booklet was \$47,355.82.

**Senator McLUCAS**—These meetings that Mr Spicer is having, who is he having them with?

**Mr Wallace**—He has had them with groups in each capital city and a couple of regional centres. Invitations were sent reasonably broadly. Some of the sources for invitations were through Carers Australia and the relevant carer bodies in each state and territory as well as some disability peak organisations. During the policy development process and the passage of legislation we also had quite a lot of contact from individuals with an interest in the trusts. A number of those people were also invited. So there were private individuals rather than people representing groups. We also had a process of written submissions to the consultation. There

were a number of people who were not able to get to the face-to-face consultations for a range of reasons. They were invited to provide written information.

**Senator McLUCAS**—How long is this phase of the program expected to continue, Mr Wallace? Let us call it the education or information phase.

**Mr Wallace**—Obviously it is the intention that the booklets will continue to be promoted. I understand that the take-up of those has been pretty broad and the response has been fairly positive. In terms of the face-to-face consultations and discussions, that phase concluded in December. I think we have received around 120 written submissions since then. We have a consultant who is now drawing together the information from those written submissions and the information collected at the face-to-face consultations. We expect to be in a position to provide a report on that for the minister's consideration quite shortly.

**Senator McLUCAS**—What was the scope of that work?

**Mr Wallace**—Fairly broad. The intention is really to gather from parents, carers and individuals what are the remaining issues for them in future planning and what are some of the ways in which they could be dealt with. The report is intended to canvass potential future considerations of government.

**Senator McLUCAS**—What is the process for applying to establish a disability trust?

**Mr Wallace**—The process of application happens through Centrelink. A person needs to establish their beneficiary status. That happens based on the criteria that we have talked about here before and that is contained in legislation.

**Senator McLUCAS**—How many people have applied?

**Mr Wallace**—I have some information here that there have been 839 phone inquiries as at a time in January—these are not today's figures. From those inquiries there have been 56 people who have been granted beneficiary status and two who have had beneficiary status rejected. There is a further 68 whose status is being assessed.

**Senator McLUCAS**—Currently being assessed?

**Mr Wallace**—That is right, Senator.

**Senator McLUCAS**—What I am trying to ascertain, Mr Wallace, is what the actual appropriation is from FaCSIA and how much is from Centrelink? It is not an appropriation to Centrelink; it is foregone revenue, I imagine. What is the split for that total package which was announced to be \$200 million?

**Mr Wallace**—Senator, I do not have the Centrelink departmental costs here. The \$230.5 million all rests in FaCSIA appropriations. There would be a small component in Centrelink for departmental costs as well, but the vast majority is within the FaCSIA portfolio. Of the \$230.5 million, most of it rests in the means test. So the costs are contained largely within other special appropriations.

**Senator McLUCAS**—That is why I cannot find it in the yellow book. I find it very difficult to track where the money is.

**Mr Wallace**—That is right, because the majority of the cost of the measure lies in changes to the amounts of income support people are eligible for which is counted in the special appropriation from which that income support payment is made.

**Senator McLUCAS**—Would it be too cheeky to ask you, Mr Wallace, if you could aggregate all of that information into one table for me, identifying where it appears in the PBS?

**Mr Wallace**—There is not a separate line in each of the special appropriations that indicates the effect of the trust measure.

**Senator McLUCAS**—Let me ask the question in the reverse. You must have had an estimate of expenses to come up with a figure initially.

**Mr Wallace**—Yes.

**Senator McLUCAS**—Could I have a document that explains that from the front end?

**Mr Wallace**—We can certainly break down into the four components the amount that rests in the means test and gifting component, the mediation component and the R&D component. We can certainly break down the separate measures.

**Senator McLUCAS**—Okay, if you could do that. Also, could you show me what has been expended to date?

**Mr Wallace**—We can in three of the measures, but in terms of the special appropriations we cannot separately identify at this point. Given that we are only a number of months into the measure, we cannot separately identify an amount in those special appropriations.

**Senator McLUCAS**—And that will also depend on take-up, of course?

**Mr Wallace**—That is right.

**Senator McLUCAS**—So for those 56 who have been granted, would you be able to in that document, let us say to the end of the financial year, project the costs just for those 56 people—families, I dare say?

**Mr Wallace**—I am not sure whether Centrelink will be able to provide us information on the expected costs of those or not. I would need to check with Centrelink.

**Mr Hartland**—The total costs of special appropriation would be dependent also on the final nature of the trust and how much was gifted into the trust and what that exemption meant for the person's circumstances. I think it is a bit early to tell, given that the measure has only been operating a short while, what that is going to turn out to be. So it might be a bit early to give you something sensible about the effect on administered appropriations.

**Senator McLUCAS**—I think, Dr Harmer, you understand, I am just trying to get an understanding of how we disaggregate this amount of money.

**Dr Harmer**—Senator, I just want to reassure you: we are not trying to be difficult here. It genuinely will be quite hard I think for Centrelink or for us, particularly early, to evaluate how much additional expenditure there will be in pensions and other special appropriations from this measure. We will help you with the three other elements of the cost, but I think the actual



costs through the special appropriation will be quite difficult to work out until we have had one full financial year, I expect.

**Senator McLUCAS**—Right.

**Dr Harmer**—I am pretty sure that is—

**Mr Hartland**—It depends how much builds up into the trust, if you like, as to how much the exemption to the trust is worth. I mean, if people put \$100,000 into the trust, that is one thing. If they put the full \$500,000, that is another. I do not think that we have yet got a sense of how much is being tipped into the trust in the cases that have been processed at the moment. I am not saying that we will not look for it. Sorry, Senator, I did not want to sound completely unhelpful. We can look for it, but I am just not confident that we are at a stage where we will get meaningful information back. But we will take it on notice and have a look to see what we can tell.

**Senator McLUCAS**—Okay.

**Mr Wallace**—Senator, we do have the breakdown across the four measures here if that is helpful.

**Senator McLUCAS**—Is that by financial year, Mr Wallace?

**Mr Wallace**—Yes, I do have it by financial year.

**Senator McLUCAS**—If that is a document that you could table, perhaps—

**Mr Wallace**—I do not have that in a tableable format at present, if that is a word.

**Senator McLUCAS**—That might be useful. If you could get that into a tableable format and we can table that document, that would assist. Thank you. That is all I wanted to ask about that measure.

**Senator PATTERSON**—I would like to ask a couple of quick questions. In Mr Spicer's going around asking people questions, have people indicated that they are having trouble meeting the criteria? The thing that I was concerned about when the bill went through was that there may be people, if we were to sit here, where we would be in 99 per cent in agreement but they fall between the stools. Has that been raised? Because it has been raised with me.

**Mr Wallace**—I am not aware that it has been raised in the Spicer groups. Some people have expressed that they would like to monitor what costs the trust can be used to pay for and see whether or not the disallowable instrument as currently drafted is meeting the needs of people. But I am not aware of—

**Senator PATTERSON**—No, I am not talking about that; I am talking about people who may have been in a special school and business service and still do not qualify under those measures. I have had a couple of people in Western Australia say that they have had difficulty in getting the assessment under the criteria that was set.

**Mr Wallace**—Right.

**Senator PATTERSON**—Has Mr Spicer asked about that when he has been going around? If not, why not?

**Mr Wallace**—His brief has been quite broad. There were not restrictions on what he could talk to people about, and that has not been something that has come back as a strong theme. As we noted earlier, there have been two people who have applied and had their beneficiary status not granted. So 56 have been granted and two have been rejected at this point.

**Senator PATTERSON**—I have been told that there have been some people who have gone back three and four times to Centrelink for the assessment. If I am 82 with a 52-year-old son or daughter, I do not need to go back to Centrelink three or four times. But I will give you the name of the people in Western Australia and you can follow it up, because I think there are some people falling between the stools. If you had been in a special school and in a business service, I think we would all agree that you would most probably qualify. But some people are interpreting ‘Do you need prompting with feeding?’ as meaning that they actually have to be hand fed. This is to get into the profound disability area. I warned about that in the second reading debate, and I will be watching it very closely. People ring me.

**Mr Wallace**—It is certainly our intention to monitor the grants and rejections.

**Senator PATTERSON**—Okay.

**Senator McLUCAS**—Mr Wallace, how will the department ensure compliance with the regulations in terms of the expenditure? It seems it would be a very difficult process. How is that going to occur?

**Mr Hartland**—This is an area where Centrelink will play the service delivery role. But in broad terms we are asking trusts to submit financial statements and declarations that the expenditure is in line with the trust deed each financial year. That will be examined by a complex assessment officer in Centrelink. In terms of what we have done and the way that the program has been devised, there are a couple of other things to say about compliance. The use of a model trust deed is in a way a preventive measure because it forces the trust to be very explicit about what it is that the trustees are able to do. It gives clarity to what they are meant to be doing, and that will make it easier to tell if they are doing something that they are not meant to be doing. Another aspect of the model trust deed that we believe will assist in this context is that, where the trustee is not a professional trustee—that is, a firm established to manage trusts or a state trustee—there is a requirement that there be two trustees. We also believe that that will provide some protection to the beneficiary that the money in the trust is used as it was intended.

**Senator McLUCAS**—Who pays the costs in those circumstances, for two trustees?

**Mr Hartland**—These are private trustees, so the trust would meet their reasonable costs of administering the trust, but they would not be charging professional fees as such, I do not believe. The trust meets those sorts of costs out of its funds. I guess the balance is how you design a system that has checks and safeguards to make sure that the beneficiary’s interests are protected whilst also ensuring that the cost of administering the trust for the trustees and for the beneficiary is low. We think that having a requirement for two trustees is a reasonable balance.

**Senator McLUCAS**—What is the average cost of administering a trust of this nature? I simply do not know the answer to that.

**Mr Hartland**—I am not sure. I think we would have to take that on notice and see if we could tell. We may have some information through our experience with trusts and companies assessments. We will see if we have got information on that.

**Senator McLUCAS**—This is another question that you might have to ask Centrelink, Mr Wallace. Of those 56 that have been granted trust status, have those trusts been established?

**Mr Wallace**—My understanding is that there are only a couple of instances in which the trusts have actually been established at this point.

**Senator McLUCAS**—Two?

**Mr Wallace**—Fifty-six have been granted beneficiary status, but in only two circumstances have the trusts been formally established.

**Senator McLUCAS**—I was going to ask the average amount of money that was being put into the trusts, but I will not, given that we are only talking about two. It is probably not appropriate.

**Mr Wallace**—It is too early to draw a general interpretation, I think.

**CHAIR**—Any further questions on output group 2.3?

**Senator McLUCAS**—I have one other issue.

**CHAIR**—Please proceed.

**Senator McLUCAS**—I want to go to questions Nos 253 and 254 from November estimates last year. Dr Harmer, I need to draw your attention to these answers. My first question was: what evaluation of the Supporting Young Carers project has occurred? The answer was that there had been no formal evaluation of that project. The second question was: has the department identified unmet demand for support for young carers as part of any evaluation or otherwise? Then the answer says: 'See answer to question 253.' I did not find that very helpful.

**Dr Harmer**—I assume that the answer to question 254 means that without a formal evaluation we would not be confident about unmet demand for support for young carers. We could have used more words, but that is what I take it to mean.

**Senator McLUCAS**—It is a question about identifying unmet demand; it is not a question about whether or not there had been an evaluation.

**Dr Harmer**—Yes.

**Mr Wallace**—There has not been any specific work done within the department recently to identify unmet demand for support for young carers. There was some work done, I understand—and it is going back beyond my time of responsibility—which fed into the development of the package of support for young carers which led to the information referral and advice component and into the additional respite for young carers. But since the implementation of those measures, which have been coordinated through Carers Australia, we have not had further feedback on whether or not that has successfully met demand for those services. So in a formal sense we are not in a position to say whether or not there is remaining demand in that area.

**Senator McLUCAS**—Now I have an answer. Thank you. Does the department have any plans to undertake any evaluation of unmet demand for support for young carers?

**Mr Wallace**—The usual practice would be that there would be a review of the program. I understand it was four years of funding appropriated at the time and that towards the end of that there would be a review of the program, as a rule.

**Senator McLUCAS**—The other thing I am looking for is an explanation of how that \$26.6 million over four years is going to be expended.

**Mr Wallace**—I will seek to find the precise breakdown. The large component of it was for the respite component. A smaller but still significant component went towards the information products. So there was the Young Carers website that was launched probably 18 months or so ago now—August 2005, I think—and the high school information kit, which Carers Australia developed and has had very broad take-up and has been very popular. There is a further primary school information kit being developed. So the respite component, Senator, was \$24.5 million.

**Senator McLUCAS**—That is over four years.

**Mr Wallace**—That is right. The information services component was \$2.1 million. One of the items I forgot to mention beyond the website and the information kits was the information and referral services network, including counselling and advice, provided through the Commonwealth Carer Resource Centres.

**Senator McLUCAS**—Could you disaggregate the \$24.5 million over the four years in a table for me and also the information component as well? I dare say that, with the information, there is a bit of front cost and that will dissipate over time.

**Mr Wallace**—Yes. That is right.

**Senator McLUCAS**—If I could just have that over the four years for the website and for the information, referral and support component.

**Mr Wallace**—I am not sure if I will have it separately for the respite and the information and support component but I should be able to get that today. I am not sure that we have it separately then for the website, the kits and the referral service, but we will see what is available.

**Senator McLUCAS**—Thank you very much. That is all I have for carers.

**CHAIR**—All right. We have then concluded 2.3.

[2.02 pm]

**CHAIR**—We now move to questions on output group 2.4, Support for youth.

**Senator MOORE**—I thank the representatives from the youth output for coming. I am sorry we did not get to you last time. We ran out of time and I know you were waiting. So I should put on the record that we apologise. We have had some information from the minister that the National Youth Roundtable is about to kick off again. Can we get an update on the current stage of the National Youth Roundtable, what the upcoming programs are going to be and what the uptake has been?

**Ms Wilson**—The new roundtable has been selected and the first residential for this year will commence on 22 February and go through until 1 March here in Canberra. The roundtable attracted over 400 applicants this time. We have selected 46 young people of which a small number are returning members from last year. They have not chosen their topics yet. They will do that in consultation with the Australian government agencies during the first residential.

**Senator MOORE**—One of the things that we noticed in the last round was the number of topics chosen with a mental health focus, and that was the first time in a long time that that had happened. So I just wanted to put on the record that that was particularly exciting.

In terms of the number of applications received—we received information from the minister several months ago asking all MPs to spread the word locally about the roundtable—is there any data available about where the applications come from, whether there is a preponderance from one area or not? You have given us the information that there were over 400 applications, but I have not seen anything that says there were X number of applicants from Queensland or X number from other regions. Is it possible to get some feedback of that nature? I have not seen that data. If it has been published, let me know, but I have not seen it.

**Ms Wilson**—No. It has not been published.

**Senator MOORE**—I would imagine with that number of applications that that would not be breaching privacy. I was just jumping in quickly to make sure.

**Dr Harmer**—If we have the information we can probably give it to you. At that level it does not require a lot of work. So I imagine that we can give it to you quite quickly.

**Senator MOORE**—That would be good. What about the gender make-up? I know that the government is committed to having both genders represented. Are there any guidelines about how that operates?

**Ms Wilson**—No, Senator. I am wondering whether your question is around the applicants or the people that we chose.

**Senator MOORE**—Both really. In terms of the data, I would like to find out what the gender break-up was for the applicants and also whether there are guidelines. I note that the guidelines I have read on the web site are very general. Selection is made on recommendation to the minister. Is that right?

**Ms Wilson**—FaCSIA does the short-listing process down to about 100 applicants. Those applications are considered by a panel of young members from previous roundtables. From that a recommendation is made to the minister.

**Senator MOORE**—And the final decision is with the minister, though. It is a ministerial appointment though, is it not?

**Ms Wilson**—Yes.

**Senator MOORE**—There would be no way that everyone would come from one state or that everyone would be of one gender or that everyone would be of one racial background. Is the short-listing process, where you cut the applicants down to about 100, done at that level to ensure that the next two rounds have a basis on which they can come up with the data?

**Ms Burns**—The guidelines for the selection say that the selection must have adequate representation across age groups, genders, states and territories, urban and regional areas, identified equity groups and a variety of life experiences. So the final 40 members are required to represent all of those categories.

**Dr Harmer**—Senator, to answer your question, if we as a department with that guideline were assessing the 400 applicants—I was not involved, so I have to be careful—I am quite sure we would have taken into account the state representation and gender et cetera.

**Senator WEBBER**—Is the number of applications of 400 significantly more than last time?

**Ms Burns**—I think there were 477 this time.

**Ms Wilson**—There were 477 this time and I do understand that that was an increase on last year.

**Senator WEBBER**—I am wondering, if it is a significant increase, whether you did anything different to attract increased interest—whether we can put it down to increased profile or better effort on the part of the department to go out and seek applicants?

**Ms Burns**—I am not sure if we did anything different. It was very widely advertised in a wide range of media centres.

**Senator MOORE**—Has anybody made any attempt to define the adjective ‘adequate’? I have read the guidelines. To the best of my knowledge I have not found that adjective ‘adequate’ in any other guidelines. I have looked at a few guidelines and we have words like ‘appropriate’ or ‘reasonable’ and those other kinds of adjectives and adverbs. Was there discussion about what ‘adequate’ meant? I know that is a stupid question and I know that we could spend three days defining the word ‘adequate’, but when you are looking at 477 applications for a highly sought after process—and that is my understanding from speaking to the young people who are selected when they come to Parliament House—to get that balance of gender, geography, ethnic background, age and all of those things, that is a biggie. In terms of the sifting process, are there any guidelines or support for that?

**Ms Burns**—There are some guidelines particularly around gender and age groupings. The selection panel tries to identify 60 people out of the short-listed group to then go forward and come up with the final list. There are numbers given for the ideal, which is, where possible, there should be one female who is 15 and so forth. Presumably if the panel determines that there is no candidate suitable in that category it does not try to meet that.

**Senator MOORE**—We have had some discussions about the National Indigenous Youth Leadership Group being disbanded last year. Is there anywhere that I can find an explanation for that decision? I know it is a government decision. Where would I find an explanation as to the background to the reason for that being wiped out?

**Ms Burns**—We could give you one now.

**Senator MOORE**—That would be good, because I could not find one.

**Ms Wilson**—So the decision to consolidate the functions of the National Indigenous Youth Leadership Group and the roundtable was driven by similarities between the two groups and,

more importantly, the need to strengthen and expand the government's capacity to consult with all young people and bring all young people together in one consultation mechanism. The roundtable that is starting on 22 February will be the first consolidated roundtable and follows the conclusion of the last roundtable in November 2006. The National Indigenous Youth Leadership Group members were consulted about the decision to consolidate, and now the National Youth Roundtable has been expanded from 30 members in 2006 to 46 members in 2007 and now includes 14 Indigenous members.

**Senator MOORE**—How many were on the National Indigenous Youth Leadership Group?

**Ms Wilson**—12.

**Senator MOORE**—So what we had, simplistically, was a group of 12 who were there specifically as Indigenous youth leaders going through a program and 30-odd going through the mainstream National Youth Roundtable. In the last two years of the National Youth Roundtable, were there Indigenous members on that as well?

**Ms Wilson**—Yes.

**Senator MOORE**—Simplistically on numbers, what we have done is put them together and guaranteed a number of spots for Indigenous people. That is it, isn't it?

**Ms Wilson**—Yes.

**Senator MOORE**—Do we have any data from the last five years to show whether there is going to be an increase or decrease in Indigenous people involved in this form of training?

**Ms Wilson**—The National Youth Roundtable will continue to be promoted to Indigenous communities and will ensure that those numbers remain in the future. I do not have figures for the previous years on representation.

**Dr Harmer**—I think it is likely that the number of Indigenous youth will remain about the same with the new arrangement. They have just been consolidated to ensure—in fact, I think the minister thought, and we would agree, that given they go through a very similar process there are some advantages in having them working together in the bigger group. We can do a better job with them rather than splitting their resources across managing two groups doing the same thing.

**Senator MOORE**—I know that you said there was consultation with the last national Indigenous group as to views about the possibility of going into the wider group. With the new combined group, is one of the issues that will be on the agenda the possibility of having some separate activity?

**Ms Wilson**—We have engaged a facilitator to support the Indigenous young people on the roundtable.

**Senator MOORE**—Okay. It is just that as, you would know, there is a standard process in lots of community activities where Indigenous people are involved—and I cannot speak as one, because I am not—that sometimes people like to have their own space and time at times during the process. It is just what we have done in past communities. So is that something that will be considered in the new process?

**Ms Wilson**—Yes.

**Senator MOORE**—Is that written down as a guarantee in the guidelines for the new group?

**Ms Burns**—No, Senator, it is not. As Michelle was saying, the engagement of a facilitator to assist the Indigenous participants in the roundtable will allow them to talk with us about the best way for them to participate in the roundtable.

**Senator MOORE**—Can you tell us what the budget is for National Youth Week this year?

**Ms Wilson**—We have a budget of just under \$400,000 to coordinate national communication activities and provide administrative support to the national planning group as well as to provide some small grants to the states and territories.

**Senator MOORE**—How does that compare with last year? What was the final—you knew I was going to ask this question. If it is not too much trouble, as we have not asked you this before, can we put on notice the last five years expenditure for National Youth Week? I know that there are evaluations processes because that is the way the department operates. Are there any ways of looking at where the expenditure went? Because when you itemised the expenditure for this year you talked about national activities, some grants to states and promotional stuff. Is there any way we can look at what the expenditure was over the last few years under those different headings?

**Ms Wilson**—Yes, but we need to take that on notice.

**Senator MOORE**—Of course, but that is something that can be done under the current system without too much hassle?

**Dr Harmer**—I imagine that the figures for the National Youth Week would be readily available and so it would not take us long. If it requires a lot of work to pull out all the little bits and pieces, because there are lots of different categories, we may have to rely on just the overall.

**Senator MOORE**—And we may get such an answer, Dr Harmer, sure; that is part of the game.

**Dr Harmer**—We will give you what we can.

**Senator MOORE**—We understand the limitations under which you operate. In terms of research on youth issues—and I know that this is an interesting area and goes across a small group—how many is in the group that looks after youth at the moment?

**Ms Burns**—The number of staff is in the high 40s.

**Senator MOORE**—Is that called the office of youth?

**Dr Harmer**—It is called the Youth Bureau.

**Ms Wilson**—47.24 FTE.

**Senator MOORE**—Based in Canberra or across the country?

**Ms Wilson**—That is just based in Canberra. There are state and territory officers who work on youth.



**Senator MOORE**—As part of their function?

**Ms Burns**—In the broader FaCSIA department.

**Senator MOORE**—Within the current allocation, can you give me that figure again? It has gone right out of my head.

**Dr Harmer**—Around about 47.

**Senator MOORE**—Within that allocation is there any capacity for research projects?

**Ms Wilson**—Yes, we have a research section that looks after a number of research activities, including the National Youth Affairs Research Scheme and some other research that we do specifically like the intergenerational transmission of disadvantage project as well.

**Senator MOORE**—I know I should know this answer, but does the annual report tell me all the research topics and programs that the Youth Bureau has done, because you often do print that?

**Dr Harmer**—We can certainly give you all of the consultancies that we have let do work in the youth area.

**Senator MOORE**—For and on behalf of the bureau. Has there been any specific research on the impact of industrial relations changes? Has that been one of the topics that the group has looked at?

**Ms Burns**—No, Senator.

**Senator MOORE**—How about one of the things that another department is looking at but we are looking across service such as the access card and identity? Has there been any research done within the bureau on that issue, about age and identity?

**Ms Burns**—No, Senator.

**Dr Harmer**—No, Senator, there has not, but as a department, because of our policy responsibilities, we are involved in the sort of work leading up to the access card. So we have the ability—I am a member of the secretaries group and there is a deputy secretaries group, and we have the ability to input considerations through those two mechanisms. So we have got a window. If something was of particular concern to young people coming out of our investigations, our direction with them, we have mechanisms to input into it.

**Senator MOORE**—Dr Harmer, in terms of that process—and we do talk about this with your department a lot because of the specialist nature of so much of the work that is done there—with respect to the whole idea of the access card, some issues have been raised in the general community. We have talked a bit about it with human services and we now have a Senate inquiry that has been determined on the process. A whole range of issues has been the impact on young people and the link with access to other services. How would the suggestion that some work be done by the bureau be fed through to the department?

**Dr Harmer**—It simply came from the—

**Senator MOORE**—From the roundtable?

**Dr Harmer**—From the roundtable. The people administering the roundtable would feed it through to me or Ms Beauchamp and we would be able to input it through our meetings with

human services. The human services department are the ones that are running the access card and doing all that work. We are just input and advisory to them.

**Senator MOORE**—Would you see that in terms of the other specialist groups that you have policy responsibilities for as well; that that could be one of the conduits of FaCSIA through to that process?

**Dr Harmer**—We have the mechanism to bring up issues in relation to the groups that we have policy responsibility for, to input the thinking into the development of the access card, yes.

**Senator MOORE**—Currently in the make-up of the ministry and the parliamentary secretary process, where does youth fit? Is that through you, Minister Scullion? Is that tacked on to your responsibilities?

**Senator Scullion**—Indeed.

**Senator MOORE**—Where does it fit? Can you just remind me what your official title is?

**Senator Scullion**—Minister for Community Services.

**Senator MOORE**—Within the title there is no particular focus on youth. Your predecessor did have that somewhere, did he not? So it has been changed.

**Senator Scullion**—Indeed. The answer to your question was that that is my title, but there are a number of responsibilities under that which include youth.

**Senator MOORE**—So, previously it was in the title?

**Dr Harmer**—No. Minister Cobb, Minister Scullion's predecessor in the portfolio, had the same title as Minister Scullion has: Minister for Community Services.;

**Senator MOORE**—We are now working through history. Who was before Mr Cobb because my understanding was it used to be a position that actually had 'youth' in the title?

**Dr Harmer**—That is before my time. Certainly since I have been in FaCSIA or FaCS before it, there has been no youth in the title of the minister—either senior or junior minister.

**Senator MOORE**—So the term 'community services' with the bureau within its base was actually the link. So that would be the focus through for the community and for the processes. If we can get that information about the funding, that would be very useful.

**CHAIR**—Thank you to the officers involved in this area. I now call on output group 2.5—Support for women.

**Senator MOORE**—Can we get a bit of an update on the women's ministerial equivalent of COAG—MINCO—that we were told about at previous meetings. Where is that up to, where is it going and is there any funding linked to it?

**Ms Burns**—The ministers group which is called MINCO, for women ministers—

**Senator MOORE**—It is a shocking title by the way, but I know you have no control over that.

**Ms Burns**—Indeed. It last met in September 2006 in Adelaide. It was chaired by the South Australian minister. Your question was: is there any funding?

**Senator MOORE**—Yes, is there funding specifically allocated to that?

**Ms Burns**—They have a small trust fund that the MINCO group has access to. They need to all agree to use that fund to allocate for projects. It is about \$44,000 this year.

**Senator MOORE**—Who provides the secretariat for that?

**Ms Burns**—The Office for Women in the Australian government.

**Senator MOORE**—And that is with you?

**Ms Burns**—That is right.

**Senator MOORE**—So you are structurally the office of youth and women? I know we have been through this before but I have to get my head around it again.

**Ms Burns**—The Office for Women is two-thirds of the women and youth group in FaCSIA.

**Senator MOORE**—So it is only the Office for Women and the Youth Bureau?

**Ms Burns**—That is right.

**Senator MOORE**—That is all you have?

**Ms Burns**—Yes.

**Senator MOORE**—Two-thirds, one-third?

**Ms Burns**—Roughly.

**Senator MOORE**—Roughly how many people are in the two-thirds? I will do my math with what I was told was in the area of youth before.

**Ms Burns**—In terms of staffing numbers, there are currently about 53 people in the Office for Women.

**Dr Harmer**—The reason Ms Burns said it is two-thirds, one-third is that there are two branches in the Office for Women and one branch in the Youth Bureau.

**Senator MOORE**—So there is the title with three branches under it?

**Dr Harmer**—Ms Burns is the group manager and she has three direct reports at the branch head level—two of them are in the Office for Women and one is in the youth bureau.

**Senator MOORE**—And structurally it does not translate directly into those numbers?

**Dr Harmer**—No.

**Senator MOORE**—And it is worked out with that special modelling in FaCSIA that we heard about this morning.

**Dr Harmer**—This is structural, not a financial attribution. When we took over the Office for Women from the Prime Minister's department there were two branches and we have retained the two branches.

**Senator MOORE**—And you have just moved across?

**Dr Harmer**—Yes.

**Senator MOORE**—I know the idea with MINCO was that it was going to be moving around. Are you aware of where the next meeting is going to be and who has the ownership of that on the basis that the South Australian one was owned by South Australia and the South Australian minister? Do you know where the next one is going to be?

**Ms Burns**—It will go to Tasmania in the next round and it will be about late August, early September.

**Senator MOORE**—Is it an annual event?

**Ms Burns**—That is right.

**Senator MOORE**—And we are going south at the moment? I asked a question which I think was question No. 267. I hope that was about grants of funding to various organisations. Is that right?

**Ms Burns**—No.

**Senator MOORE**—I think it was the national women's safety task force. We may as well go there. No. 267 dealt with the set up of the task force and developments in that area. You identified two—the national drink spiking awareness campaign and the community led solutions to Indigenous family violence, which was research into a discussion paper; is that right? They were the two specific initiatives. Is there any way that we can get an update about how those two processes are going and how much funding was allocated to those two things?

**Ms Burns**—I think the drink spiking awareness campaign has finished so there is no further progress to report. The discussion for the Indigenous women's gathering also occurred in 2006 around the same time as MINCO, so both of those things have now finished.

**Senator MOORE**—So we can get some information about what the funding allocation was to two of them?

**Ms Burns**—I do not think there was funding allocated specifically to them. I think that work is done by the jurisdictions represented at MINCO, so by the various states and the Australian government.

**Senator MOORE**—One is an awareness campaign. I presume that that is public. I have not seen it. In terms of the Indigenous violence one, what did get some discussion within the community was the discussion paper for the Indigenous women's gathering. Is that a public document?

**Ms Burns**—I do not know that it is a public document, but I can check for you, Senator.

**Senator MOORE**—It would be good if we could find out. One of the other questions I asked was about grants that have been funded in 2005-06 under the Domestic and Family Violence and Sexual Assault Initiative. That is question No. 272. The first bit of the answer linked the help line and the training research. That is spelt out there. I do not understand the answer to part B. It says 'Projects grants funded during 2005 as part of the Domestic and Family Violence and Sexual Assault Initiative'. What does that bit of the answer mean?

**Ms Burns**—There is a grants program within the women's safety agenda and they are the grants that were allocated under that program in 2005-06.

**Senator MOORE**—Which are the grants?

**Ms Burns**—The list that is there.

**Senator MOORE**—The way the answer reads it is on the web site so I read that. But I could not understand the linkage to part B of the answer. All part B says is that the ones above are the only grants that were funded and that is it; is that right?

**Ms Griffin**—The copy of the answer that we are looking at contains a list of the 27 organisations that were given grants under that round.

**Senator MOORE**—That did not come on my list.

**Ms Griffin**—It is on the web site, but we also did attach it in the answer.

**Senator MOORE**—My answer has the little graph saying ‘program element’ and then ‘(b) project grants funded’. There was no attachment.

**Ms Burns**—There is a second page that has a table.

**Senator MOORE**—Not with mine.

**Dr Harmer**—We can provide you with the second page.

**Senator MOORE**—I looked at that a number of times and I could not see a second bit to the answer. I have seen the website but there was nothing more than the website.

**Ms Burns**—That was the list.

**Senator MOORE**—That makes it clearer. It was a stupid question, but I literally got only one page to my answer. I missed the second page. I asked particular questions in 2006 in questions on notice about the former funding arrangements for the Women’s Services Network and the National Association of Services Against Sexual Violence. We got an answer back that said that the department no longer funds these organisations. My question was actually looking at previous year’s funding.

**Ms Burns**—FaCSIA records relate to the period since the Office for Women has belonged to FaCSIA. These organisations have not been funded in that period out of the Office for Women.

**Senator MOORE**—But they were funded out of the Office for Women in its previous guise. There are no records anywhere that would be able to tell me what that funding was?

**Dr Harmer**—There may be records, but it may take some considerable effort to find them.

**Senator MOORE**—It would disappoint me if there was considerable effort required in that. These were significant funding programs which were subject to some discussion when they ended.

**Dr Harmer**—It has just been pointed out to me that the question was asking about FaCSIA. So we interpreted that the question was about FaCSIA.

**Senator MOORE**—Sorry.

**Dr Harmer**—So we can, if you wish, take that on notice—if it is easy to get—to provide you with that information.

**Senator MOORE**—That would be great. If it is not easy to get could you let us know, because it would seem to me to be a very straightforward question. I am apologising if the word 'FaCSIA' confused you. It was government funding to these organisations.

**Dr Harmer**—Yes.

**Senator MOORE**—That should be easy to get, but if there is any problem could you just let us know. Also, question 8 at the same time—this is on the same page in my group but it may be on a different one—is from the same process. I asked whether the department conducted any research into the impact of the industrial relations changes on women.

**Ms Burns**—I do not believe that we had a question on notice of that nature.

**Senator MOORE**—I thought I asked that question.

**Ms Burns**—And the answer is no. But we did not have a question on notice about it, sorry.

**Senator MOORE**—And the answer was no.

**Dr Harmer**—The answer would be no, had you asked it.

**Senator MOORE**—I had asked it. You were going to check and the answer to that was no and that is what came back. I also asked if the department was aware of a joint project being conducted by the National Women's Secretariats, which the department does fund, looking at those issues. What was the answer to that?

**Ms Burns**—Yes, we are aware of the work that they have been doing.

**Senator MOORE**—Have you had any involvement? Have they asked you for assistance in that process?

**Ms Burns**—No, I do not believe that they have asked for any assistance.

**Senator MOORE**—The answer to the first one was no; the answer to the second one was yes. In terms of the Violence Against Women—Australia Says No campaign, could we get a current update on where that is and the current expenditure against that campaign? I know that Senator Allison was interested in this as well.

**Ms Burns**—The first thing that I would say is that we are currently seeking the ministerial council on government communications' agreement to the year ahead for the campaign. So that is subject to that decision.

**Senator MOORE**—The year ahead being 2006-07 or 2007-08?

**Ms Burns**—The 2007 calendar year.

**Senator MOORE**—And you are seeking that approval. When did you actually seek that approval?

**Ms Burns**—Tomorrow.

**Senator MOORE**—You are actually seeking it as we speak?

**Ms Burns**—The hearing is tomorrow.

**Senator MOORE**—And the answer to that would probably be a media release, I would expect.

**Ms Burns**—I am not sure about that.

**Senator MOORE**—How do we find out about that? You are seeking that tomorrow. It is a formal process of getting that approval in a campaign. How do we find out about that?

**Dr Harmer**—It would be up to the minister to make a decision about when to announce it and release it. We have not had discussions yet with her—I assume—about exactly how she wants to do that.

**Senator MOORE**—So we will not know until tomorrow what is happening in the future. Do we know how much money we have spent on it in the last calendar year and whether there was a variation in what we were told in the estimates?

**Ms Burns**—We did answer in question on notice No. 273 the expenditure.

**Senator MOORE**—We have the number of calls. I am looking for the expenditure. There was a question on expenditure as well.

**Ms Burns**—Yes, there is.

**Senator MOORE**—Which one was that?

**Ms Burns**—273 and 272.

**Senator MOORE**—And there is no difference? That was last November. There has been no change?

**Ms Griffin**—Those were the figures for the financial year of 2005-06.

**Senator MOORE**—Right. Can you just clarify for me, if the financial year expenditure is what we got and we are looking for approval for a calendar year, where does that nexus happen? We are getting expenditure based on financial years, which is normal practice. I understand that. What is the link with the calendar year approval?

**Ms Burns**—While it is approved on a calendar year basis, the funding for the campaign, because it has been a four-year initiative of the government, does stretch across financial years. So we might know that, for example, in calendar year 2007 we are going to do certain things. We know which part of it comes out of our 2006-07 budget and which part of it needs to come out of our 2007-08 allocated funds.

**Senator MOORE**—Does it ever happen with other programs?

**Dr Harmer**—I believe we will be able to give you how much we have spent at the end of the financial year—how much we spent in 2006-07—and we will be able to give you our estimate for 2007-08. But at the moment, we cannot give you how much we are planning to spend in 2007.

**Senator MOORE**—Yes, because it was bulk funding over a four-year period but all the way through we were aware that it was going in sequence. One of the things we have talked about in this area before has been the Australian Institute of Health and Welfare's report about SAAP usage. We talked about the concern that was raised in the SAAP. I think there have been a number of SAAP reviews—it happens when their funding is going—and also some various snapshots across the bow about the number of kids and single mums who are without shelter at different times during the year. We were linking that with the concerns about the

awareness campaigns and the funding processes. One of the things we wanted to know was whether there was any consideration within your office about whether there has been any research done on the impact of the awareness campaign on women's safety and the ability to say no and the usage of shelters—whether that has been a particular, quite focused stream of research that has been considered.

**Ms Burns**—No, I do not believe that to this date there has been research in that area.

**Senator MOORE**—In terms of the linkage and the evaluation of the awareness campaign—because the awareness campaign is telling women and families generally about their right to choose and to be safe—how is that evaluated in terms of seeing whether it has worked or not? Is there an evaluation strategy that we have for the period so far?

**Ms Burns**—We have tracking research done during the course of any campaign, yes.

**Senator MOORE**—I know that you have given me figures and I know that you will continue to give me figures about the number of calls, and that is but one trigger in terms of seeing whether the people are using it or not. Are there any qualitative components about what happens next? The awareness campaign is out there about what options are available and call this number and so on. What other methods of evaluation about whether your strategy is working or not are there in the department? What other forms of evaluation strategies are there?

**Ms Griffin**—As Ms Burns was saying, each year we do market testing. The most recent round of research has found that the campaign has strong community support. It is seen as achieving positive outcomes in raising awareness that this is an unacceptable form of behaviour. Overall, there has been an increase in the already high recall in terms of the campaign's key messages and its imaging. So that tracking research is finding that from year to year it is building.

**Senator MOORE**—Is that focus group based?

**Ms Griffin**—Some of it is focus group based and some of it is survey based.

**Senator MOORE**—That kind of information that you have just given us, is that public information?

**Ms Griffin**—No, that is not publicly available, because it is standard practice with government campaigns that any research commissioned during the running of that campaign is not available while it is still current.

**Senator MOORE**—So at this stage the first time that there will be public information about how effective the campaign is will be when it is over.

**Ms Burns**—That is correct.

**Senator MOORE**—This is probably similar to a previous question I asked about getting information into the process for consideration. That linkage between the awareness campaigns and the use of shelters—is there any way that that can be taken on board as consideration of evaluations so that people could see whether there is a link there?

**Ms Griffin**—At this point I would point out that through the help line, if a referral is made to a service, the program allows for a \$100 referral payment to the relevant organisation. So



there is some recognition and response to the fact that there would be an increase through the campaign on the call for services in relation to future research.

**Senator MOORE**—So it would seem that you would be able to track if there were calls made to a service?

**Ms Griffin**—If the helpline makes a referral to a service, a payment is made.

**Senator MOORE**—Does the helpline know when it makes a referral whether there are suitable places available at that service or not?

**Ms Burns**—No. We do not track whether the caller chooses to follow that referral.

**Senator MOORE**—We talked at length about the contract given for the service at previous estimates. It is a very well regarded organisation with lots of links in the community that has that contract. My question was more that, if a person rings and is seeking referral to a service, does the person on the phone know that there is available space at St Vincent de Paul's shelter before the name is given, before that person is referred there?

**Ms Burns**—Not necessarily and sometimes they will be referring them to advice and support services rather than refuge. We do not have a service where we can track space availability.

**Senator MOORE**—So we still do not have a database up, which we have talked about with other help lines. So when someone rings in and says, 'I am wanting to get information and maybe get out and be safe and I'm in Toowoomba,' you would send them to a service in Toowoomba but you would not know when you sent them out whether there was space there or not. You can see the linkage I am making between the snapshot of available space and the service you are referring people to. That seems to be something that could demand future work and some genuine experience.

**Ms Griffin**—I think in relation to the referrals situation it is about connecting the person with someone in their local area. Usually the services in the area are aware of the current availabilities. So it is about connecting the person with someone who can help immediately in their local area.

**Senator MOORE**—And they get the \$100 whether there is a space or not?

**Ms Griffin**—If they are referred by the helpline, yes.

**Senator MOORE**—We will keep taking it up. The plank is the linkage between the person seeking help and getting help. Your link is that they will get advice and support even if there is no bed; is that right?

**Ms Griffin**—Or refer them to a service that can help them perhaps.

**Senator MOORE**—I am wondering, Ms Griffin, about some of the geography that we deal with.

**Senator WEBBER**—If you are a woman in a remote and regional area and you are in distress, and you ring the helpline and you get referred to an agency that cannot accommodate you and they then refer you on, it is not sounding very helpful. It is just prolonging the agony. I would question the usefulness of a service like that.

**Senator MOORE**—We will get it evaluated. Is it in two or three years time? The current funding is—help me out. It is four-year funding?

**Ms Griffin**—June 2009.

**Senator MOORE**—The *Australian* says that there will be no advertisements in the media. Are you aware—and I suppose this is for tomorrow—whether there is going to be any TV or cinema? Is that part of the claim for tomorrow? And that was based on what happened last time.

**Ms Griffin**—That is correct.

**Senator MOORE**—We will wait until then. I do not think I have anything on notice, which is unusual, but no doubt I will find some. Thank you very much. Dr Harmer, we may go to the minister and request a briefing on this process as well because it has been a while since we had this. We may well go back to the minister to see whether we can get some more information, particularly after whatever happens tomorrow.

**Dr Harmer**—If the minister could assist, we would be very happy.

**Senator MOORE**—We know that, but it is nice to put you on notice that we could be doing that.

[2.47 pm]

**CHAIR**—There being no further questions on output group 2.5, we will proceed to output group 3.1—Support for families.

**Dr Harmer**—Chair, the current running sheet says that there is likely to be no questions on output groups 3.2 and 4.2. It would be good if I could get some clarification on whether there are any questions on those output groups now so that I could let those two groups of people go.

**CHAIR**—I am pleased to advise Dr Harmer that there are no requirements for officers in output groups 3.2 or 4.2 to be present today, so they can be sent back to their desks. I welcome officers concerned with output group 3.1.

**Senator SIEWERT**—I understand that FaCSIA is now asking service providers to be providing more or different data on their clients under the Family Relationships Services Program. Can you confirm that? Can you outline what that is and why you have made those changes?

**Mr Hazlehurst**—I might make a start on that question and then ask my colleague to add to it. As part of the process of transitioning into the new family law system and the rollout of the additional services under the Family Relationships Services Program, one of the things that we have been doing is moving to a new system for collecting information around the activities of the service providers. In broad terms that has been a shift from a system that was more around the provision of reports from the service providers to a system that is online, and so some of the information requirements may have changed slightly. But in broad terms it has mainly been about a transition from the system that applied before we moved to the big increase in services to this new system that is online. But I might now ask Ms Fleming to expand upon what the requirements now are of the service providers.

**Ms Fleming**—The main changes to the online system were to accommodate the family relationships centres, but as part of that we have required people to provide new data around maiden names and around the presenting needs so that we have a lot more sophisticated data around the presenting needs so that we can do more detailed analysis of the program.

**Senator SIEWERT**—With the family relationships centres coming on board, why has that meant that you have needed to change the data collection process?

**Ms Fleming**—We have created within the program a system of program referrals, and we have decided that we would like to track the referrals across providers. So FRCs provide referral data to counselling and other services under the program. Within that program we have created a unique identifier which is to provide deidentified data, but in order to create an algorithm for that program we have taken certain fields which included a maiden name to create that deidentified data.

**Senator SIEWERT**—There are a number of questions coming out of this, so please bear with me. You are creating a unique algorithm for what purpose?

**Ms Fleming**—To identify the referral flow of clients across the system in a deidentified way.

**Senator SIEWERT**—How does a deidentified algorithm help you then track a person—I am presuming you are tracking a person—across these agencies?

**Ms Fleming**—That is right. A person—person A—may enter the system one time and receive six or seven services or a person may enter the system seven times for the same service. They may move locations. This allows us to identify how our services are being used without us having access to the individual person who is using those services.

**Senator SIEWERT**—Why do you need a lady's maiden name to do that?

**Ms Fleming**—This was one of the design features of the system that identified certain unique fields that would enable us to create a unique identifier.

**Senator SIEWERT**—Why do you need to track those across the counselling?

**Ms Fleming**—We wanted to better understand how effective the services were in addressing the problems for which people were presenting—whether they were presenting again and again with the same issues or whether in fact people were moving through the system and presenting new problems.

**Senator SIEWERT**—What other information are the service providers providing you with besides maiden names?

**Ms Fleming**—They provide first name, name and postcode or suburb—all information is voluntary, though; I would stress that—and presenting needs such as were they coming in with an issue about financial issues, violence, relationship problems or mental health.

**Senator SIEWERT**—Is this information now being stored by the service providers or by you?

**Ms Fleming**—It is being held in the system and by the service providers.

**Senator SIEWERT**—Let us take the family relationship centres as an example. If someone is going to a private provider, they do not have to give you any information. Their personal information is not given to you. But if someone is going to a family relationships centre which is dealing with sensitive, personal matters, they then have to come on to your system, do they not?

**Ms Fleming**—That is correct.

**Senator SIEWERT**—Why? Why are you requiring that level of information? Why can you not just hold the data about somebody actually having attended the centre? Why do you need this further information? Isn't it people's personal private information now being stored on your computers rather than by the service provider?

**Mr Hazelhurst**—Senator, if I may just add something there. I guess the issue for the department was to think through this, having introduced not just a new system beyond just increasing the level of service provision but a new system in which the FRCs are a gateway, if you like, into the rest of the service system as well as providing some services themselves. In order for us to understand whether the system is working as intended in terms of the way in which people pass through the gateway and then are referred on to other services, we needed to think of a way of being able to understand how people move through the system. Without some way of being able to identify the people, we would not be able to do that. We would not be able to see the flow of people and, therefore, be in a position to judge how the system was going and whether there needed to be changes in terms of the way in which the referrals were working—what was working well and what was working poorly. That has been the driver underpinning this.

**Senator SIEWERT**—Have you sought the Privacy Commissioner's advice on this?

**Mr Hazelhurst**—We have sought internal legal advice on the issue, and I believe we are planning to have an independent process to look at it as well just to be absolutely sure that we have the appropriate safeguards in place around the security of the information.

**Senator SIEWERT**—Have you sought the Privacy Commissioner's advice and are you confident that it does not contravene privacy requirements?

**Ms Fleming**—No, we have not sought the Privacy Commissioner's specific advice. We have sought our compliance with the privacy principles and we are commissioning a privacy impact assessment.

**Senator SIEWERT**—Was that the legal advice you were talking about?

**Ms Fleming**—Correct.

**Dr Harmer**—Senator, I stand to be corrected—and I will be if I have this wrong—but if the information we are requesting is voluntarily provided—in other words, the people agree to provide it—then I do not think the Privacy Commissioner would have an issue with that. The Privacy Commissioner would only be concerned if it was a mandatory field in our information.

**Senator SIEWERT**—Has anybody from FaCSIA ever told a service provider that a person applying for services would be refused service?

**Ms Fleming**—Could you repeat the question please, Senator?

**Senator SIEWERT**—Has anybody from FaCSIA ever told a service provider that a client not willing to provide this information would be refused service?

**Ms Fleming**—No—well, not to my knowledge.

**Dr Harmer**—Not that we are aware of. It is possible that someone within the organisation may have been interpreted as saying that or something, so we just need to be very careful given that we are at Senate estimates. We are not aware of such an event.

**Senator SIEWERT**—So you can guarantee that nobody applying for a service at one of these centres would ever be refused service for not providing this information?

**Dr Harmer**—What I can guarantee is that our staff will not be advised to advise service providers in that way and that we are not aware that it has happened.

**Senator SIEWERT**—Will you make it clear to service providers that it is absolutely voluntary, because I can tell you that that is not how people out there are seeing it?

**Dr Harmer**—We can.

**Mr Hazelhurst**—Senator, if there are any specific examples subsequent to the hearing you might want to draw to our attention so that we can rectify it, we would be happy to follow them up.

**Senator SIEWERT**—You are aware that service providers are extremely concerned about this additional data collection?

**Mr Hazelhurst**—We are continuing to interact with the sector in general on how these provisions work, yes.

**Senator SIEWERT**—Have you responded to the letter that you have received from the peak bodies raising some concerns about this issue?

**Ms Fleming**—We have had a number of concerns raised to us by the peak body. With regard to the specific letter—you may be referring to the most recent one—no, we have not as yet responded but we have provided a series of Q&As on this process that have been provided to all service providers and we continue to liaise with them.

**Senator SIEWERT**—My understanding is that the series of Q&As is not addressing their needs in terms of their concerns.

**Ms Fleming**—And we understand that they remain concerned and we continue to work with them, Senator.

**Senator SIEWERT**—Have you considered the impact on people that are coming to family relationship centres in that they will be in a fairly emotional and sometimes distressed state in terms of what implications asking people to provide this information has when they are in that state? They may say yes and they do not understand what they are saying yes to, or they may in fact be put off attending the service if they think that they have to provide that level of information.

**Ms Fleming**—Senator, I would just like to state that the services have always completed a form on—

**Senator SIEWERT**—I appreciate that, but they—

**Ms Fleming**—That includes their name and areas and presenting need. We have just asked them to be a bit more specific around those. We are looking at ways that we can best deal with clients and service providers as part of that data collection process.

**Senator SIEWERT**—You have asked them to be more specific. So what else besides the maiden name have you asked them to be more specific about?

**Ms Fleming**—About the presenting needs.

**Senator SIEWERT**—What has changed is that now FaCSIA is collecting that information and in the past it has not. So people's private information is now being stored by FaCSIA and it has not in the past. Have I got that right or not?

**Ms Fleming**—We have moved to an online system that stores the data.

**Senator SIEWERT**—Online system in FaCSIA that stores the data?

**Ms Fleming**—Correct.

**Senator SIEWERT**—And in the past it did not?

**Ms Fleming**—Could I take that on notice and get back to you on that?

**Senator SIEWERT**—So you are not sure. In the past when people went to counselling you stored their personal details in FaCSIA.

**Ms Fleming**—My understanding is that there was a paper based system. I will just clarify my facts around the extent to which we had access to that data.

**Senator SIEWERT**—I am sorry I am jumping around.

**Mr Hazlehurst**—We can provide an answer to that today. We will not need to take it on notice.

**Senator SIEWERT**—If you could undertake to do that, that would be good. Can I just go back to the Privacy Commissioner. Why haven't you run this issue past the Privacy Commissioner? Why haven't you sought advice on the sort of information you are collecting and how you are storing it and whether it is necessary information that the Privacy Commissioner would think complied with privacy provisions?

**Mr Hazlehurst**—I think in part it is because, as I say, this information had previously been collected.

**Senator SIEWERT**—The difference here that I can ascertain is what data you are now holding in FaCSIA, what was collected by the service provider and who has access to that data and what it is being used for.

**Mr Hazlehurst**—I understand. I guess we do not have any specific reason for why we have not sought the advice of the Privacy Commissioner. We have sought advice within the department in terms of legal advice and we are certainly now looking at what further steps we need to undertake to ensure that we have the appropriate practices in place around the privacy issues.

**Senator SIEWERT**—You are doing that now.

**Mr Hazlehurst**—We are continuing to examine this issue, continuing to work with the sector and thinking about the sources of other independent advice we might need to get around the privacy issues.

**Senator SIEWERT**—Why did you not do that before you started the new process? Did it not occur to somebody in the agency that this would be quite sensitive?

**Mr Hazlehurst**—As I said, I can only describe what we have done and that we are continuing to look at the issue. We understand the concerns that the sector has and that members of the public might have, and we are wanting to treat the matter seriously. I do not have any other answer I can give to that question.

**Dr Harmer**—Senator, I just want to check that you are clear—and Mr Hazlehurst can clarify if I have this wrong—about why we are doing it. We are doing it for two reasons. One is to ensure that, to the extent that we need to track an individual through different circumstances, we have the same individual, that an individual is not getting lost in the system. That is why we need a little bit of information, so that we can be sure of that. The second reason is that we want to be able to assess whether people are presenting to these services with the same or different problems—in other words, is the advice they are getting effective? They are the two reasons, so that we can demonstrate or make judgements about how effective the service is. That is why we are all getting the information.

**Senator SIEWERT**—Yes, I do understand that, but I am also concerned about the level of people's personal details that you are collecting and holding on FaCSIA's system rather than being held by just the service provider and whether people's privacy is being invaded. My personal opinion is that it is being compromised perhaps. I am trying to work out why you are collecting the level of detail that you are.

**Dr Harmer**—We are collecting the level of detail for the two reasons I have just explained. I assume that we are not going further than we need to to establish those two things. If the information is correct that it is voluntary then someone who is uncomfortable or stressed and not able or not willing to provide it, I assume, is not required to. Therefore, if the information that is provided is voluntary then it is probably not a Privacy Commissioner issue.

**Senator SIEWERT**—The advice I have been given is that it is not entirely clear to the clients who are using these services that it is purely voluntary information. I have also had advice that some of the service providers are unclear that the information is voluntary.

**Dr Harmer**—It sounds as though we have a bit of a job to do to make sure they are clear about that, because, if I am right, it is a fairly straightforward matter to deal with the issue of sensitivity and the Privacy Commissioner by making it clear that it is not compulsory information.

**Senator SIEWERT**—If it is voluntary and the majority of people, say, 70 per cent are saying, 'No, I don't want to tell people. I don't want FaCSIA to have my data'—and, quite frankly, I would tell you that—how useful are your statistics going to be?

**Ms Fleming**—I am not sure where the figure of 70 per cent comes from.

**Senator SIEWERT**—I am making it up.

**Ms Fleming**—My understanding is that there are some service providers that are concerned around the different data collection system that we have developed and that, despite our best efforts to communicate through Q and As, the rationale, the process and the voluntary nature of the process, they remain concerned around the data collection system. It is in that area that, although we consider we have complied with the privacy principles, we are seeking assurance through a PIA. But it is also my understanding that other service providers are quite comfortable with the system and have no concerns around the data collection and in fact, because it is a data collection system used by them for their service providers, can see some benefits in the system. So I think there is a mixed view.

**Senator SIEWERT**—With all due respect, that did not answer my question about how helpful are the statistics in tracking people. You outlined the reasons for doing this. If it is voluntary—and I made up the figure of 70 per cent, but even if it were 50 per cent—how do you know, and therefore your statistics are not robust, surely?

**Mr Hazlehurst**—The information we would still have would be all the information around the number of people with certain presenting needs and the number of people referred to different types of services. You just would not have the specific identifiers. Yes, it would reduce the sample, if you like, of the people who we are able to track and understand how the service system is working. But we would still have a sense of how many people are seeing certain types of services, how many people are coming to the FRCs and being referred in particular directions. We just would not be able to track them in the same way. The information would still be useful probably, even if only 30 per cent of people provided those details. But I do not know that we have an indication of what proportion of the people who present and seek services are actually providing those details.

**Senator SIEWERT**—You do not have that.

**Dr Harmer**—It is very early days. If your scenario was to play out and it was critical that we had a certain sample size then we would obviously have to look at how we can get that information to do the proper evaluation and tracking. It is an early stage in this new service.

**Senator SIEWERT**—Is the algorithm that we were talking about previously unique to FaCSIA? I am not pretending that I understand anything about the equation of the algorithm, but is there one that you generate uniquely for your particular service or is it the same one that is used across other services?

**Ms Fleming**—It is unique to this data collection system, to this program.

**Senator SIEWERT**—So it cannot be used by any other service. You could not pass that information on to any other government agency other than what you wanted to use it for.

**Ms Fleming**—That is correct.

**Dr Harmer**—That is correct. The information would be used for the purpose for which it was collected only.

**Senator SIEWERT**—Did I hear you say also that you are still working on the security for how this information will be used or who can get access to it and what it will be used for?

**Ms Fleming**—No.



**Senator SIEWERT**—Is there any guarantee that it will not be used for anything else later on?

**Ms Fleming**—The privacy principle that we apply is that you must specify the purposes for data collection at the time you design the system—that is my understanding—and we have done that. Any extension beyond that is consent driven by the people who require the service. Whilst we can never guarantee that a service may not be used for another purpose, if it is used for another purpose over time, it is consent driven by the people who provided the data in the first place. That is consistent with the Privacy Act.

**Senator SIEWERT**—The Child Support Agency is part of your portfolio, is it not? Couldn't the information be used by the Child Support Agency, for example?

**Mr Hazlehurst**—No. The Child Support Agency is part of the Human Services portfolio now. Whilst we have arrangements in place for referral between the family relationships services and the Child Support Agency we will not be sharing this information.

**Senator SIEWERT**—Yes, I had forgotten it was part of Human Services. Sorry, Dr Harmer?

**Dr Harmer**—I was just going to make it clear that it is a separate portfolio.

**Senator SIEWERT**—Yes, it is one of those ones where policy is here and the agency is there.

**Dr Harmer**—That is correct.

**Senator MOORE**—I understand that but the departments work very closely together. Are you saying that there is absolutely no way that that information will be shared?

**Ms Fleming**—The information that is collected at the moment is collected under the FRSP program. The only transfer of data is between FRSP providers themselves in terms of referral. That is consent driven by the client. There is no desire to share the data beyond the FRSP program. Deidentified data is provided to the Attorney-General's, because the program is a joint FaCSIA-AG program. So for the Children's Contact Services, deidentified data is provided to them as to how many people went through an FRC, for example, and accessed a children's contact service.

**Senator SIEWERT**—So the only information that is provided is pure numbers.

**Ms Fleming**—Deidentified data.

**Senator SIEWERT**—Does the client registration form currently tell people, when they are signing it, as to whether they want to provide the information on a voluntary basis? Does it actually say that it will be provided, if they agree to it, to be part of a national database?

**Ms Fleming**—I understand so, but I will review the form before answering specifically. I will do that today.

**Senator SIEWERT**—If it does not, will you be providing a new client registration form that actually does tell people that—in fairly simple English?

**Ms Fleming**—We would hope that we would have forms in place for providers that allow people to understand that this was a voluntary process.

**Senator SIEWERT**—And does not talk about algorithms.

**Ms Fleming**—No, it does not.

**Senator SIEWERT**—But actually explains. Sorry, but I have seen some pretty fancy forms in my time.

**Mr Hazlehurst**—We will confirm that and the other issue which we said we would confirm today.

**Senator SIEWERT**—That would be appreciated. I know that I have taken up quite a bit of time on this, but I understand that some service providers—and I know not all—have some concerns about the additional costs of the data processing that is going to be required. How are you dealing with that?

**Ms Fleming**—As part of the funding agreement that we have with providers, they are required to collect information. We have been looking at the time that it takes to enter data into the system. We are reviewing that, but we do not anticipate any additional time requirements on the part of providers. I am aware that some providers think that there is more time to be taken than we would argue it takes to fill in the forms.

**Senator SIEWERT**—So you are still talking to service providers about that?

**Ms Fleming**—We are.

**Senator SIEWERT**—I really want to clarify in my head that I understand you properly. The information that has been provided, it is now done online—I understand the new system is online. So the service providers do all the data processing online and send everything to you. But the information is still usable by them for work that they need to do?

**Ms Fleming**—In the past, if service providers wanted a report about the usage of their services, they would submit to the department a request and we would provide the data back to them. In order to have a more flexible system and to provide more transparency across the system, the system was designed so that service providers could generate their own reports on their own service—not other people's services, but their own service—from the same data. So we were using the principles of create once and reuse. So they would be able to generate reports about their service from this database.

**Senator SIEWERT**—Without having to go back to you?

**Ms Fleming**—Without having to go back to us.

**Senator SIEWERT**—So they can do that now without having to report back.

**Ms Fleming**—They cannot yet do it, but it is a function of the design that is in development.

**Senator SIEWERT**—Thank you.

**Senator FIELDING**—I have a couple of questions on the Family Relationship Centres. Aren't Family Relationship Centres focused more on relationships and marriages that are breaking up rather than helping people in difficulty to continue in a relationship, or on helping people to improve their relationship?

**Mr Hazlehurst**—No. The purposes of the Family Relationships Centres is to help families with all kinds of issues to do with their relationships. One of the things that might lead people to those conclusions is that the Family Relationship Centres have been introduced at the same time as all the changes to the family law system itself, which obviously has a focus on separation and the family law arrangements associated with separation.

The Family Relationship Centres—just like, in fact, the rest of the family relationship service system—do provide support for families that are going through separation in terms of working out their arrangements post separation. But the centres themselves are a gateway, if you like, into all of the services that are provided through the Family Relationship Services Program, which includes early intervention service, support for families that are wanting to just improve their relationships, or for couples that are going through a difficult patch, as well as then, should the need arise, for the post- separation support as well.

**Senator FIELDING**—Do you have records showing how many people receive counselling assistance from the centres in relation to separation versus how many receive counselling to help them continue or strengthen their marriage relationships? So it is prevention versus just really helping them through afterwards, because I think we would all agree that prevention is a far better cure than just at the back end.

**Mr Hazlehurst**—I do not believe we will have that level of granularity with us today, but we would be happy to provide that information on notice.

**Senator FIELDING**—I would like that on notice, if I can, thank you. There is a very important issue here. I am not suggesting that we do not have—as a metaphor—ambulances on the bottom when your marriages or your relationships break down, but I think prevention is far better. I am not getting the sense from reading the annual reports that this issue of relationship breakdown, which is a huge issue in our society—it causes a mammoth amount of problems. I use the word ‘relationship’ because I am not just hinting at marriages but even de factos. I would suggest that the same level of relationship breakdown is happening across-the-board.

I have been really looking at this area of preventive steps. I notice that the department funds the Australian Institute of Family Studies; is that right? They are supposed to be the experts in giving you the eyes and ears and understanding of all of this. So part of my focus is going to be continuing on what that research is showing you. Albeit the Family Relationship Centres will help, I think it is more after the event rather than actually getting to the drivers that are making so many relationships and marriages break down. I think you quoted in some of your reports 39 per cent, and it is even higher if you look at some other statistics. Having four out of 10 contracts fail says that we have a mammoth problem and a lot of us just seem to say, ‘Well, it is no worse than America,’ or ‘It is no worse than in any other western world.’ We could be taking a leadership role. I suggest that, with the funds that you provide, greater focus needs to be spent on working out what drives relationship breakdown and not just focusing—to me—at the back end, but working out what needs to be done along the way. This is a very important issue. You may want to comment on that.

**Dr Harmer**—I agree with you. The rationale for the government involvement in this new program was very much about prevention as well as dealing with problems as they arise.

What Mr Hazlehurst has said, I think, is that we have not got the numbers here with us today. We will get you some of that. But certainly the rationale behind the government getting involved in this sort of service provision was a lot about the preventive end and trying to get round in front of relationships in the early stages and providing advice to try to keep them together, if at all possible, with the right advice as well as helping people sort out when there was irretrievable breakdown. So, certainly, that was the rationale. It is relatively early days, but I am assuming that we have started to collect some information about the balance.

**Senator FIELDING**—Certainly.

**Mr Hazlehurst**—I guess in part to reassure you that the government is certainly mindful of the need to invest in the early intervention and prevention of family breakdown as well as supporting parents or couples that have had their relationship break down.

The investments that have been made in the new family law system services do run right across the service provision. So there are substantial increases in the investment in the early intervention services as well as the post separation services, and then the family relationship centres and indeed the family relationship hotline sit in the middle. So the family relationship centres can provide support to couples at any stage in their relationship. Without wishing to disagree with you in any way in terms of the advantages of intervening early, I guess I just make the point that the investment has been made right across the spectrum in recognition of the need for there to be greater investment across.

**Senator FIELDING**—Just to open it up a little further, an audit of the Family Relationships Services Program showed that:

Although people could identify after the event points where early intervention might have been beneficial, in reality most people sought help some time after an initial crisis. Many felt they could have avoided most or all of their difficulties if they had been better equipped with good communication skills and had greater understanding of how to foster healthy behaviour and relationships.

As I said, I am not for one moment suggesting that the family relationship centres are not needed. I am not going down that track at all. The anecdotal evidence is showing that it is needed, but it is nearly too late. My question is: given that you are the experts and taxpayers' money is going into this, what are the drivers of relationship breakdown?

**Dr Harmer**—I think what Mr Hazlehurst said earlier is that there is a range of interventions that we have, recognising the need to provide services to people in the early stages of difficulty in their relationship. As you would appreciate, it is tricky for government in terms of getting involved. If people do not come to services and do not identify in early stages, then it is very difficult to provide intervention in early stages. So I guess the challenge for us is providing information as to what is available and advertising the fact that such services are available. But it is tricky if individuals do not present.

**Mr Hazlehurst**—Senator, if I may add two points. The first, by way of illustration, is to indicate the breadth of the investment that runs across the service system. From July 2006—that is, this financial year—the additional investment that was made was a total of \$90.4 million. Some \$31.5 million of that \$90.4 million was for the early intervention services. It was for the men and family relationship services stream of the program, the family relationship education and skills training part of the program, the family relationship

counselling part of the program, and a small part of the program which is specialised family violence services. Some \$48.4 million was for the establishment of the family relationship centres—in other words, that part of the program that sits across early intervention and the post separation side of things and refers people—and \$10.5 million was an additional investment in post separation services around things like contact orders program, for example. So that gives you a sense of the spread of investment across the service system.

The other point I would make is that a growing emphasis of the kinds of communication that government is having with families about the new family law system and the services that are available is on help-seeking behaviour. It is actually encouraging people to seek help when they need to in terms of their relationship. While you would need to direct questions specifically around the second stage of the communication campaign to the Attorney-General's Department, there is a second instalment of the communications campaign beyond the activities that are going on at the moment that was announced in the last budget. That campaign will continue the approach of informing people about the new services that are available and how the new family law system affects them but is also going to be encouraging people to seek support that is now going to be available—greater help that is going to now be available through this additional service provision.

**Senator FIELDING**—What are the main drivers for relationship breakdown? Given that I have just read out that an audit of the program showed that people could identify after the event points where early intervention might have been beneficial, really most people sought help some time after it. I understand the issue of saying, 'Look, relationships are breaking down at a very high level and it's causing havoc in most of the community.' One way of doing it is the relationship centres—and I am not disagreeing with having the relationships centres—but I am just trying to work out what the research is telling you as to the drivers of relationship breakdown. Is there something that can be done beforehand—before they get to that point?

**Mr Hazlehurst**—Senator, there is obviously a range of factors that lead to relationship breakdown, and often where there are multiple factors they compound. Some of these will only be stating the obvious, but they can be to do with financial stress within the family. They can be to do with the arrival of children and stresses associated with both young babies as well as stress associated with adolescent children within the family. They can be associated with the employment status of one or both members of the couple. They can relate to a child having a disability. They can relate to drug or alcohol issues within the family. I am not wishing to be flippant about it, but there are a whole variety of—

**Dr Harmer**—I could add a number to that, Senator. There are a lot.

**Mr Hazlehurst**—All of which are addressed through these sorts of services.

**Senator FIELDING**—I am going to harp on this a bit here, but how much money in research do we give to the Australian Institute of Family Studies, just roughly?

**Mr Hazlehurst**—I do not have that in front of me, Senator, but we can get it.

**Senator FIELDING**—It is a fair amount. There is 40 per cent failure, and this is my question: do they or do you have a feeling from a research base as to what are the drivers? I think it is a reasonable question, is it not?

**Dr Harmer**—I think the issues that Mr Hazlehurst has just identified around financial issues, children, jobs, drought for farmers—

**Senator FIELDING**—I suppose I am after more—

**Dr Harmer**—We can check with the AIFS if they have specific studies. I just want to make this point: you mentioned earlier that we are spending money at the wrong end. Governments are putting a lot of money into employment services. We have very low unemployment now. Governments are putting a lot of money into drought relief, into disaster relief and all sorts of areas of expenditure which are clearly in the mix of factors which create stress on families and relationships. So there is a lot of money going in to ensure that some of these issues such as financial management and all sorts of areas are key areas for government expenditure. Government programs and assistance across the board in child care et cetera are providing assistance to take some of the stress out of relationships. So there is a lot of money going in across many programs at the front end. I just wanted to make that contextual statement.

**Senator FIELDING**—I appreciate those responses. I suppose I am looking for a bit more of a quantitative response so that we can then look at and evaluate whether what you are doing is actually working. I have not seen the relationship breakdown rate decrease a lot and they are spending a lot of money in that area. So I am just trying to work that out. As I said, I am not against family relationships centres. I think they actually serve, and continue to serve, an important role. But it is not the total solution to getting to the issues that are driving relationship breakdown. They may help them through the issues as they are coming up.

The anecdotal evidence coming to me shows that a lot of the time it is two areas specifically—that is, the first one is communication/relationship skills and the second one is financial management skills. They are the two key things. If that is something that we need to cover with people well before they get into relationships, that could be something well worth spending money on. Without the research to say that they are two key drivers, it is going to be very hard. So my question is: what research is being done in that area and is it something that the department could look at moving forward?

**Dr Harmer**—Again, we can provide you some specific information about that, but I just want to try to ensure that you did not think that our only response was that there were a lot of things going on. We are doing research as well.

**Ms Fleming**—Could I just say that the database that we discussed previously is an attempt to put in place a performance system across the service provision to better understand what is being provided and to seek from clients whether they are getting the services or getting assistance from those services. So we are in fact asking questions like, ‘What is the presenting need that you are coming for assistance with?’, and then trying to develop some client feedback forms about whether they have set some goals around those services and whether those goals have been met so that we can get a better feel for what is most effective under different conditions and different presenting needs to provide a more tailored assistance program to suit people and to assist them.

**Senator FIELDING**—You keep on addressing the family relationship centres.

**Ms Fleming**—No, no, the whole program, Senator, including the early intervention services. It is a system of programs, including early education, marriage education.

**Senator FIELDING**—Are there certain ages—

**CHAIR**—We would normally break around now for morning tea. Do you have many more questions?

**Senator FIELDING**—I have, yes.

**CHAIR**—Perhaps we had better reschedule those until after we have broken for a while. We will suspend the committee and resume at a quarter to four.

**Proceedings suspended from 3.35 pm to 3.53 pm**

**CHAIR**—We are dealing with output 3.1—Support for families. How much longer do you think you will need in this area, Senator Fielding?

**Senator FIELDING**—I do not think long.

**CHAIR**—I will take you at your word. I invite you to continue with your questions.

**Senator FIELDING**—I thought before we broke that you were going to provide a little bit more information on the research.

**Mr Hazlehurst**—We have been caucusing during the break with a view to working out what would be the most helpful thing we could do in terms of providing further information to the committee. We are able to confirm that there is a very substantial body of research on the range of factors that lead to relationship breakdown. We are certainly happy to provide to you on notice—and we would consult with the Australian Institute of Family Studies—a list of references around those papers and research.

The other thing we thought would be helpful to emphasise is that what we can say about the research today is that the causes of relationship breakdown are many and varied. Indeed that suggests that the responses, if you like, from service providers need to be many and varied and tailored to the circumstances and needs of the individuals who seek support. The expectation therefore is that the services themselves are in a position to provide support, depending on the types of needs presented to them and be able to refer people to additional support where that might be available. For example, if there are gambling or drug and alcohol issues there would be an expectation of referral of people to appropriate services beyond just the immediate service provided that is dealing with the presenting couple.

We are happy to provide more. In broad terms our understanding is that, based on the research, there are multicausal issues that need to be addressed when delivering the services. Our expectation is that the service providers deliver that multifaceted approach to the presenting needs.

**Senator FIELDING**—I appreciate that. You can take some of that on notice. The question was genuine. You provide heaps of services and you are doing research, I am trying to marry up that it is driven by research. You are doing lots of different things. I would have thought that a high priority for the department was trying to get on top of this area of relationship breakdown which has economic, social and emotional costs. This is costing everybody—the whole community and Australia as a whole—and not just the people affected. It is a

significant issue. I want to get a feeling that the research is saying this and we are actually responding to what the research is actually telling us. I would expect to start to see how successful we are by seeing that level of relationship breakdown come down over the years rather than continue to spiral upwards. The centres provide up to three hours joint sessions free of charge. Can you explain what that means?

**Mr Hazlehurst**—Sorry, Senator, my colleague just reminded me that the details of what the centres provide in terms of the funding agreements is actually a matter of detail associated with the operation of the centres and is a matter that you would need to refer to the Attorney-General's Department. So the actual service model that you are describing is the policy responsibility of the Attorney-General.

**Senator FIELDING**—It has a feel that it could go like this from there.

**Mr Hazlehurst**—I am not wishing to be difficult about it. The people who have actually developed the model are in the Attorney-General's Department.

**Dr Harmer**—Given that they have responsibility for it it is more appropriate that those questions be directed to them. If you were directing them to us we would have to take them on notice and go to them.

**Senator FIELDING**—I understand. I would be interested in progressing further at future estimates relationship breakdown and whether we are on top of it and what we are doing. I do not care whether you outsource it to the Attorney-General's Department, but you folk should be on top of it—

**Dr Harmer**—Much of the policy around that would be ours.

**Mr Hazlehurst**—It is possible that we might be able to call the Institute of Family Studies to the estimates hearings in May and spend some time looking at these issues.

**Senator FIELDING**—I think that would be useful. Let us assume it is three hours because it says three hours. Who determined whether it was one hour, two, three or multiple sessions? What was that based on and who determined that?

**Mr Hazlehurst**—Again, unfortunately, that is a question that you would need to direct to the Attorney-General's Department. The development of the service model is something that the Attorney-General was responsible for.

**Senator FIELDING**—You have no input into determining whether it was three hours or multiple sessions or just the one?

**Mr Hazlehurst**—In the early stages of the development of these things FaCSIA was involved. I can only say again that the issue of policy around the service delivery model is one that you would need to address to the Attorney-General's Department.

**Senator FIELDING**—Did the department do any research on determining what would be the best mechanism to help relationships that are breaking down—for example, whether it is better to have one or two sessions? I would have thought your department would have been the experts in this area. Did you evaluate what was told to you by another department? I am not getting into the politics. I want to get into whether what we are doing is working. You folk should be the experts.



**Mr Hazlehurst**—I am not in a position to answer the question today, Senator. I do not have that information.

**Senator FIELDING**—I am going to go to the other committee and ask these questions. I hope they have a good answer on why three hours and only one session.

**Dr Harmer**—I hope they are watching and they are well prepared to give you very good answers, Senator.

**Senator FIELDING**—I do not want to get into personal details but I can assure you three hours is nowhere near long enough if it is a genuine attempt to help relationships from breaking down. Do you know the cost of relationship counselling that you would have to pay for after the three hours?

**Mr Hazlehurst**—What I can say about the charging arrangements for the FRS program as a whole—and my colleague may wish to amplify this—is that we have a requirement that the service providers have a charging policy in place and that it be available to people. There is scope for the providers to provide, and indeed they do provide, much of their ongoing service delivery without charging a fee. They will charge their fee on an assessment of the capacity of the person to pay. So, for example, there is a guarantee of the three hours being free but beyond that it would fall into the normal arrangements that operate under the Family Relationship Services Program which is that services can charge fees based on their policies. A factor which would be included would be the capacity of the person to pay. We do not dictate beyond that what the fees should be.

**Senator FIELDING**—So the three hours are set by another department. So that is nothing to do with you folks—what is free, whether people have got the ability to pay for further sessions or what is reasonable. I have to make the comment that if that is the best that we can provide—the emotional, physical and economic cost of breakdown is huge in Australia and all we are offering is a three-hour session—I think that is a drop in the ocean to what we should be doing in this regard and having even more sessions or something from there, but it sounds like you are not the department I should be chasing.

**Dr Harmer**—We will take that as a statement, Senator, because, remember, we offer policy advice; we do not make policy. And in this regard in particular we are not the department responsible for these services in the areas you are talking about. We covered areas before where we were the information et cetera.

**Mr Hazlehurst**—Senator, it might be helpful if we could also potentially, subject to our minister being agreeable, provide you with a bit more of a briefing on how these arrangements work. It is certainly the case that the system has been operating for some time with these fee policy arrangements in place whereby people who need help get help and where there is an assessment by the provider that they are not in a position to pay for it they are not paying for it. So we would not want to create the impression that you only get the three hours for free and thereafter you have to pay because it is not actually the way in which it is working in many instances.

**CHAIR**—We have a strict time frame to work to here. There are other senators who want to ask questions in this area. I think some of these questions really should be directed to another department. Can I suggest we might move on to another set of questions and if there

is time at the end and you feel there is something that is relevant to this department we might come back to you.

**Senator Scullion**—I know the Senator has run out of time but it is a very important issue. I just wondered if I could offer a comprehensive brief from the department on all the issues surrounding that at a time of your choosing, if that can assist you down the line.

**Senator FIELDING**—That sounds good.

**Senator STEPHENS**—I wanted to move on to the Stronger Families and Communities Strategy, if I may. I understand from the additional estimates statement that there is \$490 million committed for 2004-09; is that right?

**Dr Harmer**—Which page are you on, Senator?

**Senator STEPHENS**—I am looking at page 40. The portfolio statement indicated \$490 million committed for the forward period 2004-09 for the whole strategy. There is no movement on that so your expenditure on that strategy this year is on track?

**Ms Carroll**—Yes.

**Senator STEPHENS**—Can you tell me a little bit more about that strategy? I understand that there are four streams to the strategy. Can you actually let me know how much of that money is allocated to each of those streams and how much of the strategy has been implemented and how much of the budget has been spent to date, if you could, please?

**Ms Rundle**—I am just referring to my notes, Senator, so forgive me for a moment. The Local Answers stream I believe is \$151 million over five years between 2004 and 2009; the Communities for Children strand is \$142 million for 2004-09; the Early Childhood—Invest to Grow stream is \$70 million across four years; and the Choice and Flexibility in Child Care was \$125 million between 2004 and 2008.

**Senator STEPHENS**—Just looking at the Communities for Children strategy, you said that is \$142 million?

**Ms Rundle**—I did, over four years.

**Senator STEPHENS**—You sought, I understand, some expressions of interest to set up some Communities for Children sites, is that right, under this program?

**Ms Rundle**—Yes.

**Senator STEPHENS**—Can you take us through how many sites are established, how many currently are operating and some of the activities that are under way?

**Ms Carroll**—All of the sites are currently operating and I believe there are 45 sites in Communities for Children. These have become operational at different times over the last couple of years and there have been processes for choosing facilitating partners in these particular community sites. All of the sites, because they came on stream at different points, are at slightly different points in the process. So the sites that were started first, the initial sets of sites, are now well into actually implementing the programs within their particular community. So there was a process that each of the communities needed to go through with the facilitating partner where they had to establish what the particular needs of that community were, make the linkages with all the existing programs that were available to

families in that particular community and develop a strategy which was then approved. A small amount of funding was then able to be allocated to particular new initiatives.

**Senator STEPHENS**—Can you provide details to the committee about the 45 communities and the programs that are being funded there, please? If you could take that on notice that would be helpful. Given that there are 45 Communities for Children sites now up and running, does that mean that all of that money has been expended?

**Ms Carroll**—No, it will continue to be expended over the period until the different funding agreement is finished. So the round one funding agreements—there was a set that was due to expire in June 2008 and then there is a further group, the round two and three funding, which is due to expire in June 2009.

**Senator STEPHENS**—The money has not been expended but has it all been committed?

**Ms Carroll**—Yes, it has been committed.

**Senator STEPHENS**—Are there any of the Communities for Children sites that are likely to extend beyond June 2009?

**Ms Carroll**—There has been some small rephrasing across those sites, as perhaps different sites have not been able to establish, I suppose, the community profile within a particular time frame. There have been, I suppose, time frames for them to try to meet but for some communities different aspects of that have taken longer and therefore there is some slight rephrasing of that funding which we have Department of Finance approval for.

**Senator STEPHENS**—How many of those would there be?

**Ms Rundle**—I think we should take that on notice, Senator.

**Senator STEPHENS**—If you could, that would be great. In terms of the facilitating partners, can you describe who those facilitating partners are?

**Ms Carroll**—That we could give you when we provide you with the list of locations, who the facilitating partner is. For example, in Lismore it is the YWCA of New South Wales. So there is a different facilitating partner for each site. For example, the YWCA has a few sites, Mission Australia might have a couple of sites, but they are site specific. So we could, to save reading out the 45, provide that.

**Senator STEPHENS**—That would be helpful. Thank you very much. In general practice, as you are probably aware, there is the Smart Start program, which I have been pushing very hard. I would just like to know where that Great Southern Division program is at this time.

**Ms Rundle**—Are you asking particularly about the Smart Start, because that one has been funded now, we understand, by the WA Department of Health.

**Senator ADAMS**—Yes, I would like to know that, but I would like to know where the Communities For Families Program is at as well.

**Ms Rundle**—Yes, I can advise that the tenders were let late last year. Some of those tenders have now been awarded. So those services would now be in the process of being implemented in the Lower Great Southern.

**Senator ADAMS**—The problem for me is that it has just taken so long to get off the ground and we have lost a lot of traction there. Even though the Smart Start is going to be funded by the state, it has just caused so much angst—the funding, really. I feel those programs should have been up and running long ago. Those tenders should have been let long ago as well. I just do not want to see a repeat of this if this program is funded again next time. It is just not fair to the communities. All that money is sitting there and it has just sat there for so long.

**Ms Carroll**—As I think we discussed at the last estimate, these issues have now been resolved. Obviously, different locations try to move as quickly as they can and in any evaluation we pick up where any issues might have occurred in the whole process.

**Senator ADAMS**—Thank you.

**Senator STEPHENS**—The next program that you mentioned was the Early Childhood—Invest to Grow, \$70 million. Can we talk about that now and the projects that have been funded there. I understand that funding runs out in June 2008.

**Ms Rundle**—Yes, it does.

**Senator STEPHENS**—How many projects have you funded under that initiative?

**Ms Rundle**—Altogether, I think I mentioned earlier, the total is \$70.5 million over four years. There are two program categories. There are programs called developing programs and others called established programs. The aim of the Invest to Grow program is really to demonstrate promising practice and demonstrate where things work better than others. So to that end, we have funded some that have been just in their infancy stage—developing—but others that are established but want to see if they work in a different community in a different context.

We also have funded the extension of 23 Child Care Links projects under Invest to Grow and also another stream which has resulted in the development of national resources by parents, professionals, community groups et cetera. Also, we have funded some projects collaboratively with the states and territories under the National Agenda for Early Childhood. Again, it may be easier if we provided you with a list later of each of the services that we fund and where they are located. We do have it here, but it would take some time to go through.

**Senator STEPHENS**—No, it would be very helpful if you could provide it to the committee in writing, thank you. So will all of these projects expire in June 2008?

**Ms Carroll**—The funding for the Stronger Families and Communities Strategy finishes either in June 2008 or June 2009 across the whole strategy. Therefore, any future funding of those is then a decision for government.

**Senator STEPHENS**—Is there anything unexpended in that program?

**Ms Rundle**—Without checking every financial statement—and I do not have that with me now—I can safely say that there is always a little bit of slippage but that it is committed. It is not that it is not committed but that they may seek approval for it to be expended over a longer period of time, depending upon that local community. But it would be committed.

**Senator STEPHENS**—For Local Answers, that is \$151 million for capacity building projects?

**Ms Carroll**—That actually falls within the Communities group under outcome 4.4. Then questions around Local Answers should be answered there.

**Senator STEPHENS**—But the \$125 million in the Choice and Flexibility in Child Care is within this group?

**Ms Carroll**—Yes. That one, yes.

**Senator STEPHENS**—Can you tell me a little bit about that?

**Ms Carroll**—That was a particular funding initiative. It had a couple of strands, but one of the key ones was around the provision of in-home care and also around some rural and remote services. Again, the funding has primarily been committed in a lot of those areas.

**Senator STEPHENS**—Has any of the funding under this strategy gone to COAG initiatives?

**Ms Carroll**—Not to COAG initiatives. The COAG human capital, which you may be referring to, is currently under consideration. There are obviously discussions going on between the state and federal governments at the moment. However, it does not go back to COAG for agreement or decision until April.

**Senator STEPHENS**—The April meeting.

**Ms Carroll**—Yes.

**Senator STEPHENS**—I am not too sure if you responded to Senator Fielding on the issue of FaCSIA's involvement in the selection of sites for Family Relationship Centres.

**Ms Carroll**—FaCSIA's? We will just have to call the officers back around Family Relationship Centres.

**Senator STEPHENS**—I am sorry about that.

**Ms Beauchamp**—The decision around the sites for the Family Relationship Centres is also a matter for the Attorney-General.

**Senator STEPHENS**—Thank you.

**Senator WEBBER**—I have a question that relates to that, but you can take it on notice. Before, in the discussion with Senator Siewert, we were talking about the collection of statistics. I was wondering if you could provide for the committee on notice a copy of the form that you currently use—I do not want you to try to find it now—as it is today.

**Dr Harmer**—Sure.

**Senator MOORE**—Where do all the family tax benefit questions come? They are in this bit as well.

**Dr Harmer**—Yes.

**Senator SIEWERT**—When we were in the debate over the family law reform and when we were talking about the Family Relationship Centres, the issue around domestic violence came up, as you would know, extensively, and we also talked about it in the committee

inquiry having enough counsellors who were qualified, particularly with domestic violence, because there was a recognition that it requires extra training. (a) Are you aware of, or, (b) are you talking to Family Relationship Centres about how getting qualified counsellors is going? Should I be asking A-G's?

**Mr Hazlehurst**—The short answer is that you should be asking A-G's. The longer answer is to say that both FaCSIA and A-G's are concerned in general about the capacity of the sector to deliver the services that have been funded, as you would expect. Indeed, that was one of the reasons for the government's decision to not just introduce all of the services in one go but to spread it over three years, including the rollout of the Family Relationship Centres themselves. You may be familiar with some of the work that has been going on around competency development both for the Attorney-General's side of the program and indeed for FaCSIA's side of the program. We are monitoring with the Attorney-General those sorts of issues in terms of the workforce across the program. It is a little early to tell, given that we are not even into the second stage yet of the expansion. There is probably not much more I can say at this stage.

**Senator SIEWERT**—I will just ask next time as well so that we can keep chasing the development.

**CHAIR**—Any further questions?

**Senator STEPHENS**—Family tax benefits, if I may. The department has provided an answer to question No. 284 from the November estimates rounds?

**Mr Hazlehurst**—Yes.

**Senator STEPHENS**—And it has provided some tables. The answer seems to indicate that this will be a standard suite of tables in future annual reports.

**Mr Hazlehurst**—Yes.

**Senator STEPHENS**—Do I take that to mean that the department will no longer be answering detailed questions on family tax benefits? Is that the intention?

**Mr Hazlehurst**—To put this in context, there has been a series of questions that have been asked over time at each estimates. For the last two to three hearings the answers to those questions on notice have variously indicated either that the information is already available in the annual report or that the minister has provided some general direction to the department that the balance of the resource effort involved in answering some of the questions suggests that they would only be answered once per year. That led to a counting of the months such that it became apparent that a year was up since the previous time that question had been answered, and the minister has suggested that the department consider actually producing the information once per year but in the annual report so that it was publicly available. So the answer to question on notice No. 284 reflects across a range of questions that fall into that character— that is, that they have been asked at successive hearings. A general answer will now be produced that is substantially more detailed than is available currently in the annual report and it will now be available at the same time each year.

**Senator STEPHENS**—So this set of tables will be the standard suite that is provided in the annual report now. It is quite extensive, isn't it?

**Mr Hazlehurst**—That is correct. Those are the ones that we have identified.

**Senator STEPHENS**—You provided details for this answer as at 29 September 2006. What date is going to be the cut-off for that?

**Mr Hazlehurst**—It will partly depend on the nature of the information but, generally speaking, we would have information of this character as at the end of the relevant reporting year. So information available in the annual report will be as at the end of June for the year in which the report was then published.

**Senator STEPHENS**—In what month do you usually produce your annual reports?

**Mr Hazlehurst**—October.

**Dr Harmer**—Yes, it would be available in October usually.

**Senator STEPHENS**—So this information will be in the 2007 annual report?

**Dr Harmer**—Yes, I think that is what Mr Hazlehurst was saying.

**Senator MOORE**—We do ask these questions regularly and I want it to be really clear what we are going to get in the future because I do not want to have anything left unclear in this place. The questions that Senator Evans put on notice at the last estimates picked up the payments, the numbers with top-ups and the whole bit. I just want to be absolutely clear that the information in your answer to question on notice No. 284, as at 29 September, is exactly what we can now get only once a year. My understanding was that that information was available quarterly.

**Mr Hazlehurst**—Progressively over the last couple of years—

**Senator MOORE**—Four at least.

**Mr Hazlehurst**—But particularly over the last 12 months there has been an indication from the department based on a direction from the minister that certain information was not generally produced by the department for its own internal monitoring of the program and hence would be reproduced only once every 12 months. This is really just gathering that information together and saying that, rather than having it come out at different intervals throughout the year, each 12 months old, we will provide a consistent slice of information that is up to date at the same time.

**Dr Harmer**—There are two issues, both of which Mr Hazlehurst has already mentioned around the use of resources and the diversion of resources. The number of questions on notice that we have been getting has been going up a lot. There is a significant resource involved in answering those. At the last estimates we had 340 or 320 questions, with 750 parts, some of them requiring quite a lot of work. It is a very busy place. We have had to look at how we can cope with this escalation in the number of questions and the amount of information that we have to divert people who are otherwise running programs and providing policy advice to answer. We still do it, obviously, but we have had to make some blanket decisions about things. For example, as Mr Hazlehurst has said, where there is information publicly available either in the annual report or on our web site or wherever, we now in our answers, rather than replicate it or reproduce it, give a reference or say that it is available. For large tabulations that are not compiled, as Mr Hazlehurst has just said, for our own purposes, rather than do them

three, four or five times a year or whatever, we will do them once a year and they will be in some cases produced in the annual report. That is where we are.

**Senator WEBBER**—Can I just raise a general concern and perhaps, Minister, you might like to answer this question. It puts the parliament at a disadvantage in using what will become quite historic financial information. So we will get your annual report in October-November. In fact, annual reports all get tabled in a great big hurry and we have to try to digest them all in a great big hurry. So we will be looking at historic information rather than current information. Where does that decision by the minister fit with the chair's opening statement, where he said:

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—

not the minister—

has expressly provided otherwise.

**Senator Scullion**—This is not an issue that is just about this particular committee. This is an issue across government. The minister has quite rightly said that, in terms of efficiency, if the material is available— and your opening statement refers to details or information— nobody is stopping anybody from getting that information. I would have thought it was quite reasonable to say that information that is publicly available and is on our web site would not normally attract scrutiny because it is publicly available information anyway. There is no mischief. Nobody is trying to hide information. The information is always available.

The reason for the process in terms of giving a comprehensive slice of information that occurs at the same time is that, as a consequence of many of the questions on notice that have come from this committee, the department has decided quite sensibly that that may be a better way to produce information that is more timely and more accurate. I will assure the committee that there is no mischief in this. This is simply an efficiency process in that for any question where the answer is evidently already on the public record, such as on the web site, the department will simply direct the senators to that web site. At no time is it not providing the information.

**Senator MOORE**—We have never questioned a response from any department—this one in particular— where we have been referred to pre-existing information. In fact, we just clarify that that is the information we seek. Already today in an answer to a straightforward question we found out that we were given reference to a media release which did not answer the question. So that is what we are trying to get. On this particular issue they are quite specific questions on the operation of the family tax benefit. As Mr Hazlehurst quite rightly pointed out, these particular questions have been asked in a series over many, many Senate estimates hearings. What we are trying to do is track the effectiveness of the payment. There is no mystery and there is no conspiracy in that. We are just trying to track the effectiveness of the payment.

What we want to find out is whether this snapshot—and that is what this system that has been put in place provides—is available at any other times throughout the year because this kind of top-up arrangement and debt arrangement is happening all the time. It does not



happen just once a year. In terms of the way it is processed, it continues being processed over a period of time. What we have been doing is trying to find out over a period of time exactly how many people are getting their entitlements and how many people are being put in a position of debt by this payment.

If it is the decision of the minister—and I think it has become quite clear in the answers that it is a decision of the minister—that in the future we will only have one time a year to track this payment then we will actually be at a disadvantage because the payment is not assessed once a year. It is actually done through the whole process. It is only going to be available in the annual report.

If you all remember, we did not have your annual report until the day of the last estimates. We work really hard getting our heads around quite detailed responses on the day of the estimates and asking questions on that. That puts people at a disadvantage to know how it is all going to operate. If that is going to be the sequence then, in effect, we are going to be six months behind.

I forget when they can tell us this in detail. You were on time with your annual report. All departments were not. We actually had a copy in the back of the room on the day that we had our hearings last time. If that is the only time we can get the answer then once again we are going to be playing catch-up and going back through the process. It is the clarity of the whole thing that is at issue. Where is it going to fit? How are we going to be able to ask in detail about data that you have in here? My reading of your response to question 284 is very detailed in terms of the payment, how it works and how many people were in the different circumstances. There could be subsequent questions out of that.

This will not be available at the next estimates because it will not fit the sequence of the annual report. The next round of data that we get on this will not be until October-November 2007. My understanding of this answer is that the next round of responses we get on the family tax benefit will be October-November 2007. The answers we have now were from September last year. You can see that in terms of doing detailed scrutiny we are at a disadvantage.

Is there any other form of data collection? Is there a quarterly report of some kind where this information is provided? What is the option? In terms of process, is it going to be that we are not going to be able to have this information and the discussion because we cannot? Mr Warburton, was I wrong with any of the things I said? Did I make an error in terms of the processing, when it was done and those things?

**Dr Harmer**—I have not got the tables in front of me. I will let Mr Warburton and Mr Hazlehurst answer. If the detailed tables that you are looking for are the ones that Mr Hazlehurst was referring to before and you are talking about them being made available once a year then that timing you are talking about would be accurate.

**Senator WEBBER**—So the government is happy and relaxed with the Senate dealing with information that is 12 or 18 months old? That is what we are talking about. If we are waiting for an annual report and that information is historic then the minister is comfortable with that decision.

**Mr Hazlehurst**—The information would be three months old. It would be the information as at 30 June 2007.

**Senator MOORE**—Which we would get at the end of October if they are on time. FaCSIA has a very strong reputation for being on time. We will grant that it will be on time.

**Mr Hazlehurst**—Generally speaking in earlier answers to these sorts of questions the most available information was three months old.

**Senator MOORE**—Quarterly is a sequence of information exchange that we are quite comfortable with. But we are not talking quarterly into the future.

**Mr Hazlehurst**—I am only making a comment about the age of the information that would be available in the annual report.

**Senator MOORE**—Our understanding up to now was that we would ask the questions and we often would not get the answers on the day because of the complexity even though the department was fully aware of the questions we would be asking. We even joked about it. You know what the next question is going to be? The department was fully aware of what the next question would be. In the November estimates we would get an answer back about now which means that we are looking at data which is about four or five months old.

What we are trying to impress upon everybody—and I know we are impressing it upon people who already know the answer—is that under this new arrangement by the time we would have data to consider it would be considerably dated in terms of being able to draw comparisons from it for the purposes of estimates which is the time for information exchange. It would not stop us putting questions on notice and all those things, but for the purpose of an interchange it would put us at a disadvantage.

We know it is a ministerial direction. You cannot make comment on that except to tell us where it came from. Is there any other way under the current information data sets that are available in the Commonwealth that some of this information can be available without waiting for the annual report?

**Mr Warburton**—The short answer to that question is that there are not other publicly available sources at the moment. The main vehicle we have is the annual report. The point I was going to make earlier when you saw me potentially intervening was that there are a lot of things about the nature of FTB that affect your interpretation of the data. Quarterly data is actually not overly helpful in understanding the trends within the program. So, for instance, in the case of reconciliation after the end of an entitlement year there is the processing of tax returns right throughout the next year.

The first quarter's data is invariably incomplete, leaving aside that everybody gets their returns in on time. That does not actually happen. It is a very partial snapshot on the previous entitlement year. It gets better around December. The information is pretty mature towards the end of the financial year. So what you see is more data coming in until you get a relatively complete picture. Once you have that relatively complete picture successive quarterly updates add very little.

The data almost never becomes totally and utterly final. All you need is one individual who has not lodged their tax return or notified us that they do not need to and the information is

not final. It alters very little. In our work within the department we tend to pick a point in time when the data is relatively mature and then for each successive year that we are analysing we pick that same data point. That allows us to look at the trends across years. The point we pick is when the data is relatively mature. That is just a feature of the FTB system. That is an approach we adopt ourselves.

**Senator MOORE**—What point do you pick now, Mr Warburton, is it the end of September? You said in your previous comments that towards the end of the second quarter it is more mature. For the purposes of the department, what would be the optimum time to pick as the point of information?

**Mr Warburton**—Are we talking about reconciliation debts here?

**Senator MOORE**—That is one of the things we are talking about, yes.

**Mr Warburton**—Because the decision does depend on what aspect of the program we are talking about.

**Senator MOORE**—For tables 1 and 2 reconciliation is the major focus.

**Mr Hazlehurst**—A 12-month cycle is a reasonable balance because the data does not change much. The outcomes do not change much beyond that point. It picks up the people who lodge tax returns themselves and the people who have extensions through tax agents to lodge them up to April/May of the following year. A 12-month picture of reconciliation data is actually as good as any a point in the cycle to be comparing from year to year.

**Senator MOORE**—Not within years in terms of looking at people's circumstances. I take the point. Looking forward with enthusiasm to this year's annual report, at what point in time will we be expecting to see the collection that will become public knowledge?

**Mr Hazlehurst**—The completion of that year.

**Senator MOORE**—Which is?

**Mr Hazlehurst**—I believe the reconciliation data is published in this annual report. I am pretty certain it was as at June 2006. We will just confirm that.

**Senator MOORE**—So the annual report, which will be the end of this year, will have the data reconciliation as of the end of this financial year?

**Mr Hazlehurst**—We can confirm that.

**Senator MOORE**—Good.

**Senator Scullion**—Mr Chairman, just in regard to the most recent discussion we have had—I am very respectful of the committee and their concerns—I have to say that I have been informed and enlightened on Mr Warburton's explanation of the value of selecting a 12-month band and the value about how we use the data. It has been very enlightening to me personally and no doubt to the rest of the room. But I will take the opportunity to say that I will reflect to the minister the concerns of those individuals so he understands. It is not for me to go to what was on the minister's mind at the time, but no doubt he was also taking the advice of the officials in terms of the value of the data and the way in which it should be presented.

**CHAIR**—We appreciate that being taken up with the minister.

**Senator STEPHENS**—Gentlemen, just reading the tables—I refer to page 26 and table 110—there is a downward revision in the revised estimates of expenditure of \$81 million in the family tax benefits mainly to do with family tax benefit B. I just wonder if someone can explain that revision and then why there is a downward revision for family tax benefit B but an upward revision on family tax benefit A. It is a simple question.

**Mr Warburton**—The first point to make in this area is that we put out an estimate at budget time. We go through a process then of looking at data on a constant basis and revising our estimates, so it is more of an estimate on estimate comparison. Within FTB B the main drivers of the change were a lower than expected impact of what is referred to as the quarantining of entitlements following return to work after childbirth and a lower provisioning for future reconciliations. There is a component in the estimate that looks at expenditure in forward years out of the reconciliation process—it is not the ongoing entitlements for those claiming instalments. We lowered our provisioning of that element of the estimate. In the case of FTB A, the revision of estimate increased that provisioning for the forward years.

**Senator STEPHENS**—Can you just go back to the FTB B. What proportion went to the quarantining entitlements estimate?

**Mr Warburton**—I do not have a decomposition of the variations in the estimates.

**Senator STEPHENS**—Could you provide that to me?

**Mr Warburton**—Sometimes the information you can get depends on how the model is structured. I will attempt to, Senator.

**Senator STEPHENS**—I would appreciate it.

**Mr Warburton**—Best efforts.

**Senator STEPHENS**—Thank you. Having said all of that, tell me why you need \$1.6 million to administer the family tax benefit, which is what is there in table 1.2 on page 11?

**Mr Warburton**—That additional money for administration relates to an error in system processing that we identified during the course of last year.

**Senator STEPHENS**—It is a big error.

**Mr Warburton**—Those funds are primarily for Centrelink to adjust their reconciliation system, Senator, as well as some training and possibly clarification of their information materials. So it is for a computer system fix, if you like. The problem was that the way the system had been built was delaying payment of the FTB supplement to a separated customer—that is, in the case of customers who have separated in the entitlement year. It arose out of a query from the Ombudsman's office. We found an error and we needed to fix it.

**Senator STEPHENS**—So it arose from a query from the Ombudsman's office?

**Mr Warburton**—That is correct, Senator.

**Senator MOORE**—Is it fixed?

**Mr Warburton**—For this financial year we put in an interim work-around to enable customers to get their supplement and the system fix will be in place for next financial year.

**Senator MOORE**—So it will have 12 months to bed down?

**Mr Warburton**—I am not sure if I put it like—

**Senator MOORE**—Should we ask Centrelink?

**Mr Warburton**—We have done a lot of work to explore system processing here. We have identified where the error is. We are putting the business requirements together. There will be the normal testing of systems before they are put in place and basically the system will need to come live for the reconciliation process next financial year.

**Mr Hazlehurst**—Senator, if I understand the point of your question, as Mr Warburton indicated, Centrelink in fact agreed on an interim work-around for this financial year—

**Senator MOORE**—For 2006-07?

**Mr Hazlehurst**—Correct. This additional funding is to automate that process into the computer system and processes such that the work-around is not needed anymore.

**Senator MOORE**—So the work-around, which is the mechanical way to make it work, is going to be the automated thing?

**Mr Hazlehurst**—The outcome will be the same.

**Senator MOORE**—A work-around that has been tried and tested and will be put to work on all of the people's returns this year will then be—

**Mr Warburton**—The work-around is a completely different manual process, Senator.

**Senator MOORE**—That is what I thought. I did not think that the work-around would be the computer issue. For what it is worth, the work-around, which everyone knows about—they are all going to do it—is going to operate for all returns this year, 2006-07, but for 2007-08 it will be the new system that this money is funded. Is that right, or have I screwed everything up?

**Mr Warburton**—No, there is only a question about whether unequivocally it would work for every customer, Senator.

**Senator MOORE**—There should be no question about that, Mr Warburton.

**Mr Warburton**—The work-around does require, in a sense, the customer to make themselves known to Centrelink. All of the relevant Centrelink staff in this area are aware of the work-around and know how to achieve a satisfactory outcome for the customers.

**Senator STEPHENS**—Gentlemen, can you tell me how many families receive family tax benefits as fortnightly payments into their bank account and as a lump sum payment? Can you provide that breakdown please?

**Mr Warburton**—I will just make sure I have the correct figure. The number of fortnightly instalment customers as at 29 December for FTB A was 1,772,143. For FTB B it was 1,386,873. They are not mutually exclusive categories, so if you just count customers you end up with 1,833,202. So it was instalment customers and—

**Senator STEPHENS**—And lump sum?

**Mr Warburton**—So that was an instalment customer figure in December of last year. The lump sum figure would need to be an historic figure because we do not have lump sums for this year. For the 2004-05 year, some 118,833 received a lump sum through the ATO. Some 29,340 received it through Centrelink and then the picture gets a bit complex. Some people are receiving instalments and lump sums and so forth. If I could just give you a total figure across lump sums and instalments for the 2004-05 year, that was \$2,165,152.

**Senator MOORE**—Can we still get that figure regularly or is there going to be a limitation on how often we can get that figure as well?

**Mr Warburton**—The figure for the 2004-05 year would be pretty stable by now, Senator.

**Senator MOORE**—We regularly ask this question at estimates about payments of FTB—about people on lump sums and people who get fortnightly payments. I am just wondering whether there is going to be any limit to when we get this data, because we should know now rather than having to go through this process again.

**Senator STEPHENS**—Just a final question from me about family tax benefit debt and the Audit Office report. I wonder, Dr Harmer, if you want to make some comment on how the department is managing the debt issues associated with the family tax benefit system and the action that you have been taking in response.

**Dr Harmer**—I will let Mr Hazlehurst answer the question.

**Mr Hazlehurst**—Senator, the department welcomed the ANAO report in that it confirmed that the range of initiatives that have been put in place by the government to address reconciliation debts for a family tax benefit were found to have been successful in reducing steadily the proportion of people who were determined to have an overpayment each year, as well as the overall amount of outstanding reconciliation debt. So we do not have any disagreement with the ANAO on that.

**Senator STEPHENS**—Can you clarify for me what non-lodger debt is—how much non-lodger debt there is in the system and what is being done to address that specifically?

**Mr Hazlehurst**—I might make a start on that question and then defer to my colleague, Mr Warburton, for some of the detail, but in very broad terms customers are obliged to lodge their tax returns within a 12-month period after the entitlement year for family tax benefit. And they are reminded of the need to do that through letters from Centrelink and, indeed, in publicly available information about the program that is provided to them. However, if they have not lodged their tax return by November of the following year then the entitlement that they have received during the course of the previous year is raised as a debt to the Commonwealth.

**Senator STEPHENS**—That was the issue that the ANAO report identified as a problem, was it not?

**Mr Hazlehurst**—It certainly identified that over time, if people have successive years of not lodging their tax return but continue to claim family tax benefit, they can start to incur debts that relate to the non-lodgement of their tax return that can stack on each other from the previous years. The most important point to make about non-lodger debt is that first of all it is

recovered out of ongoing entitlements to family tax benefits so the family still actually gets paid a significant proportion of their ongoing entitlement. The second really important point to make about it is that once they lodge the tax return the non-lodgement debt disappears. They may then have an assessment of their entitlements in the normal way of reconciliation which might lead to either a top up or a nil outcome or indeed a reconciliation overpayment, but the non-lodgement debt itself goes away.

So the ANAO made some suggestions around the need for looking at both communications and other administrative practice that might try to reduce the amount of this non-lodger debt that gets created albeit that it is in many cases notional rather than actual debt because once the family lodges a tax return the non-lodgement debt itself disappears. We are discussing with the minister what options he might want to pursue in that respect.

**Senator STEPHENS**—That is an interesting part of the report, actually, about the challenges that it presents to you as an agency, is not it? That is it for me, Chair, on the issue of family tax benefits. Thank you very much.

**CHAIR**—I think that is also it for output 3.1. Thank you very much for that. We will now move to 3.3, Child care support.

[4.59 pm]

**Senator STEPHENS**—Table 1.10 on page 26 again—my favourite table—indicates a reduction of some \$102 million for the childcare benefit. Could you just explain to us the reasons for that reduction in the estimate?

**Ms Carroll**—Yes. The main reason for the reduction in the estimate is a combination of things. One thing is that the estimate was a little bit high. The estimate was actually reduced down last financial year and the actual expenditure last financial year was around \$1.5 billion. Part of this is because the estimate model dates back to when childcare benefit first came in. In the first three years of childcare benefit there was a very significant growth and growth in the expenditure over that period and obviously, as you would probably be aware, estimate models track those projections forward. While the growth is still there, the growth has slowed. There is also the impact of increased family income. As family income increases therefore the amount of childcare benefit someone might receive reduces and that also has an impact on to the estimates.

**Senator STEPHENS**—With the childcare benefit, can you explain how overpaid childcare benefit is recovered?

**Ms Carroll**—It is similar to the way a lot of the overpayments work. We would have to come back to you with the specific detail of that, but effectively at the end of the financial year, just as family payments are reconciled against family income, childcare benefit is also reconciled against a family's income. The difference for childcare benefit is that the other piece of information that is also required for the final reconciliation is also the information from childcare service providers and childcare service providers put in their returns around childcare benefit quarterly. So they will put in from October or November of any given year the return that is for the quarter that went from April to July. So they have a period that they have to actually do a reconciliation and then get back to Centrelink. So there is a period that

all of that information needs to be in together before the family's final entitlement can be reconciled.

**Senator STEPHENS**—The childcare benefit is paid fortnightly or as a lump sum, isn't it?

**Ms Carroll**—The childcare benefit is paid on behalf of the parents to the childcare provider if the parent wishes, or it can be paid as a lump sum, as you said.

**Senator STEPHENS**—So it is not paid fortnightly; it is paid quarterly, is it, on a reconciliation basis?

**Ms Carroll**—If it is paid through the childcare service provider, which most often it is, the way Centrelink administers the childcare benefit on our behalf is that services get an advance of an amount of childcare benefit. They get this amount of funding on a monthly basis—but it is based on a quarterly estimate—but their payment goes through monthly. Then, at the end of that quarter, the childcare service puts in a return which acquits that funding for the quarter, but at the same time, they have received the next advance. So there is a delay in that process.

**Senator STEPHENS**—Thank you. So when you say there are the two options through the childcare provider or as a lump sum, do many families choose the fee relief payment and incur an overpayment? Does that happen?

**Ms Carroll**—We do not have the overpayment information with us at the moment for the childcare benefit. We will have to take that on notice and provide it.

**Senator STEPHENS**—I do not know if you can calculate this, but perhaps you might be able to give some indication of whether there is a shift in the way families determine if they have an overpayment in the last financial year—if there is any indication of a trend, if they have received an overpayment in one year, that they change to the other option to try to reduce that?

**Ms Carroll**—They change to providing it by a lump sum?

**Senator STEPHENS**—Yes.

**Ms Carroll**—Our lump sum customers stay fairly static. Around about five per cent of customers receive it through the lump sum. Clearly, the vast majority receive the childcare benefit through their childcare service provider, because they have that directly at the time they pay their childcare fees. So there is not a big shift in that. But just as Mr Hazlehurst was describing around family payments, most of the measures that have come in around assisting parents estimate their income obviously also assist families who are within the childcare benefit system.

**Senator STEPHENS**—In relation to the maternity payments that are in table 1.10 as well, that shows an increase of \$36.1 million. Is there a baby boom?

**Ms Carroll**—Yes. That is not in output 3.3. We would need to call those officers back. That is in output 3.1. This is specifically child care.

**Senator STEPHENS**—Right. I am sorry about that. I asked a very foolish question about the increase in the maternity benefit of \$36 million.

**Mr Warburton**—Fundamentally, the increase in that estimate is by an increase in the number of births.



**Senator STEPHENS**—As I suggested, a baby boom. Thank you. In terms of the childcare management system, why is there additional funding required for implementing the childcare management system this year?

**Ms Smart**—The funds are required for the development and implementation of the new system that the minister announced in October last year.

**Senator STEPHENS**—Can you tell us where you are at with developing the system and what it is going to look like?

**Ms Smart**—We are currently working through a consultation process with both the childcare sector and with third-party software providers. We are working through the development of user requirements for the FaCSIA system as well as with Centrelink, because there are three parts to the system. Childcare services will use third-party proprietary software, as they do now, to manage their childcare service. The information will be transferred from the childcare services to FaCSIA via an internet interface and then FaCSIA will transfer various information to Centrelink for the calculation of childcare benefits. FaCSIA will take the information back to then make the payments to the childcare services.

**Senator STEPHENS**—Okay. So when do you hope to have this all up and going?

**Ms Smart**—The system is intended to be implemented from early 2008 with long day care and family day care and other parts of the sector coming on from the middle of 2008.

**Senator STEPHENS**—And is it on time?

**Ms Smart**—At this time, yes, it is.

**Senator STEPHENS**—So that additional funding is \$30 million this year, \$28 million next year; is that right?

**Ms Smart**—Yes.

**Senator STEPHENS**—Is that the total amount—the total budget administered in the department for the implementation of the childcare management system?

**Ms Smart**—Yes. There are administered funds of approximately \$6.3 million this year and \$23 million in departmental funds as well as \$11.1 million in capital funds.

**Senator STEPHENS**—You said that there has been consultation with the sector. Have any significant concerns been raised by the sector itself about the proprietary software that they are using, or the development of the software, or the interface?

**Ms Smart**—The sector has raised a range of issues. We have, as I said, undertaken a range of consultation forums and meetings with representatives of the sector. They raised a range of issues which we have been working through to analyse to look at the implications of that for the development of the system.

**Senator STEPHENS**—What kinds of things have they raised?

**Ms Smart**—They have raised issues about the change from an advance payment, which is the current arrangement, to moving to payments in arrears.

**Senator STEPHENS**—I bet they have.

**Ms Smart**—The requirement for them—it is not a requirement—is the enrolment payment, which is a new payment that is being introduced to assist them to change from an advance to an arrears and seeking more details on that. They have also raised issues around some of the detailed policy around absences and the number of allowable absences.

**Senator STEPHENS**—So how much in arrears is the payment going to be?

**Ms Smart**—What is being proposed for the sector is that payments will be made weekly in arrears.

**Senator STEPHENS**—That is a significant shift for childcare centres to be thinking about for their cash flow, is it not?

**Ms Smart**—But as I said, one of the features of the new system will be the introduction of a new payment, which we are calling an enrolment advance, which would be paid for each child who has a Centrelink customer reference number, which will assist services in managing that cash flow.

**Senator STEPHENS**—How much is that payment?

**Ms Smart**—At this point we are still working with the sector regarding cash flow information in order to determine that.

**Senator STEPHENS**—So have you floated ballparks at all?

**Ms Smart**—What was put forward to the sector, as part of the consultation, was that it would be the equivalent of one week's childcare benefit.

**Senator STEPHENS**—Okay. Translate that to dollars for me.

**Ms Smart**—I am sorry, I cannot do that. I can seek some assistance from my colleagues or come back with that information.

**Senator STEPHENS**—Thank you. That would be great. I understood that part of the new system would be about measuring attendance on any given day as opposed to measuring actual usage hours. Are you going to record the actual hours that the children are there?

**Ms Smart**—That is one of the pieces of information that we are looking to collect from childcare services—the booked or sessional hours as well as actual attendance times.

**Senator STEPHENS**—Have you discussed with the sector how you are going to monitor children's attendance at the centres? How is that going to be recorded? Is that going to be on the software system?

**Ms Smart**—Services are already required to collect information of that type typically for state or territory regulatory arrangements—what you call the in and out times for the child. We are seeking, as part of the system, to have that recorded in their IT software so that the information can also be provided to FaCSIA.

**Ms Carroll**—They are required to keep those attendance sheets so that, for compliance reasons, we are able to check that the child actually attended when they were claiming childcare benefit for that child. So it is a checking mechanism. In response to your question before about the rate of childcare benefit, the current maximum rate for one child in care—and it is obviously dependent on the parent's income—for a 50-hour week is \$148.

**Senator STEPHENS**—So your enrolment advance would be in the order of \$150 per child.

**Ms Smart**—That is correct.

**Senator STEPHENS**—Just going back to this management system, at the moment childcare centres keep attendance sheets. You are going now to an automated system where childcare providers will have to log the children's attendance at the centres. I am just thinking about the risk management issues and potential for fraud here. Do you envisage that parents will have to sign their children in and out?

**Ms Smart**—I believe that, under all state or territory requirements, the person who takes the child to the childcare service—it is not always the parent—is already required to sign their child in and out.

**Senator STEPHENS**—So that system will continue, presumably, given that it is under state jurisdiction. Do you do spot audits or spot checks of those kinds of things to compare this information?

**Ms Carroll**—Through our compliance strategy we do do spot audits and full audits of childcare services to check that the records they are putting in through Centrelink are an accurate reflection of the childcare benefit they should have received on the parent's behalf, and obviously those sign-in sheets are an important part of that. There are some systems that childcare services use now that are more automated. For example, they might have a PIN for parents to put in as they come and go from the childcare service. Those sorts of things are acceptable so long as there is, I suppose, an audit trail where we can see that a parent has been able to log in or out at a particular time. As Ms Smart mentioned, the state and territory governments also require childcare service providers to keep this kind of information.

**Senator STEPHENS**—So if, for example, my child—my baby is 21!—was booked into a childcare centre for the day and for some reason he was sick and he was only there for four hours, what would happen to the childcare benefit under this new system?

**Ms Smart**—There is no change to the childcare benefit arrangement in terms of booked hours or sessional hours as it is currently paid. This system will not cause a move away from that arrangement.

**Senator STEPHENS**—Is that one of the issues that the sector was concerned about?

**Ms Smart**—It is one of the issues that the sector has raised and we have given those childcare services the same advice back.

**Senator STEPHENS**—That is good. So you said you have been in consultation and you are going to roll this out first to the long day care and family day care sectors?

**Ms Smart**—That is correct.

**Senator STEPHENS**—Are you piloting the new arrangements at the moment?

**Ms Smart**—The aim is to have a pilot in the second half of 2007. Again, we are talking with the childcare sector and the third-party software providers about the arrangements for that pilot in the second half of this calendar year.

**Senator STEPHENS**—Are you going to have a few pilots or just one?

**Ms Smart**—In terms of the numbers involved in the pilot, that is one of the things we are discussing. We want to ensure that we get a broad cross-section of different service types in different locations so that we are able to trial the FaCSIA business processes and support arrangements as well as the interchange of information from childcare services to FaCSIA to Centrelink et cetera. The important part from our perspective with the pilot is to be able to trial the range of support that will be put in place for the sector as a whole.

**Senator STEPHENS**—You are going to have the pilots running in the second half of this year?

**Ms Smart**—That is correct.

**Senator STEPHENS**—With a view to introducing it to the long day care sector and family day care sector—

**Ms Smart**—From the beginning of 2008.

**Senator STEPHENS**—I suppose one of the issues that the sector would have raised is that this creates another level of red tape and bureaucracy for childcare services. Has that been a concern?

**Ms Smart**—They have raised what they see as administrative issues. At the moment childcare services actually calculate the amount of childcare benefit for each family in order to provide the fee relief. Childcare services will no longer be required to undertake that calculation process because, under the childcare management system, that will be taken over by Centrelink based on the information it holds in relation to the parents' entitlement or eligibility. That is an area that childcare services will not be required to undertake.

In terms of working through the administrative arrangements with them, they will still continue to use the same software within their service. The software will have to be modified in order for it to be able to interface with our system and transfer data. But, in terms of overall changes to their software, we do not believe that those changes will be extensive from the point of view of the childcare service. But, again, we are working with the third-party software providers on that.

**Senator STEPHENS**—Is the government providing assistance to childcare centres for those modifications to the software?

**Ms Smart**—The government is providing some financial support to childcare centres to assist with the costs of any upgrade of software or hardware that is required as a result of this change.

**Senator STEPHENS**—To what extent is that financial support?

**Ms Smart**—That is what makes up the administered payments that are identified in the portfolio additional estimates statement. Again, we are working with the childcare sector on the criteria. Basically we are asking the sector for input into how we should be making some decisions around how to allocate those funds to services. So we have asked for input on the sorts of criteria that we should consider in working through to the level of payment that would be available to each service.

**Senator STEPHENS**—In terms of estimating that it will cost \$30-odd million, you must have had some kind of modelling done for childcare services. If you think about the software modifications or the development of new software that the childcare centres are going to be using, you must have had some figure in mind—\$300 or \$500. I do not know how complex the software actually is.

**Ms Smart**—The childcare centres themselves will not be making modifications, because it is software that they purchase typically and there is no financial assistance to the third-party software providers because they will be selling their product. We have, as part of working through the development of the system, worked through a range of issues in terms of certain parts of the sector that will require greater assistance because they are working from very manual arrangements at this point in time.

**Senator STEPHENS**—So you mean like family day care?

**Ms Smart**—Some services, particularly in the outside school hours care sector, work manual systems basically. There are still some childcare providers who submit paper records to Centrelink, whereas others have much more sophisticated software arrangements. So, in order to work through how to best support the sector, that is what we are working with the childcare sector with at the moment.

**Senator STEPHENS**—So how much have you put aside for that kind of logistical support?

**Ms Smart**—In 2006-07 it is \$6.3 million and in 2007-08 it is \$12.45 million.

**Senator STEPHENS**—What about training? Are you going to provide training?

**Ms Smart**—There is training on two levels. In terms of the day-to-day operation of the individual product or software package that the childcare service purchases or leases—or licenses, whatever their arrangement is—FaCSIA will not be in a position to train each childcare service on the use of the individual package that they adopt because there are 25 different packages. It is their choice of what best fits their service. But FaCSIA will be providing support in terms of education and information to childcare services in relation to childcare benefit policy and the interaction between their service and FaCSIA. Again, we are working with the sector about the sorts of products that they believe will be of most benefit to them and in terms of the timing and the delivery mechanisms.

**Senator STEPHENS**—Is FaCSIA planning to have online help assistance for the interface part?

**Ms Smart**—I am not sure what you mean by ‘online help’.

**Senator STEPHENS**—It really does not matter. I am just thinking in terms of the interface of software with FaCSIA’s reporting system.

**Ms Smart**—Basically, because the childcare service is using its own package day-to-day, it does not ever actually see our system because it is a transfer of information between the two. However, we will have a support help desk. But in terms of online help where you are sitting and pushing a button, no, that is not part of the arrangement that there will be a help desk that will be put in place.

**Senator STEPHENS**—Now I just want to go to one specific issue that has been raised by a colleague of mine. It is an emerging issue, I suppose, about the new inclusion support arrangements for children with special needs. I understand that previously children with special needs were provided child care under a system called SNSS. Is that right?

**Ms Carroll**—That is correct.

**Senator STEPHENS**—And under the new system the funding has shifted from the child and following the child and it has now been linked to the childcare centre; is that correct?

**Ms Carroll**—The principle of the previous funding was similar to the principle of inclusion support subsidy, which is that it has always been based on a child in a particular setting, which means that I think there was a misconception under SNSS that it was actually attached to a particular child. However, what we have done with the inclusion support subsidy is to place a far greater emphasis on all childcare services being ready to include children with additional needs. So one of the big changes here is previously when we had a child that was going to go to a particular service there would be work done with that service to make sure they were able to include that child. However, there was not as much work done to make all services ready for children with additional needs. So there is a particular focus in the new inclusion support subsidy to ensure that all childcare services are ready to include children with additional needs when and if one would like to attend this service.

**Senator STEPHENS**—I suppose the issue that my colleague has experienced is the fact that a child with a disability or a special need can be registered, their name can be registered, with the childcare centre but they cannot enrol them until funding for assistance under this new system comes through. So it seems to be a bit of a catch-22. The issue I suppose, thinking about this circumstance, is that first of all children changing centres is a problem for them because the assistance, if it is modifications, has already occurred at a previous centre. With regard to a child who moves from one centre to another or who moves from one town to another, are they eligible for additional assistance, first of all?

**Ms Carroll**—It is dependent on the needs of the actual child within a particular service. A child may be attending one particular service where they get a certain amount of inclusion support subsidy because perhaps at that service they need an extra worker for a particular number of hours or a piece of equipment, but when they go to another service in fact that service already has that piece of equipment or perhaps they have another child with additional needs and so they already perhaps have a worker assisting with that child so they do not need the same level of support or perhaps they need more. That is why the idea of the inclusion support subsidy is to ensure that we are matching the needs of the child in a particular environment because those environments change from service to service.

**Senator STEPHENS**—So, even if a child changes their hours at a centre, it is my understanding that a new application is needed; is that true?

**Ms Shugg**—Under those circumstances, a new service support plan would need to be developed so that the funding would then be able to be used to the best for the child and the service. So, if the original funding was being used to provide a certain number of hours assistance from an extra staff member, then that might need to be reviewed if the child's hours went down, for example, or vice versa if they went up.

**Senator STEPHENS**—Sure, or if they changed their days or something like that. So a new application has to be—

**Ms Shugg**—I do not think it is a new application. It is a new service support plan that needs to be developed, so the inclusion support agency would be asked to come in and have a look at what changes needed to be made.

**Senator STEPHENS**—Okay. So the issue that our colleague seems to have is that there seems to be delays in that process, particularly if there is a shortage of childcare places. It seems to be for her that the constituents who have spoken to her about it say that they have lost their childcare place simply because it has taken quite a long time between when they kind of marked the spot and when they got approval for funding. Has this been an issue that has been raised with you in terms of the new arrangements that are now in place?

**Ms Shugg**—I am not aware of it being specifically raised with us. We are aware that there were some delays and backlogs with the inclusion support agencies and we have asked our state officers to work with the inclusion support agencies to address those backlogs, but I am not aware of the specific issue being raised with us about losing a place because of a delay.

**Senator STEPHENS**—And what about the issue of backdating payments? Is that something that has occurred under this new arrangement?

**Ms Shugg**—I am not aware of it, Senator.

**Senator STEPHENS**—What is the department's policy in terms of back paying?

**Ms Shugg**—Usually, as you said before, a childcare service does not confirm the place until the inclusion support subsidy has been approved. So, in terms of back paying, that is not usually an issue.

**Senator STEPHENS**—What is the process of actually applying for the subsidy?

**Ms Shugg**—As I understand it, the childcare service talks to the inclusion support agency and asks them to come and do an assessment of the childcare arrangements and the evidence that the child's parents give in terms of the additional needs that that child has. They work out a service support plan which may include various aspects of support including either an additional worker or perhaps equipment and then that service support plan is put into action.

**Senator STEPHENS**—With regard to inclusion support agency representatives, how many of those are there around the country?

**Ms Carroll**—There are 67 across Australia, so they cover every region of Australia. A tender process was completed last year to ensure that there was coverage across every region of Australia for inclusion support.

**Senator STEPHENS**—So they would generally be a private provider contracted to the department?

**Ms Carroll**—They are all on a contract and there was a public tender process for those contracts.

**Senator STEPHENS**—Just from what I am hearing, it requires, first of all, the childcare centre to contact this agency and to work with the parents. So there is quite a coordinated effort required here, is there not?

**Ms Carroll**—The inclusion support agencies employ staff called inclusion support facilitators who would normally have already made contact with those childcare services. Obviously this is fairly new still, but over a period of time they would already have a relationship with those childcare services because, as I have said, part of the new program is to ensure all services are ready to take children with additional needs. So there would already be a relationship there; it is not like they are calling somebody that they would not know.

**Senator STEPHENS**—Okay. In terms of the children who are eligible for this payment, are they children who have already been assessed as having a disability?

**Ms Carroll**—They either have the disability or have other high ongoing support needs, so they might have some behavioural issues or some other things that make them eligible for the subsidy.

**Senator STEPHENS**—Where does the process begin to identify? If a child, for example, has behavioural difficulties—Asperger's or something like that—who determines that this level of support might be effective for them in the childcare centre? Is that something that is identified by the childcare centre at the beginning or—

**Ms Carroll**—That is identified in conjunction with the inclusion support agency. As I described, the inclusion support facilitator would work with the childcare service, because it will be that child's needs within that particular environment. For example, even a child moving from one room to another—perhaps they are in a toddler room into a preschool room—may mean that the need for support may change in that shift because perhaps the staff-child ratios are slightly different and those sorts of things. That assessment is done between the inclusion support agency and the childcare service.

**Senator STEPHENS**—Some centres within our colleague's electorate have expressed some concern, firstly, about the levels of paperwork involved in this new system and certainly the delays in approvals. Is that an issue that has been raised with the department?

**Ms Shugg**—As I said before, we were aware of the delays in approval and we have been working to address those backlogs which were there at the time the new system came into place. In terms of the amount of paperwork, I do not think that has been raised directly. But the focus of the new system is to try to have an ongoing relationship and an ongoing assessment of the needs of the child in the environment. So as people use child care flexibly, then, yes, there is going to be a need for an ongoing relationship.

**Senator STEPHENS**—Is the department planning a review of this new initiative?

**Ms Shugg**—We are looking at a post-implementation review to look at the administration of the implementation of the new system. We are constantly looking at the feedback we are receiving from the sector—the ISAs and peak bodies—to look at whether there are issues with the policy that we might be able to address.

**Senator STEPHENS**—Have you set a timetable for the post-implementation review?

**Ms Shugg**—Off the top of my head, I looked at something on the weekend and I cannot remember what the date was, I am sorry, but it is coming up in the near future.

**Senator STEPHENS**—If you could provide that to the committee, that would be helpful.



**Ms Shugg**—I can do that.

**Senator STEPHENS**—I have one final question in terms of an analysis of the actual costs involved in providing care to students with special needs. How do the new inclusion support arrangements compare with the former arrangements—SNSS. Does this allocation provide additional support for students with special needs?

**Ms Carroll**—The allocation for this financial year had been \$35 million, which was significantly more than has been previously supplied under SNSS. But in additional estimates you will have noticed that there was an additional \$9 million into the inclusion support subsidy to recognise an increased demand in this area. So that makes a total of about \$44 million this financial year and it is anticipated around 10,000 children would be assisted with that funding.

**Senator STEPHENS**—In terms of the children assisted, is the department working to prioritise learning needs or anything like that in terms of the additional support that you believe this is going to provide? Is it linked to an early literacy or preliteracy kind of priority or anything like that?

**Ms Carroll**—The additional funding means that the applications we receive we are able to process and provide all of those children with the additional support that they require.

**CHAIR**—If there are no other questions, thank you very much to the people involved in child care support.

[5.42 pm]

**CHAIR**—I now call to the table people involved in output group 4.4, Community partnership and delivery.

**Senator MOORE**—Dr Harmer, I just have some basic questions on community business partnerships. I want to know what money has been expended up until now and what the out years are going to be, because that particular program was so focused. Can we find out what has actually been spent to date?

**Dr Harmer**—I am just wondering if we have the information here. Mr Carmichael will find the information in his folder. Senator, while he is looking for that, we have a couple of updates from questions we took this morning on notice that we said we were confident we could get you in a day.

**CHAIR**—Thank you.

**Mr Hunter**—Earlier today we took a few questions on notice. The first one would be on page 48 under the portfolio additional estimates statements. In regard to that, the first question was the reduction in receivables. There are two reasons for that. The first one was the revised opening balance for 2006-07 from the end of the financial year process. The balance that was in the portfolio budget statements reflected the estimate and that revised opening balance was in the order of \$20 million. The second part of that was the reclassification of the receivables for the Centrelink prepayment that I spoke about, which had an impact on our bottom line.

The second one that we took on notice this morning, again on page 48, was to do with the administered total assets—the reduction of \$650 million in receivables. That was all due to

actuarial advice that we had at the end of 2005-06 as part of the year end financial statement process and consequently flowed through into 2006-07. So again, it was your closing balance of 2005-06 which then flowed into the opening balance, as well as the impact through and the projections from the actuary, which was the Australian Government Actuary, of \$46 million for the first part for 2005-06 and then \$190 million for the second part, 2006-07. Those are the estimates from the actuary.

The third one that we took on notice this morning was with regard to credit cards. We talked about, I think with Senator Moore, the chief executive instructions. I have a few copies of that to table now.

**Senator MOORE**—We have been waiting for them.

**Mr Hunter**—There is not much there. It is pretty straightforward, but I think the main part was on option C, which was the problem that we had with ANAO with the B finding that we discussed this morning. I think it is important to note that FaCSIA believes that we have had that issue resolved, but again we are waiting on the results of the interim audit. But I have that to table now.

**Senator MOORE**—Thank you very much.

**Mr Hunter**—I have a few copies there. The last one was on page 25, the Indigenous Land Fund—the estimate reduced from \$101 million and I think it was Senator Stephens—

**Senator MOORE**—It was.

**Mr Hunter**—So reduced from \$101 million to \$75.9 million—say, \$76 million. The reason for that was that the \$101 million that was in the PBS was part of DIMIA's estimate when it was taken over—the MOG changes. In that respect, we never made any changes at that point in time. However, we have subsequently reviewed that and believe that a five per cent return on the investment fund is probably more realistic. That is why it has reduced down to \$75.9 million and, as at the end of the last lot of financial statements, as reported in the annual report, showed interest of around \$80 million. So we think that is in the ballpark.

**Senator STEPHENS**—Thank you.

**CHAIR**—Thank you for those answers.

**Senator MOORE**—I have a follow-up question—and I do not know whether it is to Mr Hunter or the woman who answered my questions earlier. When we were talking about that, I was told that when someone actually got the use of a credit card, they were issued with full instructions and told about how important it was. Am I to take it that the full instructions are 2.7?

**Mr Hunter**—No.

**Senator MOORE**—Because that is what I asked for. That is fine. That points out what you are doing, but the point that was being made this morning is the personal awareness and accountability of the officers.

**Dr Harmer**—Yes. They do get more detailed information.

**Senator MOORE**—I was hoping so. It is very nice, the three points. Thank you, Mr Hunter. That is great.

**CHAIR**—The questions that Senator Moore asked.

**Mr Carmichael**—I will just clarify the question. You have asked for the expenditure for 2006-07?

**Senator MOORE**—2005-06 and 2006-07. That is what I was asking for. What has been spent in this program in those years?

**Mr Carmichael**—And you want to understand what activities have been funded in those years?

**Senator MOORE**—To an extent out of that and you may want to put that—if it is done more easily—on notice. I just want to get an idea because it is such a focused program. Also, from your understanding, what is the expectation of expenditure? I think it is two more years, is it?

**Mr Carmichael**—Yes, to 2007-08. I will just quickly run through the administered funds. In 2005-06, it was \$3.107 million. For 2006-07, it is \$2.679 million. Then in 2007-08, it is \$2.616 million. There is a range of activities, of which some are multiyear. So some are running over 2005-06 and 2006-07. The sorts of activities that that includes is the Workplace Giving Australia research. That was \$1.098 million and that ran 2004-05, 2005-06 and will run into 2006-07. The Giving Australia research is \$782,000. That was in 2004-05 and 2005-06. There is the Prime Minister's Awards for Excellence in Community Business Partnerships and that is in the order of \$735,000 per year. We run a corporate social responsibility essay competition each year and that is \$175,000 and then National Community Business Partnerships Week, which is about \$150,000, and that is run over 2005-06 and 2006-07. Is that the sort of information?

**Senator MOORE**—That is the kind of thing. Is it easier for you just to table that?

**Mr Carmichael**—Yes, I have that information.

**Senator MOORE**—That would be easier. We had not had a chance to ask those questions before. Is that on the website? I could not find it, but that is not to say that it is not there.

**Mr Carmichael**—There is some information. It is on a website called [www.partnerships.gov.au](http://www.partnerships.gov.au). It would be linked to our FaCSIA website, though, as well.

**Senator MOORE**—Thank you.

**CHAIR**—Senator Stephens, did you have questions in this area?

**Senator STEPHENS**—We are back to Community partnership and delivery. I was asking questions before of the Stronger Families and Communities Strategy and just wanted to get some clarification about the Local Answers fund.

**Mr Carmichael**—The figure that I think was mentioned earlier omitted \$10 million that was included in the additional estimates. So I will just get you that figure.

**Senator STEPHENS**—Thank you.

**Mr Carmichael**—You are looking for the multiyear figure, which would now be \$147 million over five years. Is that the figure that you are looking for?

**Senator STEPHENS**—I thought I heard it was 151, but that is all right. Are you able to provide us with details of what has been funded under Local Answers?

**Mr Carmichael**—That is available on the website. There is a comprehensive, up-to-date—everything that has been funded is on the website going back over all the years.

**Senator STEPHENS**—Is all of the money committed for under that initiative of \$147 million?

**Mr Carmichael**—No, there is a drought round happening now, which was announced late last year. It is just being finalised this estimate process. It will be announced shortly. We are just finalising that assessment process and we will be giving advice to the minister over coming weeks. Then there is another round at least to be run this financial year.

**Senator STEPHENS**—At least another round.

**Mr Carmichael**—There is \$29 million left in the program beyond the current round that we are running and it just needs to be decided what is the most sensible way to manage the future round of that money.

**Senator STEPHENS**—Thank you.

**CHAIR**—That wraps up output 4.4. We will proceed to output group 4.1, Housing support.

**Dr Harmer**—We took some questions on the disability area and we have some quick answers to provide. Ms McKenzie will do that.

**CHAIR**—Thank you.

**Ms McKenzie**—I wanted to table information on the funding and expenditure for the respite and information service for young carers, information on the estimates for the disability trust broken up into various areas, further information on the membership of the National Disability Advocacy Program reference group and consultative group and also the updated table from the answers to question on notice No. 200 which looked at the different kinds of advocacy for the different services.

**CHAIR**—Thank you very much. That is helpful.

**Senator LUNDY**—There has been a swag of evidence coming through in the HIA-Commonwealth Bank quarterly affordability index about housing being more unaffordable than ever. They are saying that homes are now more unaffordable than they have ever been. Home owners in some major cities are spending 36 per cent plus of their income on mortgages. There are a range of other facts. Can you describe what specific measures are currently being considered by the department to tackle housing affordability and, in particular, provide an update on the progress from the Commonwealth's perspective on the framework for national action on housing affordability with respect to the state and territory discussions?

**Mr Wallace**—I will take the second part of your question as being the focus of it. What are we doing? We are basically working with the states and territories on assessing a number of measures and looking at the circumstances around housing affordability so that we can develop replacement arrangements when the current Commonwealth State Housing Agreement expires at the end of June 2008.

**Senator LUNDY**—I have some specific questions about that Commonwealth State Housing Agreement. Perhaps we could develop that point a little now. Is it your intention to renew that agreement?

**Mr Wallace**—That is a government decision.

**Senator LUNDY**—The way I interpreted what you were saying was that these are things you are working on in the context of the renewal of the Commonwealth State Housing Agreement.

**Dr Harmer**—We are operating on the basis that that agreement will be renegotiated and we are progressing down the track that was agreed when the current agreement was signed some three or four years ago. It set out a process for the renegotiation and we are carrying the various elements of that process forward at the moment.

**Senator LUNDY**—Perhaps I could ask the minister what the government's intention is with regard to proceeding to the renewal of the Commonwealth State Housing Agreement.

**Senator Scullion**—It is my information that we are going through a process that was agreed to by all the current signatories to the agreement moving towards the next agreement. We knew that that is exactly where we would be up to. That is exactly what we are doing.

**Senator LUNDY**—So you support a new agreement?

**Senator Scullion**—No, I said that you were trying to clarify our position on it. My position is that we have an agreement and that as part of that agreement there was an understanding that we would be moving towards negotiation of a new agreement in 2008. As far as I have been advised that position has not changed.

**Senator LUNDY**—So if I ask you will that agreement be renewed, what is your answer?

**Senator Scullion**—That is obviously something that will be determined as a subject of the negotiations between the parties.

**Senator LUNDY**—But it is your intention from what I understand from the officers to proceed along the path as though that agreement will be renewed?

**Senator Scullion**—Indeed.

**Senator LUNDY**—Is there any policy to the contrary, Dr Harmer?

**Dr Harmer**—There has been absolutely no decision. The government's agreed position in relation to the renegotiation of Commonwealth-state agreements sets down a process where the minister goes back to cabinet. Because we are still well over a year from the expiry of the Commonwealth State Housing Agreement the process set in train is about research and evaluation. That is the stage we are at at the moment. We are not even to the point yet where our minister is required to go to cabinet on that agreement. So government has not even considered it yet. It would be impossible either for the minister at the table or me to make any pronouncements about that in advance of the government even considering it. We are progressing the research, the evaluation and the elements that we agreed when we signed the agreement and we are working with the states the same way as we did last time.

**Senator LUNDY**—Given there is a time frame and you are going through the processes, when is the minister scheduled to decide whether or not the government is going to proceed with the new agreement? At what point will that be considered by cabinet?

**Mr Leeper**—Under normal arrangements we would expect that that would be done before June of this year. A first stage submission on a broad Commonwealth negotiating strategy will be considered by cabinet if this thing follows the normal process and there is no reason to believe otherwise at this stage.

**Senator LUNDY**—Going back to Ms Wall's answer, can you describe in detail what stage those discussions with the states are at and the sorts of issues you are negotiating?

**Mr Wallace**—Housing ministers have agreed to quite a broad schedule of work that we have been doing over the last year or two. We have some specific projects in place. There are a number of working groups looking at issues that we might wish to include as part of an agreement post-2008. They include work on the not-for-profit housing sector, how we might be able to increase the supply of housing more broadly, not just within the public and community housing sectors, work on shared equity arrangements, work with planning officials on some issues around planning constraints, work on rent subsidies and a bit of work on how those measures might sit together as a package.

**Senator LUNDY**—Have you engaged any consultants to work on this or advise the department?

**Mr Wallace**—The Commonwealth and the state governments joint fund the Australian Housing and Urban Research Institute to do quite a bit of work that it will be drawing on as part of this research and renegotiation process. But quite specifically we also have an evaluation of the current Commonwealth State Housing Agreement that has just been completed jointly under the auspices of state and Commonwealth jurisdictions.

**Senator LUNDY**—So that has been completed?

**Mr Wallace**—Yes, it has.

**Senator LUNDY**—And what were the outcomes?

**Mr Wallace**—The outcomes were that basically the objectives of the agreement were being met. While the report has been completed and it is in the hands of Commonwealth and state officers at the moment it is not actually available for public release so I cannot go into detail about what is there. Before it is publicly released we actually have the agreement of the jurisdictions and it has only just been completed.

**Senator LUNDY**—So it is your intention, if the states agree to release that evaluation publicly, that it will be a public document?

**Mr Wallace**—It will be up to Commonwealth and state ministers ultimately. But certainly in the past they have been made public.

**Senator LUNDY**—Can you tell me whether that evaluation looked at whether the CSHA funding is sufficient to meet the objectives of the overall agreement?

**Mr Wallace**—That was not in itself an element of the evaluation.

**Senator LUNDY**—So have you done any evaluation of whether the overall funding can actually meet the objectives?

**Mr Wallace**—As I said, it was more an evaluation of the existing agreement—the funding that had been provided and how that had contributed to the achievement of the objectives. There was not a specific question about funding adequacy.

**Senator LUNDY**—So can I ask you whether that evaluation concluded that the current agreement with the current funding met all of the objectives of the agreement or to what degree they met the objectives of the agreement? I suppose it would be another way of identifying a shortfall.

**Mr Wallace**—As I said, the evaluation is not yet public. So, while I can talk about it in general terms, I do not want to be more specific.

**Dr Harmer**—I think we probably should not go any further with it. This is a report to ministers and I think it is quite likely that they will agree to release it. So I do not think we should go any further.

**Senator LUNDY**—The report on government services in 2007 shows that spending on the CSHA has reduced over the last years by some \$400 million in real terms from \$1.7 million in 1996 to \$1.3 million in 2006. This was also confirmed in answer to questions on notice asked by Senator Carr. Can you explain this reduction in real terms expenditure from the CSHA—and in the context of the increased focus on Commonwealth rent assistance?

**Mr Wallace**—They are government decisions—funding for those respective programs—and they are made in the budget.

**Senator LUNDY**—So the reduction in real terms of \$400 million to the Commonwealth State Housing Agreement was a deliberate policy strategy or deliberate policy implemented by this government?

**Dr Harmer**—Senator, the agreement that was signed, I think some years ago, was jointly agreed and signed. The funding was clear. Commonwealth and state ministers agreed to that. As far as I am aware, the Commonwealth has lived up to its part of the bargain in that agreement which was signed some years ago.

**Senator LUNDY**—With due respect, Dr Harmer, I think these questions are really geared towards the minister. So perhaps I could ask Senator Scullion to make a comment on this shift from the Commonwealth State Housing Agreement to Commonwealth rent assistance. There is obviously a substantial difference in the proportion of funding that the government is putting towards the Commonwealth State Housing Agreement, or a substantial reduction. Are you able to provide a policy explanation or policy motivation for that? What are you trying to achieve?

**Senator Scullion**—First of all, I do not have sufficient information at hand to accept the premise of the question that that is somehow notionally some particular mischief or policy intent by the Commonwealth.

**Senator LUNDY**—I think it is openly stated.

**Senator Scullion**—But I would say that, in the context of the timing of the Commonwealth State Housing Agreement, we are moving to a point under which all of these issues are going to be discussed. It is not for me to pre-empt or pontificate on any particular policy the Commonwealth and the minister who will be conducting the negotiations may or may not have.

**Senator LUNDY**—Yes. I do not think we will get any further there. On notice, I want the current forward estimates for the Commonwealth State Housing Agreement for 2006-07, 2007-08, 2008-09 and 2009-10.

**Dr Harmer**—Normally we would be able to provide them, but Ms Wall has just reminded me that the agreement is due to cease in June 2008. Therefore, they would not be included in the forward estimates until we renegotiate.

**Senator LUNDY**—We will come back to it after dinner.

**Mr Carmichael**—Just before we break, I want to correct a figure I provided a few minutes ago on the total funding for the Local Answers stream, which also includes the volunteer small equipment grants. Earlier in the estimates hearing a figure of \$151 million was given. That did not include the \$10 million that was appropriated in additional estimates just recently. So the total figure is now \$161 million.

**CHAIR**—Thank you for that, Mr Carmichael.

#### **Proceedings suspended from 6.09 pm to 7.10 pm**

**CHAIR**—I call to order the Community Affairs Committee's inquiry into additional estimates for 2006-07. Before the dinner break we were dealing with output group 4.1, Housing support, and we will continue with that now. I think Senator Lundy had some questions she was pursuing.

**Senator LUNDY**—Thank you, Chair. I started by asking a question about the framework for national action on housing affordability and we began a conversation about community-state housing agreement. I would like to go back to that framework for national action on housing affordability and ask the department if any new research or modelling that looks closely at a range of policy ideas to alleviate the enormous stress on particularly first homebuyers trying to get into the market has been commissioned.

**Ms Wall**—I mentioned previously that the Australian Housing and Urban Research Institute undertakes quite a range of research on behalf of the Commonwealth and state governments. Certainly some of that would touch on access to home ownership. We have not separately commissioned any other work in relation to that and issues around the first home owners grant, for example, would be an issue for the Treasury.

**Senator LUNDY**—In the previous estimates, Senator Carr asked a question about budgets for national housing research. The response was \$420,000 per annum. Is that the body you referred to in the answer to your question just then?

**Ms Wall**—We actually provide \$1.25 million this financial year to the Australian Housing and Urban Research Unit at the institute.



**Senator LUNDY**—Is that institute separate to national housing research administered discretionary grants that you referred to in answers to questions on notice?

**Ms Wall**—That \$420,000 is part of that but we provide additional money to that \$420,000.

**Senator LUNDY**—So the \$420,000 is part of \$1.25 million?

**Ms Wall**—That is right, yes.

**Senator LUNDY**—The remainder of that \$1.25 million goes to the institute?

**Ms Wall**—Yes, \$1.25 million goes to the institute, including that \$420,000.

**Senator LUNDY**—Can you explain, in the answer to that question 332 on notice, why it was answered in that way?

**Ms Wall**—Because that is what is in the forward estimates.

**Senator LUNDY**—Sorry. What is different about the national housing research—valued at \$420,000—compared to what the institute does? Why is it separated out or a separate number?

**Dr Harmer**—Senator—Ms Wall can correct me if I am wrong—the Commonwealth contribution to the running of the Australian Housing and Urban Research Institute, which is also partly funded by the states and with contributions from some universities, is \$1.25 million. We have earmarked part of that that must be spent on housing research. There are probably other bits that are as well, certainly that contribute to the infrastructure for the capability of doing housing research, but I suspect that the \$420,000 is provided where we have some say or some involvement about the research topics. Is that right?

**Ms Wall**—The \$420,000 was provided as a minimum allocation and it was decided, in previous years, that that would be increased. So, as well as that \$420,000, additional funding is provided from departmental sources.

**Senator LUNDY**—Yes. The question that was asked by Senator Carr is, ‘Provide the forward estimates of expenditure 2007-08, 2008-09’ et cetera for national housing research. The answer is, ‘Every year they get \$420,000.’ What I want to know is why that is different to the \$1.25 million that you just said that the Commonwealth spends on housing research.

**Ms Wall**—The response I have here in front of me, question 332, is that we were asked for forward estimates for national housing research, which is an administrative discretionary grant, and we gave the answer that it was \$0.42 million per annum. That is not inconsistent with what I have been saying.

**Senator LUNDY**—Has FaCSIA met with Treasury regarding the possibility of taxation measures, for example, being used to alleviate the unaffordability of housing?

**Ms Wall**—We meet with Treasury on a range of issues.

**Senator LUNDY**—Have you met with Treasury on that issue?

**Ms Wall**—Not specifically on that issue.

**Dr Harmer**—Not specifically on that issue, Senator.

**Senator LUNDY**—Has the department looked at and considered in any way some of the innovative ideas that have been advocated by the states over the last two months: for example, the Queensland housing minister's Home-link policy proposal? Perhaps we could start with that. What is your response to that proposal?

**Ms Wall**—Yes. Our minister agreed that we would assess that proposal and we have been doing so. We have been talking to our Queensland state counterparts to get a bit more detail about how they see that operating.

**Senator LUNDY**—Have you done any modelling on this proposal yet?

**Ms Wall**—Queensland state officials have done some and they have given us that modelling.

**Senator LUNDY**—What is your response to that modelling? Do you think it is accurate? Has it been assessed from the Commonwealth's perspective as yet?

**Ms Wall**—Yes. We have looked at the modelling and we have made comments about the assumptions that they have made.

**Senator LUNDY**—What were the comments?

**Ms Wall**—In terms of briefing our minister—

**Dr Harmer**—Given that, if we briefed our minister on it, it would be in the nature of policy advice, Senator, we could not argue—

**Senator LUNDY**—I am not asking for policy—

**Dr Harmer**—We could say whether we have done it or not, but we cannot give you the content.

**Senator LUNDY**—Okay, but I am not asking you what you advise your minister. I am asking if you concurred with the accuracy of the modelling done by the Queensland government. It is a statement of fact. It does not affect policy advice.

**Ms Wall**—As with any modelling, you can put a range of assumptions in, and the Queensland state government officials prepared a model with a range of assumptions. We have sought to clarify some of those because it was not quite clear what all of their assumptions included and we are still going through that process with them at the moment.

**Senator LUNDY**—You are still going through that process of clarification.

**Ms Wall**—That is right.

**Senator LUNDY**—But something still has gone to the minister.

**Ms Wall**—Yes. We have provided briefing to the minister.

**Senator LUNDY**—Has the Queensland minister had any response or any feedback from the minister or the department about the evaluation of this proposal?

**Ms Wall**—The Queensland minister has met with Minister Brough, yes.

**Senator LUNDY**—On this?

**Ms Wall**—Among other things, yes.

**Senator LUNDY**—Have they had any formal response as yet about this ongoing evaluation about the Queensland Home-link policy proposal?

**Ms Wall**—There is a commitment that we will continue to assess the model, yes.

**Senator LUNDY**—What I am getting at is: has any message or correspondence been sent to the minister saying, ‘Yes, we are looking at it but there are some problems we are trying to clarify,’ or, ‘Yes, we are looking at it and we will get back to you,’ or, ‘We are looking at it and we don’t like it,’ or something to indicate to the Queensland minister exactly what the Commonwealth is doing?

**Ms Wall**—We are continuing to talk to the officials and to question the details of some of their assumptions. I cannot say much more than that because some of their assumptions—we needed to be sure that we understood what their assumptions were before we could comment on the validity of the model.

**Senator LUNDY**—Given your answer, is it reasonable to propose that the course of action will be that, once that consultation and clarification has taken place, there will be some formal communication between Minister Brough and the Queensland Minister for Housing?

**Dr Harmer**—That would be up to the minister, Senator.

**Senator LUNDY**—Would that be the normal course of events, Dr Harmer?

**Dr Harmer**—It would be, if the minister chooses to respond in that way. It is quite possible he may suggest to us that we can go to the officials. We are having constant discussions with the officials. We would be assuming, for example, that they would be passing back to their minister in the same way that we would be to ours about where we are at. So I suspect that the Queensland minister would be reasonably apprised of the progress and where we are up to with that, in the same way that we have been keeping our minister apprised?

**Senator LUNDY**—Yes. I think from memory this proposal suggests that the Commonwealth government pay out 10 years of Commonwealth rent assistance in advance to investors to build affordable housing, so it has significant implications for a Commonwealth rent assistance program. I guess some indication from the Commonwealth is being sought, more than is currently being given.

**Dr Harmer**—When we meet with state officials in the Commonwealth-state arrangements there is no shortage of suggestions from the states about what we can do with Commonwealth financial assistance and housing money.

**Senator LUNDY**—Sure.

**Dr Harmer**—We try to press them to think up ways of being as creative with their money as with ours.

**Senator LUNDY**—Have you considered a federal government back-shared equity scheme as part of your deliberations on how to make housing more affordable?

**Ms Wall**—Some of the states are actually running shared equity schemes funded through the Commonwealth-State Housing Agreement now. We are looking at some of those schemes and we are working with some of the state officials to look at the potential to expand those

schemes, but there are no commitments around that. We are just looking at market indicators, who is being assisted by the existing schemes and whether the subsidies are being used in a transparent and cost-effective way. We are looking at a range of measures for assessing those schemes and their potential for expansion.

**Senator LUNDY**—Just by your answer there it seems to me that a lot of the consideration of doing things differently, or innovative measures, seem to be in the context of the Commonwealth-State Housing Agreement anticipated renegotiations. That is a pretty fair observation, is it?

**Ms Wall**—In the last budget there was also an increased number of rent assistance recipients as a result of the expansion of the family tax benefit income limits. That automatically meant that there were additional people eligible for rent assistance. So there are other measures that are happening quite separately to what we are doing with the states.

**Senator LUNDY**—So there are two streams of discussions: one in the context of the renegotiations, and others in the context of things that you could do to make housing more affordable regardless of the renegotiation process.

**Ms Wall**—We will obviously continue to work on Commonwealth government assistance measures to make sure that we are getting value for money, and looking at the potential use of those measures perhaps in other ways, but we just do that as internal work.

**Senator LUNDY**—I am just trying to pin down what those other ways are. Perhaps you could tell me if any funding has been allocated in the forward estimates, or in the current year, for a consultant or agency to begin work on the development plan for the community housing sector? This is identified as part of the framework for national action on housing affordability.

**Ms Wall**—Yes, we are contributing to do that work in conjunction with the states at the moment.

**Senator LUNDY**—Have there been any discussions with the community housing sector about this development plan?

**Ms Wall**—We are aware that there is work going on and one of the issues which is currently being discussed between Commonwealth and state officers is how best to engage with the sector in relation to that work. We have regular meetings with the sector representatives ourselves, as I am sure many of our state counterparts do. But, as I said, we are also looking at how best to engage with the sector as part of that work that has been specifically requested by housing ministers.

**Senator LUNDY**—Can I take it that, because you are still talking about how best to engage with this sector, you have not actually started engaging with the sector on that particular issue of community housing?

**Ms Wall**—The sector is certainly aware that that particular piece of work has been endorsed by housing ministers. Some members of the sector are contributing their ideas and they are being welcomed.

**Senator LUNDY**—Is there a time frame or a due date for the draft plan for the community housing sector?

**Ms Wall**—There will be some feedback to the next housing ministers' meeting currently scheduled for June 2007.

**Senator LUNDY**—At what stage is that plan supposed to be at that point?

**Ms Wall**—It will be a progress report at that point, and we are looking to have some more substantial work done by about August 2007.

**Senator LUNDY**—Will you be engaging anyone for that purpose?

**Ms Wall**—There have been some small consultancies already which are managed jointly by Commonwealth and state offices, and jointly funded by Commonwealth and state governments.

**Senator LUNDY**—Senator Carr asked a question and got an answer on notice of two consultancies that had been engaged with respect to housing. Are they the ones you are referring to, or are these ones you are referring to additional?

**Ms Wall**—I just have to refer to which question.

**Dr Harmer**—What is the number of your question, Senator?

**Senator LUNDY**—Question 328.

**Ms Wall**—That refers to one consultancy.

**Senator LUNDY**—It does, too.

**Ms Wall**—That is right. That is being funded by the Australian government.

**Senator LUNDY**—Yes.

**Ms Wall**—The outcome from that consultancy will be certainly feeding into any renegotiated CSHA, yes.

**Senator LUNDY**—So are there any other consultancies in relation to this community housing sector development plan?

**Ms Wall**—Sorry. That consultancy is not specifically relating to the community housing development plan.

**Senator LUNDY**—No, I understand that.

**Ms Wall**—Yes, there is some work going on for the community housing development plan. The consultancy is actually being managed by one of the states.

**Senator LUNDY**—If you could take it on notice to provide the detail?

**Ms Wall**—We can provide some information in relation to that.

**Senator LUNDY**—Yes. You mentioned earlier that there has been an increase in the number of recipients of Commonwealth rent assistance. How many Australian households—I think the technical term is 'income units'—currently receive Commonwealth rental assistance?

**Ms Wall**—Families and individuals assisted in 2005-06, 954,000.

**Senator LUNDY**—What is the average payment of rent assistance to each household per fortnight?

**Ms Wall**—I just have to check that one. For the fortnight ending 9 June 2006 the average fortnightly entitlement was \$82. So that is for a fortnight.

**Senator LUNDY**—Do you have handy there the previous year's average payment figures?

**Ms Wall**—No, I do not. We can certainly get those.

**Senator LUNDY**—Will you take that on notice and also provide the core data—that is, how many recipients and the range?

**Ms Wall**—I can give those figures for 2004-05 now.

**Senator LUNDY**—Yes.

**Ms Wall**—The figure for the number of families and individuals assisted in 2004-05 was 950,000 and expenditure was \$2.09 billion.

**Senator LUNDY**—And the average?

**Ms Wall**—Sorry. I do not have that in front of me.

**Senator LUNDY**—If you could take that on notice. Do you have any cash estimates, or expense estimates, for administrative and departmental payments for each of the out years, I guess for the current financial year and for forward estimates for Commonwealth rent assistance?

**Ms Wall**—Commonwealth rent assistance is actually spread over a range of programs, not all of which are within FaCSIA. The appropriation is attached to the payment rather than being a separate appropriation. We will find what we can but I do not actually have all that information in front of me. As I said, some of it belongs to other departments.

**Senator LUNDY**—Could you take that on notice. Do you have the number of 2005-06, given we have included that in here?

**Ms Wall**—The figure for expenditure 2005-06 is \$2.13 billion.

**Senator LUNDY**—I am looking for that equivalent figure for the current financial year.

**Ms Wall**—For 2006-07?

**Senator LUNDY**—Yes. For 2007-08, 2008-09 and 2009-10.

**Ms Wall**—We will have to take that on notice.

**Senator LUNDY**—Thank you. The average payment is \$82.

**Mr Leeper**—Sorry, Senator, it actually will not be possible to provide a separate forward estimate for rent assistance because, as Ms Wall has said, it is a by-product of the income support status of a recipient.

**Senator LUNDY**—I understand that, but I figure you must have some kind of cash or outlays estimate that you use as a working number.

**Dr Harmer**—I do not think we do.

**Ms Wall**—No, I am not sure that we do either.

**Senator LUNDY**—It is a lot of money. You must have some idea.

**Dr Harmer**—It is a lot of money, but it is distributed across the various income support payments. It is built in.

**Senator LUNDY**—Yes, I appreciate that.

**Dr Harmer**—It is in DEWR, in DEST and in FaCSIA, and there is no separate line in the forward estimates.

**Senator LUNDY**—But how do you plan for policies such as Commonwealth rent assistance and all of the issues that we have been talking about—the unaffordability of housing and the application of this—and not even have any idea? It is like a blank cheque, really.

**Dr Harmer**—It is an entitlement if you are on one of the Commonwealth income support payments.

**Senator LUNDY**—I understand that.

**Dr Harmer**—And it is a special appropriation, there is no cap on it, so, for people who are eligible to get it, unless there is a change to government policy there is no need for any separate accountability.

**Senator LUNDY**—I will quote you on that.

**Dr Harmer**—We do not need to, because the only time the numbers change—eligibility changes—is if there is a change to government policy. At the moment it is clear who is eligible. When people are on those payments, paying private rent, they get the assistance and there is no cap.

**Senator LUNDY**—If the average payment is \$82 per fortnight, and the maximum payment I understand is \$133.70 per fortnight, that might make a difference to a regional town like Bendigo, but it does not really make a great difference to a family in an inner city suburb of Melbourne or Sydney, experiencing accelerated rental rates. Are you able to provide details of the portion of the average Commonwealth rent assistance in inner city areas, outer metropolitan, regional and rural areas so that we can get an idea of the relative benefit to families living in different geographic areas?

**Ms Wall**—For rent assistance recipients we have a breakdown between capital city and rest of state. We do not have a more detailed breakdown than that for rent assistance recipients.

**Senator LUNDY**—That is not much use. Are you able to find that information?

**Ms Wall**—We had fairly long discussions with Senator Carr, as I recall, around the same issue.

**Senator LUNDY**—Did you? So we are going there again. Can you take it on notice?

**Dr Harmer**—I suspect that the work involved to produce that figure would be quite significant. I think that is where we got to with Senator Carr.

**Senator LUNDY**—You gave him the brush-off, did you?

**Dr Harmer**—No. We applied the policy our minister has about the resources he is prepared to divert to answer questions on notice.

**Senator LUNDY**—You have \$1.25 million of research money sitting there. I will place that question on notice. If the government were serious about moving people out of poverty, surely there would be some moves to review Commonwealth rent assistance to remove the pretty well documented effect of the flat rate of the rent assistance on people's job-seeking behaviour. What are you doing with respect to reviewing Commonwealth rent assistance?

**Ms Wall**—Can I clarify that question: about people's job-seeking behaviour?

**Senator LUNDY**—Yes. In the Productivity Commission's *Report on government services 2007* there is a discussion about an indicator of financial affordability. It talks about the effect on housing stress because of the percentage of people who find themselves paying more and more rent. I am reflecting on some of those assumptions, found in that research, that it has a negative effect on people's job-seeking behaviour because of its flat rate nature in some areas.

**Ms Wall**—You mean the cut-out of rent assistance? Rent assistance cuts out when people get into higher employment.

**Senator LUNDY**—Sorry, I am referencing the wrong thing. The research from the Australian Housing and Urban Research Institute refers to:

... Commonwealth Rent Assistance recipients are 8 per cent less likely to be in employment compared to income support recipients not receiving CRA.

They make the conclusion that:

The flat rate acts as a disincentive for Australians to find work, most often in and around capital cities where rents are higher.

I am asking you, in the context of that observation about Commonwealth rent assistance, whether or not you are considering or reviewing its application of the flat rate model.

**Dr Harmer**—No.

**Senator LUNDY**—What is the federal government's position on regionally differentiated rates of rental assistance?

**Ms Wall**—Senator Carr has asked that question before, too, and the answer is—

**Senator LUNDY**—I do not think he was satisfied either.

**Dr Harmer**—The Commonwealth rent assistance has been raised a number of times by jurisdictions in the Commonwealth-state negotiations context. The Commonwealth has not made any policy decision to change the way Commonwealth rent assistance is administered or the eligibility for it.

**Senator LUNDY**—Yes, but because this observation has been made and obviously commented upon, surely the department is in a position to do some research on what the likely effect of that would be. Have you done any of that investigation, irrespective of any change in policy or request from the minister?

**Dr Harmer**—We have had this debate and discussion over the table of Commonwealth-state officials' meetings many times. I have not got it with me, but there are any amount of problems with a policy which would have differential rent assistance per region. There are a lot of problems with a differential rent assistance, a lot of potentially perverse outcomes. I



have not got the information with me, but we have certainly had a lot of analysis done on what might happen.

**Senator LUNDY**—Has that been the subject of discussion at Senate Estimates previously?

**Ms Wall**—Senator Carr has certainly asked the same question that Dr Harmer just answered.

**Senator LUNDY**—Sure. Could I ask, Dr Harmer, if you could take the question on notice and provide me with some of that insight into what the Commonwealth thinks would be so problematic about differential rates.

**Dr Harmer**—We can take it on notice. We probably have information that we have used for previous discussions that we have easily available. We will provide it.

**Senator LUNDY**—Thank you.

**Senator Scullion**—Mr Chairman, I should clarify for the record that I am not so sure that the Commonwealth does have specifically a problem with that. As the secretary pointed out, the discussions that he was referring to were in fact between the states and territories and there was general recognition of those problems.

**Senator LUNDY**—Yes. Thank you.

**Senator Scullion**—So I am not saying that the Commonwealth has a particular issue or a unique issue with it.

**Dr Harmer**—I would be giving you some arguments that we have used when the states have pressed us from time to time to think about it.

**Senator LUNDY**—Okay. I will look forward to that. The Productivity Commission's *Report on government services* shows that Commonwealth rent assistance is becoming less effective against rent increases, and I reference that report, which shows that 66 per cent of households receive the maximum rate of rent assistance compared with only 57 per cent of households in 2002. What is the government doing to make it easier for tenants who clearly, because of those figures, are paying much higher rent? To give you a bit of guidance as to where I am going here, again I want to know if there has been any research commissioned or modelled in policies for increasing affordable rental housing? To give you a bit of guidance as to where I am going here, again I want to know if there has been any research commissioned or modelled in policies for increasing affordable rental housing?

**Ms Wall**—As I referred to earlier, a quite substantial body of research work is done, funded jointly with the states, through the Australian Housing and Urban Research Institute. That research is public. When it has been completed, it is available on their website, so there would be some that would model some of that, so some of those sorts of outcomes would be available.

**Senator LUNDY**—As far as that work goes and the outcomes that you are hoping to find, what is the aim of that? Is that to assist that one-third of Commonwealth rent assistance recipients who are suffering what is technically known as housing stress, regardless of the fact that they are receiving the full amount of rent assistance?

**Ms Wall**—The process by which Australian Housing and Urban Research Institute research projects are developed is a complex one. It is not quite the same process that we would use if we were actually commissioning a separate piece of research. Basically, the Australian government and the states and territories identify a range of areas where it would be interesting if we had some more information. AHURI puts out to their academic researchers the fact that we have interest in this area and funding available. The researchers then put forward proposals that will be funded and the decisions about which proposals are funded is done jointly; so it is not as straightforward as us commissioning a particular piece of work.

Some of the work that is commissioned would be of no particular interest to us but might be of particular interest to the states and territories. Some of the work might be of some interest to us but more interest to them and vice versa. It depends a bit on which researchers have put forward a particular proposal. It is not a straight consultancy arrangement that we might have in other contexts. But the outcome of the research is all made public, so it is a publicly accountable process in that sense.

**Senator LUNDY**—There appears to be quite a strong view that there is plenty of scope for improvement for the Commonwealth rental assistance program to be more effectively applied, better used and more useful in reducing housing stress. Are there any plans within the department for broader reform of the program, or would that require policy direction from the minister?

**Ms Wall**—I might just say the current rent assistance program decreases the proportion of recipients spending 30 per cent or more of their income on rent from 67 per cent of all RA recipients to 35 per cent, so I think by most people's assessments that would be a very efficient and effective use of funds. I do not think anybody is arguing that people who get rent assistance do not need it.

**Senator LUNDY**—I do not think anyone is arguing that. I think what they are arguing is that it could be better structured, given that the number of people under housing stress because of high rents just keeps increasing so dramatically. As Dr Harmer pointed out earlier, this is really a blank cheque, in a way, of more and more money, billions of dollars, being spent while there seems to be very little happening to actually resolve the problem at its core—that is, the availability of affordable housing for rent. It is just an obvious point that I want to make.

**Senator Scullion**—It may be an obvious observation, but the Commonwealth has very little to do with supply and demand in the housing market. Senator Lundy, you would be well aware that it is the demand, it is the red tape, that is driven by those jurisdictions who are fundamentally responsible for land, that are in fact responsible for those areas. It is quite clear that the department officers at this table are not going to be able to assist you in persuading the states to take a different view on these matters.

**Senator LUNDY**—You mentioned before openness and accountability of research. When does the department plan to release the final report of the review into housing affordability and the rent assistance program prepared by Mr Jim Hancock and Dr Kate Barnett and delivered to FaCS in 2005?

**Ms Wall**—There is no intention to release that report.

**Senator LUNDY**—If not the full report, will the department consider releasing a summary of the report?

**Ms Wall**—Not at this point, no.

**Senator LUNDY**—Would the department at least consider releasing information to people who contributed to that report? Many organisations gave their time to those consultants in the production of that report and not even they are able to see the outcome.

**Ms Wall**—The report you are referring to is subject to an FOI request at the moment.

**Senator LUNDY**—Yes, I am aware of that.

**Ms Wall**—That is just going through the process at the moment.

**Senator LUNDY**—Sure, but my question to the department is: what are the reasons for withholding the report? Why has it had to become subject to an FOI request?

**Ms Wall**—As I think was explained at previous estimates and perhaps the one before that as well, the people that participated in the focus groups were given the undertaking that the outcome would be confidential.

**Senator LUNDY**—I think the answers to previous questions related to you having to go through the process of seeking their permission. I do not understand why that could not be done.

**Senator Scullion**—Again, Mr Chairman, I would have thought it was pretty self-evident. The agreement was that this would be a confidential document. The agreement was not that we would seek to somehow alter the nature of that confidentiality at some other time. These are processes where the Commonwealth needs to have a great deal of confidence in our relationship with our stakeholders. When we consult with people and we do it on the basis that it is going to be confidential, that is exactly how it has to stay.

**Senator LUNDY**—Hence, with due respect, Minister, my question about releasing a summary of the outcomes of the report, which would not breach anyone's confidentiality but provide some accountability for the expenditure of taxpayers' funds, because from everything I have seen on this in reading previous *Hansard*, that is really the question: it is about accountability and seeing what was produced using taxpayers' funds. There is very little justification in fact to withhold this document, particularly because it is one of the few reviews that have actually occurred around Commonwealth rent assistance in recent times, with all of these other problems with it having been raised and rent going through the roof. So I ask the minister again, why don't you just do that work? Why don't you talk to those groups, if that is why you say it is withheld or, alternatively, release a summary of the report that does not cause you any problems with confidentiality? What is in it that is worth hiding like this?

**Senator Scullion**—What is in it is an undertaking. To ensure that the relationship we have with our stakeholders is an enduring one, we ensure that we stick to the very letter of the undertaking. That was, it would remain a confidential document; a very simple process.

**Senator LUNDY**—What about the summary question?

**Senator Scullion**—I do not have enough detail in terms of any summary that may or may not exist. Mr Chairman, there is an FOI currently about this particular document. That is a very transparent and a very rigid process that is going to go down, and I would say that the best way to pursue this is to allow the FOI process to continue. As I said, the principal reason that it has come to that is that there has been an undertaking between the Commonwealth and the people who provided that information. That undertaking was that that would remain confidential.

**Senator LUNDY**—That sounds like an excuse. How much is spent on housing by the Commonwealth all up?

**Ms Wall**—I can go through the major programs.

**Dr Harmer**—Senator, do you mean across that portfolio and Treasury?

**Senator LUNDY**—There is \$2.13 billion in the financial year—

**Ms Wall**—In 2005-06, \$2.13 billion for the rent assistance program.

**Senator LUNDY**—What is the whole package for housing?

**Ms Wall**—The Commonwealth-State Housing Agreement estimate for 2006-07 is \$956.5 million and for the Supported Accommodation Assistance Program, \$183 million in 2006-07. They are the biggest programs but there are a number of smaller programs.

**Senator LUNDY**—What is the total figure?

**Ms Wall**—There is some Indigenous housing, specific programs, as well.

**Dr Harmer**—Just in FaCSIA, Senator?

**Senator LUNDY**—That is right.

**Dr Harmer**—There is also the First Home Owners Scheme. There are all sorts of—

**Senator LUNDY**—It is pretty big, isn't it?

**Dr Harmer**—Yes.

**Senator LUNDY**—Why doesn't the Commonwealth government have a specific minister for housing? That is not a question for you, Dr Harmer.

**Dr Harmer**—I was not planning to answer that, Senator.

**Senator LUNDY**—No, I figured not. You sat back and put your relaxed face on.

**Senator Scullion**—We do have a minister responsible for housing.

**Senator LUNDY**—Yes, I know you have a responsible minister, but it is not in their title. It is a big budget to manage, though, isn't it? Don't you think you ought to have one?

**Senator Scullion**—No, I do not.

**Senator LUNDY**—Why am I not surprised? Those are all the questions I have, Chair. I will place the rest on notice.

**CHAIR**—Thank you. Any further questions, Senator Siewert?

**Senator SIEWERT**—In May I asked about Building a Better Future: Indigenous Housing to 2010, and the department said there was a review of that program being undertaken.

**Dr Harmer**—If it is okay with you, Senator, I would rather deal with that under outcome 1.1, because Indigenous housing is in the Indigenous element. The people are here. They were planning to come in at either output group 1.1 or 1.2.

**Senator SIEWERT**—That is fine. I will deal with it then.

**Senator MOORE**—Does Indigenous housing come in here or under OIPC?

**Dr Harmer**—Under output 1.1 or 1.2.

**Senator MOORE**—It is a follow-up on the La Perouse situation we had last time.

**CHAIR**—Are there any further questions in housing support? No? We will move on in that case. Thank you very much to officers in this area. We will now move on, as indicated earlier, to deal with community recovery, output group 4.3.

[7.54 pm]

**CHAIR**—Senator McLucas?

**Senator McLUCAS**—I was wondering if I could get an explanation of the ‘savings’—I think that is the appropriate word—that are in the additional estimates on Cyclone Larry, please. The two pages that I am interested in are 24 and 44.

**Ms Winzar**—While Mr Moufarrige is pursuing that reference, Senator Moore asked earlier if we could table some of the details around the community business partnership that Mr Carmichael went through. I have them now.

**Mr Moufarrige**—The estimate for expenditure for Cyclone Larry in 2006-07 was \$40 million. This estimate was revised down to \$4.544 million. The original estimate was based on ABS data and also on information relating to the estimate from 2005-06. The estimated one-off income support payment for 2005-06 was originally \$40 million. The actual expenditure for 2005-06 was \$4,871,000. Based on this actual result, the estimate for 2006-07 was revised down to \$4½ million.

**Senator McLUCAS**—Essentially, you are saying that \$4.871 million was spent in 2005-06 for the income support component and then you are budgeting another \$4.5 million for 2006-07.

**Mr Moufarrige**—Yes.

**Senator McLUCAS**—That is just the income support component, I understand.

**Mr Moufarrige**—That is right.

**Senator McLUCAS**—Just remind me: there were two elements to income support. Is my recollection correct?

**Mr Moufarrige**—There were three elements to the Cyclone Larry related measures. There were ex gratia payments, a fuel excise relief component and the one-off income support.

**Senator McLUCAS**—In relation to income support, I thought there were payments that were given out in the weeks afterwards—those immediate payments. Are they collapsed into that total \$40 million? Basically, if people just turned up, they got \$1,000.

**Mr Moufarrige**—Yes, they are all in that \$40 million component.

**Senator McLUCAS**—On what basis are we predicting that the income support will essentially be the same in 2006-07 as in 2005-06? What are the numbers of recipients receiving income support in each of those two financial years?

**Mr Moufarrige**—In the one-off income support program, there were 2,311 claims.

**Senator McLUCAS**—Those 2,311 claims would have been made—and correct me if I am wrong—in the months after Cyclone Larry last year. Under the program, how long could people receive income support for?

**Mr Moufarrige**—It was a one-off income support program, essentially to provide short-term income support payments.

**Dr Harmer**—Senator McLucas, what was your question?

**Senator McLUCAS**—I am trying to understand why the budgeted amount for 2006-07 is \$4.5 million when the actual amount in 2005-06 was \$4.8 million. I cannot remember the detail of the program, but I was under the impression it is not ongoing income support ad infinitum. I am wondering if 2,311 claimants are still on that program.

**Ms McKay**—No, the income support payment was introduced as short-term assistance, to assist farmers and small business owners in the immediate aftermath of Cyclone Larry. In addition to that, farmers and small business owners were likely to have been eligible for a tax-free business grant of up to \$25,000 and a wage subsidy of \$200 a week for up to 26 weeks for eligible employees.

So the income support payment would have been of very short duration. I do not have in my briefing the duration for which it was paid but I am sure that we can get that for you, if you need it. There was also a fixed period in which claims could be made. I think it finished six months after the cyclone, so all payments ceased to individuals around 21 September last year but we are still transferring money around within the Commonwealth, which is why FaCSIA needs the amount for that estimate. I do not think there will be any further expenditure from that estimate; effectively it is reflecting the amount of money that has been spent for the people who were eligible.

**Mr Moufarrige**—Senator, I have just been advised that the average period was 24 weeks.

**Senator McLUCAS**—Twenty-four weeks from 20 March would have put us into the 2006-07 financial year.

**Mr Moufarrige**—Yes.

**Senator McLUCAS**—But I am trying to understand how it would be \$4½ million into this financial year.

**Ms McKay**—I think that is because effectively 24 weeks divides itself fairly evenly between those two financial years because the event was towards the end of March.

**Senator McLUCAS**—That makes sense. Essentially, out of that \$40 million estimate in 2005-06, \$8 million-odd—maybe \$9 million—will be expended?

**Ms McKay**—Across the two financial years.

**Senator McLUCAS**—Yes. That is the point I am making. Can you go through the same process with me for the ex gratia payments, please.

**Mr Moufarrige**—The estimate for 2005-06 was \$38,099,000. The actual expenditure was \$36,120,000. There was no estimate for 2006-07.

**Senator McLUCAS**—Right. Can you then explain, on page 44, the figure \$95,435,000?

**Mr Moufarrige**—Yes. That represents the total of the estimate of the three assistance packages.

**Senator McLUCAS**—Of the three programs?

**Mr Moufarrige**—Yes: the \$38 million for ex gratia payments; there is \$17,330,000 for fuel excise relief; and the one-off income support of \$40 million.

**Senator McLUCAS**—What was the estimate for the fuel excise for 2005-06?

**Mr Moufarrige**—It was \$17,330,000, and the actual expenditure was \$2,224,000.

**Senator McLUCAS**—That was because you did not know how many generators were—

**Mr Moufarrige**—Yes.

**Senator McLUCAS**—Yes, I know that. I think that is all I need. Thank you very much.

**Mr Moufarrige**—Thanks.

**CHAIR**—Are there any other questions under output group 4.3? No. In that case, thank you for that evidence.

**Senator McLUCAS**—I should advise that we are not planning another cyclone.

**Mr Moufarrige**—Thanks.

[8.06 pm]

**CHAIR**—We will now proceed to output group 1.1—whole-of-government coordination of policy development and service delivery for Indigenous Australians. Senator Crossin?

**Senator CROSSIN**—I would like to start by going to the COAG trials for Wadeye in particular. Can you tell me what the state of the Commonwealth funding is, particularly for housing, to the Wadeye community?

**Mr Knapp**—When you say the state of the housing funding, is that in terms of what the funding is being used for or how much funds are available?

**Senator CROSSIN**—I understand there was a freeze put on Commonwealth housing moneys that were to be spent at Wadeye. Is that still the case?

**Mr Knapp**—No, that is not the case. There has been \$6 million made available for provision of housing in the Wadeye township. That is in addition to the funds that have been expended on houses in a couple of outstations surrounding Wadeye, a couple of homelands.

**Senator CROSSIN**—When was the decision to release that money made?

**Mr Knapp**—I believe that was made back in December by the minister.

**Senator CROSSIN**—So there were \$6 million available for houses in the township. How much money will be spent on housing in the outstations?

**Mr Knapp**—The money is being spent at the moment on providing five houses in outstations at Wudapuli, Nama and Perrederr, which are the three outstations surrounding Wadeye.

**Senator CROSSIN**—What is the total amount for the outstations funding?

**Mr Knapp**—I think we are looking at around \$3 million for that, plus the \$6 million that will be spent in Wadeye.

**Senator CROSSIN**—I had some reports that last week the contractors building the houses at the outstations managed to bog not one but three pieces of equipment. Who bears the cost in that situation?

**Mr Knapp**—I am not sure about the final costs of that. Part of the issue is that the trucks were unbogged quite quickly and it was related to the time of year when the trucks were travelling the road. As you would appreciate, the wet season is in full bore there and a couple of trucks managed to get bogged unfortunately.

**Senator CROSSIN**—So the costs are borne there by the contractor?

**Mr Knapp**—I believe so.

**Dr Harmer**—That would be the normal—

**Senator CROSSIN**—That would be the normal state of affairs?

**Mr Knapp**—Yes.

**Senator CROSSIN**—What about the damage to the road?

**Mr Knapp**—I am not sure about what is required to fix the roads but we would imagine that the contractors would have to cover any costs that the council felt would be involved in fixing those roads.

**Dr Harmer**—Senator, we need to check that. I am not sure whether that is the case, Mr Knapp.

**Senator CROSSIN**—I will ask you to take that on notice, please.

**Mr Knapp**—Yes, I will.

**Senator CROSSIN**—I will take you then to the application for the Wadeye women for the community safety and family violence program. I asked questions about this last year, I think. Can you tell me what steps this department might have taken to advance the reapplication of that community for that program?

**Ms Gumley**—The Thamurrurr Regional Council has reapplied to the National Community Crime Prevention Program and the application is currently being assessed by the Attorney-General's Department. We have provided some comments in support of the application and decisions are still being taken.

**Senator CROSSIN**—That is good. You have had a positive involvement in that reapplication?

**Ms Gumley**—Yes, we have.



**Senator CROSSIN**—Can you tell me what steps have been taken to develop or enact a youth strategy in Wadeye, as was promised under the COAG trial?

**Ms Gumley**—Senator, there was a vacation care program that was funded by this department, by FaCSIA.

**Senator CROSSIN**—Sorry, what was it called again?

**Ms Gumley**—A vacation care program, so school holiday program.

**Senator CROSSIN**—Okay.

**Ms Gumley**—Which was for young people. They had around 60 to 150 children attending each day of the holidays.

**Senator CROSSIN**—What was that: up to age 12?

**Ms Gumley**—No. It did not have an upper limit. In terms of normal child-care arrangements in an urban environment, it might be up to around 12-year-olds. This was largely planned around sport and recreation, so it had quite wide community participation, but particularly focused on young people. That one was funded for the Christmas holidays. Since then we have also funded, for February through to the end of June this year, \$124,000 for a sport and recreation program to be conducted in the Wadeye region, again focusing on young people and looking at engaging them in school with a no school, no sport arrangement.

**Senator CROSSIN**—No school, no sport?

**Ms Gumley**—Yes.

**Senator CROSSIN**—When you say the ‘Wadeye region’, what are you talking about?

**Ms Gumley**—Wadeye and the homelands, so largely in Wadeye township.

**Senator CROSSIN**—Is there a coordinator based in the community to facilitate that?

**Ms Gumley**—The coordinator for the vacation care program has left. They were actually university students from the University of Melbourne. With regard to a new coordinator, there was an ad placed in the paper on the weekend and the Thamurrurr Regional Council have been receiving support from LGANT in terms of filling that position.

**Senator CROSSIN**—How are they going to police the no school, no participation?

**Ms Gumley**—They are the sorts of details that are being negotiated with the school at the moment, but the new high school is due to open later in February and there are also discussions under way between the regional council, who will employ the sports coordinator, and the local school. The families have actually, in Wadeye this year, made significant effort to get more kids to school. In the first week of term they had 500 children attend on each day.

**Senator CROSSIN**—Did they have enough chairs and tables to sit on?

**Ms Gumley**—There were enough teachers and facilities there for 500 children. The day the AFL came they peaked at 560.

**Senator CROSSIN**—That is because it was Essendon; you realise that.

**Ms Gumley**—Yes.

**Senator CROSSIN**—They would have been missing 560 if Carlton had been there!

**Ms Gumley**—Yes.

**Senator CROSSIN**—What have you done since Bill Gray's evaluation of the COAG trial? What has the department's response to that been?

**Ms Gumley**—In terms of formally in relation to the trial or—

**Senator CROSSIN**—No, in terms of what has been the department's response to the recommendation of Bill Gray's evaluation. That might not be your response. It might be yours, Mr Gibbons.

**Mr Gibbons**—Our response to the evaluation report predated our receipt of the report. As you know, the minister visited Wadeye for the first time shortly after becoming minister. He was there in the middle of some disturbing riots that occurred as a result of conflict between several of the clans that make up that community. As a result, he took some decisions to take a fairly proactive approach to resolving those tensions. We have worked closely with the Northern Territory government in a way designed to draw the participation of as many people as possible in resolving many of the issues out there.

One of the first steps the minister took was to suspend any further funding on housing until it was clear that the members of the community that had been involved in the destruction of assets were prepared to participate in work to restore those. That turned out to be a very successful intervention. Not only were the buildings, assets and houses that were destroyed restored to near new condition but the community volunteered to proceed with work beyond that block of houses, and we are confident now that the entire township will have all the buildings renovated and painted involving members of the community.

In response to that participation, the minister has released the suspended funding for housing to be constructed in Wadeye. In addition, we have negotiated with a number of the clans that live in some of the satellite communities—Wudapuli, Nama and Perrederr—about construction of housing at those locations, subject to commitments from the families involved to vacate any houses in Wadeye and live permanently in those satellite communities, have their children attend school et cetera. As part of that we have agreed to upgrade the road from Palumpa to Wudapuli, Nama to make it an all-weather road. We have also committed to do the same with the road from Peppimenarti to Perrederr.

We completed the road to Wudapuli just before the onset of the wet. We will do the Perrederr road once the dry returns. We have built a number of display homes in Wudapuli and Nama, and we are going to construct a number in Perrederr. These were experimental houses designed to convince ourselves that it was possible to build quality housing at much lower cost than has been possible in the past. To give you an example, for the cost of a four-bedroom house with one bathroom and one toilet, in the region of Wadeye, we have been able to build an eight-bedroom house with three toilets, a couple of bathrooms and a laundry. That is a fairly significant improvement in return for dollar. That was despite the overheads of building that during the wet. One of the reasons for proceeding during the wet is that we want to be ready when the dry comes with a fairly significant housing construction program out there. We currently have a tender in the marketplace, through our agent, to build 30 or 40 low-cost houses out there.

**Senator CROSSIN**—Mr Gibbons, I have questions about the houses but I particularly want to know exactly what has happened inside the department. Last year in estimates—in fact you admitted that—you said, ‘I don’t believe the Department of Family and Community Services did a fantastic job.’ This was in response to our questioning. You also went on to say that, ‘The failure of the Wadeye trial could be attributed to a lack of coordination between governments.’ What has happened? What has the department done to lift its game in terms of that evaluation; not what you have done in the community? I want to know what you have done inside the department to ensure that we do not have those comments repeated at estimates again?

**Mr Gibbons**—Senator, I thought I said at the outset that one of the first things we did once the minister made his position clear was to work very closely with the Northern Territory government. That involved reaching agreement on a coordinated approach. There are many elements to that and it is being rolled out in a phased way. The first was to agree to upgrade the roads. We took some roads. The Northern Territory have agreed to upgrade the main road.

We agreed to facilitate relocation of some of the clans to their homelands, where those were accessible all year to schools and services. We worked very closely with the NT coordinator during that period immediately after the riots and we have agreed—

**Senator CROSSIN**—Mr Gibbons, what does that mean, though? Does that mean that you are now meeting with them daily, weekly? What has changed in terms of saying that you are now working more closely with the NT government? What exactly does that mean?

**Mr Gibbons**—I think within a couple of weeks or a month of becoming minister, Minister Brough met with the Chief Minister and we agreed a number of priorities. One of them was Wadeye, and we agreed to work closely together. We have put in effect arrangements to achieve that and we have—

**Senator CROSSIN**—What are they?

**Mr Gibbons**—First of all, our state manager and his counterparts in the Northern Territory government are in communication on a weekly basis about what we are doing in a number of locations, including Wadeye. We have put a permanent officer into Wadeye—lives there—so that we are abreast of what is happening and it is not a remote operation for us. We have upgraded our resources in the Northern Territory to deal with the investments we are making there. We have regular senior level meetings between group managers in our national office and their equivalents in the Northern Territory government, and I meet about once a quarter with the deputy head of the Chief Minister’s department, the head of the housing department et cetera to review our progress.

**Senator CROSSIN**—Have there been any tripartite steering committee meetings since the last estimates?

**Mr Gibbons**—The approach that was taken in the past was to work exclusively with the regional council. We do not believe that was a very successful approach, because of the tensions that exist in the community and the factionalism on the council, and we were not happy with some of the activities of the council, and I do not believe the Northern Territory government was either. Our strategy now is to engage more at the clan level and, as a result,

we are making a lot more progress. I can quote from a letter written to the minister recently, where traditional owners have said:#

We acknowledge the very proactive role you took in relation to law and order and the positive impact created by additional police presence. We can see your commitment to the future. We are getting more feedback in a similar vein—

**Senator CROSSIN**—Can you table that letter for us.

**Mr Gibbons**—I do not have that letter with me. That is a quote that I have in notes here, but I can raise that with the minister.

**Senator CROSSIN**—The tripartite steering committee, I take it, has not met since the last estimates.

**Mr Gibbons**—I am not aware.

**Senator CROSSIN**—I think it is a ‘yes’ or ‘no’ answer.

**Mr Gibbons**—I do not think it has, Senator.

**Senator CROSSIN**—‘No’ then.

**Dr Harmer**—Senator, the mechanism—

**Senator CROSSIN**—No, it has not.

**Mr Gibbons**—But it is not a mechanism that we believed in.

**Dr Harmer**—We are not using that mechanism any more.

**Senator CROSSIN**—Is the changed mechanism something that the council agreed to or is it something that has been imposed upon them by government?

**Mr Gibbons**—We are working with individual clans and families in the region to assist them, and that involves negotiating what we expect of them in return for discretionary assistance and agreeing with them what we will provide.

**Senator CROSSIN**—So you are bypassing the council. Is that what you are saying?

**Mr Gibbons**—In respect of engagement with individuals, we are. We are not going to work through gatekeepers. We are working directly with individual families and with clan leaders. Where we are dealing with issues that involve the council—for example, road construction, infrastructure et cetera—we are working with the council. That is the approach that the minister wants to take.

**Senator CROSSIN**—Out of the money you have allocated—the \$9 million—how many houses have actually now been built?

**Mr Knapp**—Currently two have been completed, three are under construction in the outstations and design is progressing on the houses to be built in the Wadeye community.

**Senator CROSSIN**—How many of these are two- or three-bedroom houses?

**Mr Knapp**—The ones in the outstations are much larger houses. The two that have been completed are seven- and eight-bedroom houses. The ones that are in the process of being built will be four-bedroom houses.

**Senator CROSSIN**—Who is building them?

**Mr Knapp**—They are being project managed by Indigenous Business Australia, using contractors to arrange to build those houses.

**Senator CROSSIN**—Who are the contractors?

**Mr Knapp**—Wild Geese is the name of the organisation that is actually undertaking the construction.

**Senator CROSSIN**—That is not their full name, though, is it?

**Mr Knapp**—Wild Geese is certainly how I have known them.

**Senator CROSSIN**—Is that all you have, is it?

**Mr Knapp**—That is how I have been referring to them in my discussions with IBA.

**Senator CROSSIN**—They are actually #(Wild Geese Builders and Faith Homes). That is their registered company. They are not a Territory company, I take it.

**Mr Knapp**—I cannot answer that question.

**Senator CROSSIN**—Would you take that on notice for me then.

**Mr Knapp**—Yes.

**Senator CROSSIN**—Can you also take on notice for me under what conditions they got the contract rather than a Territory company?

**Mr Knapp**—Yes, I will take that on notice.

**Senator CROSSIN**—How many local Indigenous people have been working on the construction of these houses as trainers or trainees or builders?

**Mr Knapp**—I understand that there are half a dozen local employees who are currently working on the construction of the houses. They have been brought in recently to work on the houses that are being constructed.

**Senator CROSSIN**—That is your understanding or that is—

**Mr Knapp**—That is my understanding.

**Senator CROSSIN**—Can you take that on notice for me, please. Are they being employed by these companies or are they on CDEP?

**Ms Gumley**—My understanding is that there are six local people employed; being paid wages.

**Senator CROSSIN**—Not on CDEP?

**Ms Gumley**—I would have to check that.

**Senator CROSSIN**—Can you take that on notice, please.

**Ms Gumley**—Sure.

**Mr Gibbons**—The strategy that we are proposing to roll out in Wadeye will involve a major engagement with local people in the assembly of these houses. The display homes that we have built thus far were built during the wet to a new design and to a timetable that

enabled us to get them on the ground and evaluated before the dry arrived. As I said earlier, we want to move quickly to build a large number once the dry is with us. We chose not to involve a lot of Indigenous labour in the prototype houses, although IBA, who are building them for us, arranged to contract the six local Indigenous people as full-time workers. Once we move into the roll-out of a substantial number of houses, we would expect to have a significant number of people involved in the construction. Our plan, as I said earlier, is also to continue with the maintenance of all houses in Wadeye, and that involves local labour.

**Senator CROSSIN**—What is ‘a significant number’, Mr Gibbons? What is your target then? How many Indigenous people do you plan to have involved in the construction of the houses?

**Mr Gibbons**—The houses that are being built in outstations are for sale through lease-purchase arrangements to local people. In that context, we will be offering people credit for the work they do in assembling the houses. That will vary family by family. These are arrangements that are going to be entered into with individual families. They are not communal homes, and it will depend on the size of the family and the profile of the family.

**Senator CROSSIN**—We might get to that detail in a minute, but you cannot say to me, ‘We’re aiming to have 30 Indigenous people involved in building these homes or X amount of trainees or apprentices or X amount of skilled people in Wadeye at the end of this program.’

**Mr Gibbons**—I am not prepared to say much more now, Senator, because the government has not decided to announce the full plan. I am giving you a broad outline of the government’s intention. We are in the middle of finalising negotiations with the Northern Territory government. When the government is ready to announce, those details will be made available. At the heart of the strategy are plans to involve Indigenous people at both the manufacture of the kit homes and the assembly of the houses.

**Senator CROSSIN**—In the assembling of the houses, will they be able to undertake any certified training? Can they come out of it with a Certificate II in Building Construction, for example?

**Ms Gumley**—They would be contractors able to provide accredited training and apprenticeship opportunities. We would be tapping into the supports such as the Employment and Workplace Relations office through their structured training and employment program to assist that.

**Senator CROSSIN**—Are the six people who are currently involved undertaking any formal training?

**Ms Gumley**—I would have to check that, Senator.

**Senator CROSSIN**—Take that on notice for me, please. Take me to your Commonwealth public servant who is now situated at Port Keats, at Wadeye. My understanding is that a new house was built for him to occupy. Is that correct?

**Ms Gumley**—That is correct.

**Mr Gibbons**—I think he occupies one part of it and the other part is occupied by a Centrelink officer.

**Ms Gumley**—By Centrelink staff who are establishing the new remote area service centre.

**Senator CROSSIN**—So we are going to finally get rid of the phone in the wall at Wadeye, are we?

**Ms Gumley**—We have a Centrelink officer who is based out there now and they are moving towards putting in a more complete office.

**Senator CROSSIN**—We will have to get Senator Heffernan to go to every Indigenous community in the Territory, I think. Some of us have been calling for that for years. What was the cost of the building of the house that this person is in?

**Ms Gumley**—I would have to take that on notice, Senator.

**Senator CROSSIN**—And the purchase of a new car, I understand?

**Ms Gumley**—There was a new vehicle provided for Mr Sanderson, yes.

**Senator CROSSIN**—Can you take that on notice as well?

**Ms Gumley**—As to the cost of vehicle?

**Senator CROSSIN**—Yes, thank you. What sorts of duties is this person being expected to undertake?

**Ms Gumley**—Mr Sanderson does community liaison. He has been working both with the council but also in terms of working with families in providing the on-the-ground follow-up to their discussions that the minister has had with families, particularly around relocating to outstations; providing some very useful support to us in terms of getting the new houses on the ground; looking at some project management logistics; and working in conjunction with other Australian government agencies that are going out there from time to time, such as Centrelink, but also others such as our team that goes out at the moment weekly. We have a team from our state office, two staff, that go out and visit. Charlie has been providing back-up for them as well.

**Senator CROSSIN**—Does he have a duty statement that he is working to?

**Ms Gumley**—I think there have been some roles set out of that, but I would need to—

**Senator CROSSIN**—Can you take that on notice and provide that to the committee, please?

**Ms Gumley**—Certainly.

**Senator CROSSIN**—What level is this employment?

**Ms Gumley**—Mr Sanderson is at an executive level 2.

**Senator MOORE**—What level are the state officers in your state office in Darwin?

**Ms Gumley**—Our state manager position is an SES band 2 position.

**Senator MOORE**—We did get information on the ILCs at the last one; I am not going to work through there but we did get all that. But in terms of your state office, I am trying to get a sense of where the structure fits there. So you have an SES job in Darwin. How many other jobs?

**Ms Gumley**—An SES band 2 job—that is, the state manager position.

**Senator MOORE**—How many other jobs in Darwin?

**Dr Harmer**—There is a deputy state manager.

**Senator MOORE**—You can take it on notice, that is fine.

**Dr Harmer**—Just to give you a bit of a scene, there is a state manager who is an SES band 2 as Ms Gumley said. There is a deputy state manager who is an SES band 1.

**Ms Gumley**—In Central Australia, there is an SES officer in Alice Springs. Other ICC managers are executive level 2 and then there are other executive level 2 officers that support the state manager in the state office.

**Dr Harmer**—Our person in Wadeye is just below the SES.

**Senator CROSSIN**—What salary are we talking about? What does an executive level 2 earn these days?

**Dr Harmer**—It varies across the organisation but probably around \$90,000, something like that.

**Senator CROSSIN**—Ninety thousand dollars?

**Dr Harmer**—Something like that.

**Senator CROSSIN**—Where are the funds for the house, the car and the salary coming from?

**Mr Gibbons**—From departmental expenses.

**Senator CROSSIN**—Just out of your normal allocation?

**Dr Harmer**—It is a priority for the department. We have talked before, Senator, about the need to lift our game in Wadeye. Part of lifting our game in Wadeye is putting a person out there, putting pressure on the states; and Mr Gibbons has gone through the other things that have been happening.

**Senator CROSSIN**—These actual homes that are being built out at the outstations, who made the decision to build them at these locations?

**Mr Gibbons**—The minister consulted with the community leaders. He has been to Wadeye four times and over the first three visits negotiated with a number of clans and made a commitment, subject to conditions, to build houses in Wudapuli, Nama, Perrederr and he has also made a commitment to build houses for another group south of Wadeye; I cannot remember the location at the moment.

**Senator CROSSIN**—You are telling me that eventually these homes will be available for sale?

**Mr Gibbons**—Correct.

**Senator CROSSIN**—On the condition that those three outstations are part of a 99-year lease. Is that correct?

**Mr Gibbons**—No. We are talking, in respect of the outstations, of our agent IBA leasing the block of land on which the house is built long enough to cover the period of the repayment by the occupants.



**Senator CROSSIN**—What if the occupants do not decide to purchase them?

**Mr Gibbons**—We will not be building them. We are prepared to build public housing in Wadeye and the minister has decided that, if they want housing in these satellite communities, he is prepared to proceed with construction on the basis that the houses are available for lease-purchase.

**Senator CROSSIN**—At what price?

**Mr Gibbons**—That will depend on the price that we achieve when we evaluate the tender for the bulk housing contract.

**Senator CROSSIN**—You have already built a seven- and an eight-bedroom home. How much did the seven-bedroom home cost to put up?

**Mr Gibbons**—I mentioned that they cost the same as we are currently paying for a four-bedroom house in Wadeye. I think it was \$420,000.

**Senator CROSSIN**—So you will only be building houses on outstations?

**Mr Gibbons**—Not all outstations, Senator.

**Senator CROSSIN**—On these three outstations, then.

**Mr Gibbons**—Where we have an agreement with the local family, extended family, clan.

**Senator CROSSIN**—If these families then agree to purchase that home—which must be at least around \$400,000 easily or else you are going to lose money on it, aren't you?

**Mr Gibbons**—The arrangements which the minister will announce in due course will set all of that out. He is not yet ready to make the announcement on the terms of the deal.

**Senator CROSSIN**—What are you suggesting to me? That if people pitch in and help put it together, that price will be reduced?

**Mr Gibbons**—It certainly will.

**Senator CROSSIN**—And if people are not prepared to do that, they still sleep out under a tree. Is that right? There will be no other public housing provided?

**Mr Gibbons**—There will be public housing available in Wadeye.

**Senator CROSSIN**—But not necessarily at these outstations?

**Mr Gibbons**—Not necessarily at these outstations.

**Senator CROSSIN**—What role has the IBA played in this?

**Mr Gibbons**—IBA is acting as the agent to engage the contractors and construct the houses.

**Senator CROSSIN**—I am assuming the people who live in these houses will be either on CDEP or some sort of Centrelink benefit. Is that correct?

**Mr Gibbons**—All the people in these communities, bar a few, are in that circumstance.

**Senator CROSSIN**—Especially when you do not commit to put them on to helping build, I suppose. Is this part of an agreement that has been negotiated with the Northern Territory government?

**Mr Gibbons**—It is part of an agreement that is in the process of negotiation. When the two governments are ready to announce it, it will be announced.

**Senator CROSSIN**—So, yes, it is part of an agreement with the Northern Territory government. Is that right?

**Mr Gibbons**—I would put it as part of a negotiation at this stage.

**Dr Harmer**—‘Part of a negotiation’ is probably a more accurate description of where we are at the moment.

**Senator CROSSIN**—Does this proposal only apply to the three outstations at Wadeye at this stage?

**Mr Gibbons**—No. The minister is looking at extending this to other locations, but we will make an announcement on that when he is ready.

**Senator CROSSIN**—What other locations?

**Mr Gibbons**—When the negotiations with the NT government are complete the minister will make an announcement. We are not doing this alone.

**Senator CROSSIN**—I want to just keep moving on then, if that is okay?

**Mr Gibbons**—Yes.

**Senator CROSSIN**—Thank you.

**Senator SIEWERT**—Can I ask a question or two here?

**CHAIR**—Yes, if you want to ask a question, that is fine.

**Senator SIEWERT**—Thank you. I am following up again on the COAG trials reviews and I would like an update on where the review is up to.

**Mr Palmer**—All of the reviews have been completed.

**Senator SIEWERT**—Have they been made available to the states?

**Mr Palmer**—The individual reviews have been made available to the individual stakeholders, or signatories, to the process.

**Senator SIEWERT**—When were they completed and when were they made available?

**Mr Palmer**—They were made available roughly at the time they were completed, which was over a period of time stretching from March through to late 2006.

**Senator SIEWERT**—Will they be publicly available?

**Mr Palmer**—The government’s intention is to make them publicly available.

**Senator SIEWERT**—When?

**Mr Palmer**—Soon. In the near future.

**Senator SIEWERT**—‘Soon. In the near future.’ We have been asking about—

**Senator MOORE**—Is this the same answer as last time?

**Senator SIEWERT**—Yes, exactly. If some were available in March last year, why have they not been made available earlier?

**Mr Palmer**—What happened was that we wanted to get all of the reviews and look at them, and see if we could draw lessons. We commissioned a synthesis review of the individual reviews late last year.

**Senator SIEWERT**—So there are reviews of all the trials?

**Mr Palmer**—Yes.

**Senator SIEWERT**—Including the Wadeye one?

**Mr Palmer**—Including the Wadeye trial.

**Senator SIEWERT**—That has been synthesised into a report.

**Mr Palmer**—Yes.

**Senator SIEWERT**—Has that report been sent to stakeholders?

**Mr Palmer**—It is a synthesis review that the Commonwealth has commissioned. It has not been sent to anyone else.

**Senator SIEWERT**—Is it likely to be sent to anybody else?

**Mr Palmer**—I understand it is the government's intention to release that report at the time it releases the reports of the individual trials.

**Senator SIEWERT**—When is that going to be released?

**Mr Palmer**—In the near future.

**Senator SIEWERT**—How soon is 'the near future'? As Senator Moore said, we were told that last time.

**Dr Harmer**—The reason Mr Palmer cannot answer that is because it will be a government decision about when they are released, and we cannot predict when the government is going to decide to release them. We understand that they intend to release them, and we do know that they are nearing completion, or completed, so it is not long away. Mr Palmer is not trying to mislead you or anything; he just does not know the answer about 'when'. But we do believe it is soon, so he is giving you the best information we have.

**Senator WEBBER**—Perhaps you could take that up with the minister, because 'soon' to my mind is within three months, and that is how long we have waited so far. Perhaps you could pass onto the minister that 'soon' seems to be becoming 'within 12 months'.

**Senator CROSSIN**—'Soon' seems to be forever.

**Senator MOORE**—It is particularly important on this one because we had exactly the same commitment at the last estimates and the department has been very open in giving us the information that it is their understanding that these things are going to be made public, and here we are three months later with the same thing. It just makes the whole thing uncomfortable. If we can leave that with you, Minister, that would be good.

**Senator Scullion**—Indeed. I would say, though, that this is the area I know the minister has a great deal of interest in but, equally, I am sure that he will need to ensure the right amount of scrutiny does go into the reports. The government will need time to consider those

reports at length ourselves. I think it is correct to say that 'in the reasonably near future' would be quite an accurate representation of that.

**Senator SIEWERT**—Is the department able to share with us some of the bones of that synthesis or the outcomes of those reviews?

**Mr Palmer**—Not prior to its release.

**Senator SIEWERT**—The projects and programs are obviously being negotiated now, before the government has taken on board the findings of this review—the synthesis of the reviews?

**Mr Gibbons**—The process does not involve the government ignoring the lessons as they are coming in. We have been working on a broad front with a lot of activities and, apart from formal evaluations, observing on a regular basis what is happening and adjusting our approach. Since the evaluations have been available to the government, the government has also factored that into decisions that it has taken about the extension of existing projects or negotiations of new ones.

Similarly, in the case of, for example, the Northern Territory, they have had copies of the Wadeye report concurrently with us. Their approach has been influenced by that experience. The negotiation that has been going on now for four or five months about forward investment in the Wadeye area and investment in other areas has had regard to the lessons in the report and from other inputs, but the government has not made that public.

**Senator SIEWERT**—All right. One of the findings of the CAEPR report—and you will know the report I am referring to because we debated it quite substantially in the estimates before last—for example, was the need for more senior staff in ICCs to be able to negotiate contracts. That was one of the major findings from that report.

**Mr Gibbons**—Yes.

**Senator SIEWERT**—Is that being taken on board, and are you substantially increasing the resources available to ICCs so that can have 'the grunt' basically to be able to negotiate these rents?

**Mr Gibbons**—Indeed. We have progressively increased the level of the seniority and experience of staff in ICCs, particularly the remote ones. Our focus has been very much on those ICCs away from capital cities. We have also in a number of locations put into the field—into communities like Galiwinku on Echo Island and Wadeye—senior, experienced people where the investment we are making, or the issues, justify it.

We have also, I think in November of last year, devolved to ICC managers the delegation to spend \$150,000 per project without referral to national office. We devolved to state managers half a million dollars. We have also strengthened support for our operations in a number of locations through the establishment of a Strategic Interventions Task Force which works very closely with the relevant ICC.

**Senator SIEWERT**—Can you provide us with a list of where you put in place those additional offices and which ICCs you have upgraded? That would be appreciated. I do not know if this is the appropriate place to ask, but last time I asked about people identifying as Aboriginal that you had in ICCs: how many in the department. I also then asked under ICCs.

The answer was not clear. I can tell you the answer, but it was not clear, so is it possible for you to tell us that as well?

**Mr Gibbons**—Yes. We can do that, Senator.

**Senator SIEWERT**—Thank you.

**Mr Gibbons**—Can I just correct? I think I said a delegation was \$150,000 to ICCs. It is \$100,000 from memory.

**Senator MOORE**—What was that last time?

**Mr Gibbons**—It was down to zero.

**Senator MOORE**—At that stage it was all Central delegation?

**Mr Gibbons**—Yes.

**Senator MOORE**—So that would still be a fairly generous delegation exchange in the current public sector.

**Mr Gibbons**—For the nature of the spending?

**Senator MOORE**—Yes.

**Mr Gibbons**—It is very flexible and discretionary.

**Senator MOORE**—In effect, regional offices \$100,000. And state offices?

**Mr Gibbons**—Senator, I do not think there are many examples in the service where officers in remote stations or state locations have that level of delegation, so the people in the field, at the grassroots, are empowered to negotiate and commit.

**Senator SIEWERT**—Are SRAs negotiated for those grants as well?

**Mr Gibbons**—That is what the funding delegation is for—for shared responsibility agreement making.

**Senator SIEWERT**—SRAs are agreed but they then sign off on the funding?

**Mr Gibbons**—That is correct.

**Dr Harmer**—You mentioned staffing levels. The number of Aboriginal and Torres Strait Islander staff in FaCSIA as at towards the end of January this year is 231 or 8.21 per cent, compared to the Australian Public Service average—I just happen to have that figure here—of 2.16 per cent, and 132 of the 231, or 57.64 per cent, are based in the state and territory network in the ICCs. They are Indigenous staff.

**Senator CROSSIN**—My understanding is that an update to an answer we got back in May—June, even—tells us that you now have final reports for all, or at least most, of the COAG trials. Is that correct?

**Dr Harmer**—We now have all of the reports for the COAG trials. Correct.

**Senator CROSSIN**—Some as early as March of last year, some as late as October. Is that correct?

**Dr Harmer**—That is correct.

**Senator CROSSIN**—And the government is sitting on them. You do not want to make them public, in other words. Given what happened at Wadeye, I would not want to make them public either, actually.

**Dr Harmer**—I do not think it is a fair description to say the government is sitting on them. Mr Palmer has just explained that, having received all of the individual reports, they have commissioned a consultant to write a consolidated report to draw together the lessons that are common across the trial sites et cetera, and that process has been ongoing. I am not sure of the status of that report, but once it is done, as we have mentioned before in answer to a previous question, we understand that the government intends to release it. It is not a matter of sitting on it.

**Senator CROSSIN**—Dr Harmer, what are we releasing? Are we going to release all of the COAG trial reports or your sanitised, consolidated version of the evaluations?

**Dr Harmer**—I do not know the answer to that. The government will decide. As I understand, they intend to release certainly the consolidated version, and Mr Yates has indicated that they intend to release all of them. It is not surprising that they would, because the individual reports are already in the hands of the Commonwealth, the state and any third party. For example, the Tangentyere Council had a copy of the Bill Gray report. I think even Senator Evans at the last hearings had a copy of that report. He asked a question directly from that at the last hearings in November. The reports are not exactly under lock and key.

**Senator CROSSIN**—In the government's response to the inquiry into the Indigenous capacity building and service delivery, it says:

The government is committed to ensuring that reporting on the progress of the COAG trials is carried out and made widely available.

So one would assume that all of the reports will be released, as well as the sanitised summary.

**Dr Harmer**—I would assume so.

**Mr Palmer**—It is my understanding that the government's intention is to release all of the reports.

**Senator CROSSIN**—But we don't know when?

**Mr Palmer**—The synthesis report is not a government report. It was commissioned by an independent study and I do not think it is fair to characterise it as a sanitised report.

**Senator CROSSIN**—So the government should not necessarily be waiting on that to release the others. Is that what you are telling us?

**Mr Palmer**—No. I am just saying I do not think it is fair to describe it as a sanitised report.

**Senator CROSSIN**—It will be a summary of the reports that have been written, though. Is that correct?

**Mr Palmer**—It is a synthesis of the lessons learnt from the reports.

**Senator CROSSIN**—You might describe it as that. We might describe it as something else.

**Senator MOORE**—Mr Palmer, who is the consultant for that?

**Mr Palmer**—Morgan Disney and Associates.

**Senator CROSSIN**—What is the total number of SRAs that have actually been reviewed to date? I understand that last year OIPC began reviewing some of the SRAs. In fact, \$34.5 million was allocated towards that in the 2006-07 budget. I think at the last estimates you told us 28 SRAs had been reviewed and 51 were on the drawing board to be reviewed. What are we up to?

**Mr Palmer**—Twenty-eight reviews were finished around the time of the last estimates. We subsequently commissioned 52 reviews and they should be finished in March.

**Senator CROSSIN**—There is no update on the figures you gave us last November, then?

**Mr Palmer**—No.

**Senator CROSSIN**—It is still costing around \$3,000 per review?

**Mr Palmer**—That is my understanding—\$2,000 to \$3,000. It varies for a range of reasons.

**Senator CROSSIN**—What is the total cost, then, that has been spent on these reviews?

**Mr Palmer**—\$177,291. That is for the 28 reviews.

**Senator CROSSIN**—Can you take this on notice for me, because I know you might not have this table with you. You provided me—question No. 028 in November—with the list of SRAs that have been reviewed and the list of the 50 that you expect to review. Can you provide me with any variation on that?

**Mr Palmer**—I think it is exactly the same as was provided then, but I will check.

**Senator CROSSIN**—All right. What I wanted was the cost of the consultancy for each one.

**Mr Palmer**—We will take that on notice.

**Senator SIEWERT**—Who negotiated these SRAs?

**Mr Palmer**—The SRAs are largely negotiated through our ICC network—the Indigenous coordination centres.

**Senator SIEWERT**—Are these ones that have been negotiated by officers in the field? I thought that delegation had just been given.

**Mr Palmer**—The delegation was from Central, but previously they were negotiated by officers in the field in large measure.

**Senator SIEWERT**—My understanding from previous estimates is that Central signed off on those. Is that correct?

**Mr Palmer**—That is correct.

**Senator SIEWERT**—Are they signing off on the new ones under the delegation process?

**Mr Palmer**—Under the new delegations, in large measure, no, they are being signed out in the ICC offices.

**Senator SIEWERT**—Is there going to be a review of those?

**Mr Palmer**—They will come under the review measures we have, yes.

**Senator SIEWERT**—But they are not part of the new 56?

**Mr Palmer**—Our review regime is roughly 12 months after an SRA is signed, provided it is of sufficient value. It is not cost effective to evaluate the very cheap ones. We then commission an external review to provide the parties with external feedback on how they are going as a basis for continuing that relationship, and most SRAs, we anticipate, will receive this low-cost independent review.

**Senator SIEWERT**—Sorry, Senator Crossin, for interrupting.

**Senator CROSSIN**—Yes, all right. While we are on SRAs, can you provide me with an update on where the negotiation of the SRA with Daguragu community is at?

**Mr Palmer**—What specifically would you like to know, Senator?

**Senator CROSSIN**—I heard in about the first week of February that there was some stalling in the final sign-off of that negotiation because there was a disagreement about a form of words in the agreement, so where is that now at? There was a sticking point, I think, to use the words of perhaps the minister, in one paragraph. Has that been resolved?

**Mr Palmer**—Can I take that one on notice? I do not have the specific details immediately to hand. I might be able to get them a little later.

**Senator CROSSIN**—If you could get them before we leave tonight, it would be useful. How many SRAs require Indigenous communities to pick up the rubbish? Is that a standard clause in most of them these days?

**Senator Scullion**—Mr Chairman, I am familiar with some of these SRAs and I think that is a bit of a cheap shot, particularly at these communities that have identified tourism as a fundamental part of their economic plan. These SRAs quite often fit very neatly within that. The community recognises as part of their mutual obligations that they can play a fundamental and very real role in assisting in the cleaning up and the changing of the visual aspect of their community, and that is what this is about. To suddenly slight that as somehow a demeaning thing I really do not think is helpful at all.

**Senator CROSSIN**—Mr Palmer, how many SRAs require people in communities to pick up the rubbish or clean up around their house?

**Mr Palmer**—I do not have those figures to hand.

**Senator CROSSIN**—Can you take that on notice, please?

**Mr Palmer**—Yes, I can take that on notice.

**Senator CROSSIN**—I would be interested to know. That is becoming a standard clause in your SRAs these days.

**Mr Palmer**—I am happy to take that on notice.

**Senator CROSSIN**—Given the state of Daguragu community, I am surprised that it is actually in there. It is one of the cleanest places I have been to. If you could take that on notice, that would be appreciated. I want to go to strategic interventions. Ms Gumley, that will be your area. Which agencies or peoples are participating in the Strategic Interventions Task Force?



**Ms Gumley**—The Strategic Interventions Task Force is a task force within FaCSIA, and we regularly engage with other agencies both at the ICC level and at the state office level, such as our Northern Territory state office but also with other agencies here in Canberra.

**Senator CROSSIN**—Can you list the other agencies for me—all agencies, or do they vary from state to state?

**Ms Gumley**—No, largely in each of our state and territory offices the state manager convenes an Indigenous affairs forum and most of the social policy departments are involved in those; departments such as Health and Ageing; Employment and Workplace Relations; Education, Science and Training; Communications, IT and the Arts et cetera.

**Senator CROSSIN**—How many people are on this task force?

**Ms Gumley**—The task force is a division within FaCSIA and there are around 20 people in that task force.

**Senator CROSSIN**—Those 20 people are all from FaCSIA?

**Ms Gumley**—Yes, they are.

**Senator CROSSIN**—Could you take me through how this task force operates on a weekly basis. Do you meet with 20 other people from other agencies or a representative from each of the other agencies?

**Ms Gumley**—We have contacts in each of the other agencies that we work with. We meet on an as required basis, usually around particular locations where issues might be that we are putting together a strategy for a particular location or whether there is work already under way. We then work with our state offices in making sure that we have good oversight and project management around what is going on in the particular strategic intervention sites.

**Senator CROSSIN**—I am trying to get a handle on this. This is 20 people in a unit which you are coordinating? When you say you meet as and when required, does that mean that 20 of you fly to Brisbane to meet? How does it physically work?

**Ms Gumley**—No, sorry, Senator. The task force is a division within FaCSIA. I am acting in that group manager role. Within that group there are different teams that take on a state location and become immersed in the detail of that particular location and that state. Then we use that specialist knowledge to work with our state managers and also to work with the other agencies in developing the approach for each of the locations.

**Senator CROSSIN**—What have you done since you were established?

**Ms Gumley**—Since the task force has been established, there has been documentation of the methodology around strategic intervention sites and some specific strategies developed for Alice Springs, Galiwinku, and we are in discussion with the Northern Territory government about a strategy for Wadeye.

**Senator CROSSIN**—Are these publicly available?

**Ms Gumley**—Certainly the detail of them as priority communities is reflected for Alice Springs, Galiwinku, Mornington Island and Kalumburu in the overarching bilateral agreements.

**Senator CROSSIN**—The strategies that you are talking about, Ms Gumley, would they be in a publicly available document or in a bureaucratic document between yourself and state and territory governments?

**Ms Gumley**—That has largely been the latter, in terms of exchanging those between the Commonwealth and states. However, some of them have been the subject of media releases by the minister, such as the Alice Springs strategy which we have been working on in conjunction with the Northern Territory government.

**Senator CROSSIN**—Does it focus on specific community, priority communities, or regions?

**Ms Gumley**—Yes, that is correct.

**Senator CROSSIN**—And they are the ones that you have outlined?

**Ms Gumley**—Yes: Mornington Island in Queensland; Kalumburu in West Australia; Alice Springs in the Territory; and Galiwinku in the Territory.

**Senator CROSSIN**—Your performance management framework suggests that in the first year you will:

Establish a community profile to report on the current status of the community, using both quantitative and qualitative measures.

**Ms Gumley**—Yes, Senator.

**Senator CROSSIN**—Is that happening?

**Ms Gumley**—That work is being commissioned in Galiwinku community at the moment and it has not as yet proceeded in the other communities. But the plans for that are in place.

**Senator CROSSIN**—How many communities are we talking about?

**Ms Gumley**—There are four formally agreed with states and territories around the strategic intervention status, and we are in discussion around also including Wadeye as one of those.

**Senator CROSSIN**—So that is Alice Springs, Galiwinku?

**Ms Gumley**—Mornington Island, and Kalumburu in Western Australia.

**Senator CROSSIN**—And possibly Wadeye now?

**Ms Gumley**—Yes, that is right.

**Mr Gibbons**—Senator, agreement has been reached with several jurisdictions on locations, and a lot of work has been put into working with the respective agencies in those jurisdictions to draw up an investment plan. On Kalumburu, the announcement was made in the middle of last year—in fact, it was covered off in the bilateral agreement—that it was an area of strategic importance to both the Commonwealth and the state, and we have been negotiating and are close to an agreement on the detail of how that will be implemented. In the case of Queensland, Mornington Island was determined, and both governments have been implementing early plans for activities there and are giving consideration to expanding. In the case of the Northern Territory, Galiwinku and Alice Springs were nominated first. The Chief Minister invited us to add Wadeye to the list and we have, in principle, agreed and we are in

the process of finalising a joint investment plan for that area. And we are looking at other areas. Until the governments in the respective jurisdictions sign off with the Commonwealth, the details will not be announced.

**Senator CROSSIN**—Ms Gumley, the community profiles will become publicly available documents, once they are completed, for the four, possibly five, communities?

**Mr Palmer**—That is a matter for government and for the parties to consider. If I can just add something to an earlier question you asked: we have actually sent out a selective tender for the baseline collection in Galiwinku and Mornington Island. Responses to that tender closed on 13 December and it is currently being considered.

**Senator CROSSIN**—What sort of baseline data are you trying to achieve?

**Mr Palmer**—We are looking at small area data, or localised data, largely against the framework in the *Overcoming Indigenous disadvantage* report, the seven strategic areas for action.

**Senator CROSSIN**—Will that go to average weekly income or occupancy of house?

**Mr Palmer**—My recollection is that it does cover those sorts of issues but we can get you a detailed list of the specific data items in the tender request, if you want.

**Senator CROSSIN**—Yes, thank you. That would be good. I am assuming that you need the community profile before you negotiate the action plan with each community. Is that correct?

**Mr Palmer**—The two can be done concurrently, but perhaps Ms Gumley would like to talk more about that.

**Ms Gumley**—Certainly they are very useful in terms of refining the strategy. But in most of the communities, the Commonwealth, state and community have good ideas around the sorts of priorities that they would like to start off with, and the baseline data collection will help refine those priorities and target the interventions more.

**Senator CROSSIN**—How many action plans are being negotiated at the moment?

**Ms Gumley**—The action plans?

**Senator CROSSIN**—With the community. I am looking at your three key performance management framework identifiers here.

**Ms Gumley**—Yes.

**Senator CROSSIN**—The second one is to negotiate an action plan with the community that would include performance indicators. How many action plans are being negotiated?

**Ms Gumley**—They are currently in the early stages of development. Again, a lot of the work in the early stages of the strategic interventions has been around having a lot of discussions about expectations between Commonwealth and state, and those discussions are just starting with the third party as well, being the community.

**Senator CROSSIN**—Basically, you have started four negotiations, possibly five if you include Port Keats.

**Ms Gumley**—If we include Wadeye, yes, that would be true. Some of those are more progressed than others. For instance, the Kalumburu location in Western Australia is at the earliest stage.

**Senator CROSSIN**—The tender has only gone out for Galiwinku at this stage. Is that right.

**Dr Harmer**—Galiwinku and Mornington Island.

**Senator CROSSIN**—Who are you negotiating with in Alice Springs?

**Ms Gumley**—In Alice Springs the work has been done largely at the invitation of the Chief Minister, with the Alice Springs task force, and that has been around consulting and discussing a wide range of issues around Alice Springs—alcohol management and—

**Senator CROSSIN**—I want to know who, though. Who are the Indigenous people you are negotiating this plan with in Alice Springs?

**Ms Gumley**—In Alice Springs it is a slightly different approach, because it is a large regional centre. In the Alice Springs task force there has been the Tangentyere Council, Lhere Artepe has been involved in discussions, the traditional owners, as well as the Alice Springs Town Council and the Northern Territory government.

**Mr Gibbons**—In Alice Springs we were invited to participate in the consultative processes established by the Northern Territory government.

**Senator CROSSIN**—Can you provide me with a list then of what organisations you might be negotiating with in Alice Springs as part of the task force. It is pretty easy to identify who it is at Galiwinku and at Port Keats, but who are the Indigenous people you are negotiating with in Alice Springs?

**Ms Gumley**—As Mr Gibbons said, it is the consultative arrangements of the Northern Territory government established for the development of the Alice Springs strategy. That particular location was at the invitation of the Chief Minister, and the Australian government offered support. So we have been working within their consultative structure.

**Mr Gibbons**—The nature of our investment in Alice Springs is quite different to the other locations. We are upgrading our power-water-sewerage infrastructure in several of the town camps to bring it up to Alice Springs Town Council's standard. We are building a number of short-term visitor centres that will be managed on a commercial basis for visitors.

**Senator CROSSIN**—We do not have time to go into all of that, Mr Gibbons. We want to get out of here by 11 o'clock. I am really interested to know exactly who are the Indigenous people you are involved with in the task force.

**Mr Gibbons**—We are involved with the task force consultative group that the Northern Territory government established.

**Senator CROSSIN**—Can you tell me who that is.

**Mr Gibbons**—We can give you a list of the names of people on that committee appointed by the Northern Territory government.

**Senator CROSSIN**—Thank you.

**Dr Harmer**—The point Mr Gibbons is making is that the people who we are negotiating with—Indigenous people in Darwin—have been selected by the Northern Territory government, not by us.

**Senator CROSSIN**—I understand what you are saying. I clearly understand that. It is a Northern Territory government task force, in which you have been asked to participate.

**Dr Harmer**—Yes.

**Senator CROSSIN**—I am simply asking you if you can tell me who are the other participants you sit with in that task force. In your mind, will these strategic interventions be different to the COAG trial approach or actually be integrated into that?

**Mr Gibbons**—They will certainly be different. The scale of the investment that we are contemplating in these centres and the integration with the state or territory jurisdiction effort will be much tighter. The COAG trials were experiments, where agencies of both Commonwealth and state experimented with a number of measures, not necessarily in a strategic way, and did not necessarily involve increased spending. The whole concept of strategic intervention is to take a location, identify the issues, negotiate with the people in the community and draw up a plan of investment that attempts to overcome as many of the issues as quickly as possible.

**Senator CROSSIN**—So it is different to a COAG trial. It is not as large scale as a COAG trial. Is that correct?

**Mr Gibbons**—It is a much larger scale than a COAG trial.

**Senator CROSSIN**—Did you say it is larger or not as large?

**Mr Gibbons**—It would be larger. The scale of the investment will be very much larger.

**Senator MOORE**—Is that the anticipation for all of them or just some of them?

**Mr Gibbons**—I will not say all of them—the majority of them.

**Senator MOORE**—I got the impression from Mr Palmer that there is going to be a variation in the size of them.

**Mr Gibbons**—It depends on what the issue is that is being tackled.

**Senator MOORE**—So it is going to be localised.

**Mr Gibbons**—For example, if you look at Mornington and you contrast Mornington with Galiwinku, it is not an infrastructure problem at Mornington. It is well resourced. In contrast, Galiwinku has very poor infrastructure. So the investment that would go into Galiwinku will not go into Mornington.

**Senator CROSSIN**—I have questions on native title rep bodies, but I think I should probably finish most of outcome 1 and perhaps do the rep bodies last.

**Senator MOORE**—Could I clarify an answer before Mr Palmer escapes, because I saw him packing up there. It was a hearing issue, Mr Palmer. I did not quite get the number and I did not want to break in on Trish's questioning. It was about the SRA reviews. You gave us a figure of how much—

**Mr Palmer**—Twenty-eight reviews were completed late last year. We currently have 52 reviews being conducted at the moment.

**Senator MOORE**—And the cost? You gave us a very detailed figure, down to \$91-odd.

**Mr Palmer**—It was \$177,291.

**Senator MOORE**—But you also said that it was going to be between \$2,000-odd and \$3,000-odd each.

**Mr Palmer**—Roughly, yes.

**Senator MOORE**—Can you do the math for me. Twenty-eight times \$2,000 to \$3,000—that does not add up.

**Mr Palmer**—She does have a point.

**Senator WEBBER**—It is not often she gets a numerical point, though.

**Senator MOORE**—I definitely want that on *Hansard*.

**Mr Palmer**—The \$2,000 to \$3,000 is the direct cost to the provider. We also fund out of the department administrative resources the travel of the consultants to the communities, so the admin cost is built into that.

**Senator MOORE**—Thank you. I was a bit worried about that.

**Senator SIEWERT**—Senator Crossin, I have more questions about outcome 1.1. Are you still going on that or do you want to move on?

**Senator CROSSIN**—I have native title rep bodies. You can tell me what order you want to take them in. I should not give you an option. You might leave the hardest till last! Under outcome 1, I have native title rep bodies, Mutitjulu, policing, Indigenous home ownership and ABA. Can we try and get through those by about 10 o'clock or quarter past 10 and do the agencies.

**Senator SIEWERT**—If some of yours come under 1.2 and 1.3, I figured that we could do the whole-of-government stuff, finish that off, and then move on to the others.

**Senator CROSSIN**—I will keep going then.

**Senator SIEWERT**—Is that going to be easier for the department?

**CHAIR**—You are still on 1.1, are you?

**Dr Harmer**—If it will help, I do not think it matters to us now, given the hour—and we are going to cease at 11—whether it is 1.1 or 1.2. We can probably accommodate the order that you wish.

**CHAIR**—What is the subject matter you wanted to ask questions about now?

**Senator CROSSIN**—These are native title rep bodies.

**CHAIR**—How about we ask questions in that area and then we will move on to the next one after that.

**Senator CROSSIN**—They really just go to some unanswered questions or further questions that we want clarified arising from the Native Title Amendment Bill. I am aware

that people have had briefings last week and we have had a Senate inquiry but we still have a few issues that are cropping up about this so I thought that I would use this as an opportunity to clarify. I understand it has been made possible for Native Title Services in Victoria, Queensland and New South Wales to be recognised as native title rep bodies under the changes in the act. Is that correct?

**Mr Roche**—It is correct that under the proposed amendments, bodies which are currently funded under section 203FE of the act, which are Native Title Services of Victoria, New South Wales Native Title Services and Queensland South Native Title Services will be eligible to apply to be recognised by the minister as rep bodies. In addition, the act is being proposed to be amended to allow those bodies, even if they remain as section 203FE bodies, to be able to exercise all of the functions of an NTRB. Currently there is some ambiguity about what powers they can exercise.

**Senator CROSSIN**—So we will see amendments to the act, as we debate it, to clarify that?

**Mr Roche**—Yes, that is correct.

**Senator CROSSIN**—That is probably why we have questions arising then. Is it also possible under these changes for the department to open up NTRB services for tender since the service is open to all corporations now?

**Mr Roche**—On the expiry of the first recognition period, which the senator will recall we had some discussion about the week before last, it will be open to the minister to invite bodies, if he or she wishes, to make application to be recognised as representative bodies. As I mentioned when I gave evidence on the last occasion, that would be a major decision for the minister because of the potential implications for disruption on services to the claimants.

**Senator CROSSIN**—You will not be opening up the NTRB services for tender; it will be an invitation process?

**Mr Roche**—We are seeking advice on what options the minister will have open to him or herself. Currently the bill is silent about the process which the minister could utilise.

**Senator CROSSIN**—Are there plans to clarify that?

**Mr Roche**—We are seeking advice on that.

**Senator CROSSIN**—Under what circumstances do you envisage it would be necessary to place an NTRB only on a one-year term?

**Mr Roche**—The circumstances under which it would be envisaged that an NTRB would only be recognised for a year would be that the NTRB is currently under administration. There has been an administrator appointed by the registrar of Aboriginal corporations or there is a financial controller in place. Clearly, both of those decisions go to issues about the governance and administration of those organisations sufficient to raise concerns about its continued future. I hasten to say that that does not by any means imply that it is expected that the NTRB will automatically cease to be recognised at the end of that period, as NTRBs can and have recovered very quickly in the space of 12 months.

**Senator CROSSIN**—My understanding is that this will not be common. It may affect one or two of the current NTRBs. Is that correct?

**Mr Roche**—The minister has an overall objective under the act to ensure that the best possible standard of service is provided to the claimants who are the users of this system and, I have to say, this is a matter for the minister. It is the minister's decision. Our understanding would be that circumstances which would give rise to a decision to only accord one year of recognition would be fairly limited in light of the implications for potential disruption of services.

**Senator CROSSIN**—I want to go back to the red tape evaluation report that was provided to OIPC. It does make comments there about a one-year periodic term. Has there been any work done by the department to look at the implications of that evaluation report in relation to the possibility of a one-year term for NTRBs and cross-reference it? Sorry, I am still on NTRBs.

**Mr Roche**—I got caught, sorry. I was assuming you were asking about the red tape report rather than—

**Senator CROSSIN**—I want to know about that in relation to NTRBs, because it makes some quite damning comments about limited short-term funding, so I am wondering if areas within the department might actually be talking to each other about what comes out of evaluation reports.

**Mr Roche**—Yes. We are aware of that report. In fact, currently the NTRBs are on one-year funding. Their funding is only from 1 July to 30 June each financial year, and each year they have to reapply essentially on a zero line basis, a zero budget basis. One of the changes which is not in the legislation but the government did announce in November 2005 is that allied with the changes to the recognition period will be a change to the funding period, so that funding will shadow the period of recognition. For example, if an NTRB is recognised for a period of six years, then it can expect as part of that process to become aware at the time of the recognition decision of what its funding will be for at least the next three years in terms of corporate activities. This, for the first time, gives an NTRB the ability to be able to plan three years out in terms of its baseline funding. It actually provides a greater level of stability for the system than currently is the case.

**Senator CROSSIN**—The one-year funding will only be a problem for those NTRBs that are struggling. Is that correct?

**Mr Roche**—Yes. Because of the dynamic nature of the native title environment, what has been decided is that NTRBs will be advised of their corporate costs for the period of their recognition—or at least if it is the first three years of a six-year term, because the government cannot look at six-year funding—and they will be the costs which are essentially there to ensure that the doors remain open, the staff are employed, the rent is paid, the vehicles have got fuel; but because of the fact that native title activity can be very dynamic, there will be top-up amounts each year, depending on the projected level of activity.

**Senator CROSSIN**—The NTRB's territorial boundaries will be able to be changed without their consent. In what circumstances would you expect the minister to exercise that power?



**Mr Roche**—The bill has within it a process which will allow both NTRBs and the minister to give notice of an intention to consider a change of boundary. The minister, after a public process of advertising and a consideration of submissions, may be able to vary a boundary. Given that the entire thrust of this part of the act is about ensuring that the best services are maintained or improved for claimants and native title holders, clearly those will be the factors which will be weighing on the minister's mind: what is the best service; who can provide the best service.

**Senator CROSSIN**—If the minister can extend the boundaries of the native title rep body to cater for a particular native title claim, would those boundaries apply for all future claims? How rigid are the boundaries once they have been changed?

**Mr Roche**—They apply until they are again varied by ministerial decision, Senator. I will just mention there have not been any changes to NTRB boundaries since 2000. It has been a very stable system.

**Senator CROSSIN**—Finally, I want to ask you about the joint standing committee's inquiry into native title rep bodies that we completed last year. You probably do not have the recommendations with you but I want to know if this legislation picks up, in particular, some of the recommendations of that report.

**Mr Roche**—I do not have the report with me, I am afraid. The government has a response ready in relation to that report.

**Senator CROSSIN**—There are four recommendations that we have been looking for in this legislation—that is, that OIPC develop comparative data based on key performance indicators to assess the relative effectiveness of NTRBs.

**Mr Roche**—Yes, we had commenced that activity before the report was brought down.

**Senator CROSSIN**—It is not in this legislation.

**Mr Roche**—No.

**Senator CROSSIN**—But your department is doing that?

**Mr Roche**—It is now part of our ongoing monitoring of the performance of NTRBs.

**Senator CROSSIN**—You are developing comparative data about them?

**Mr Roche**—Yes. It involves an assessment of each NTRB's effectiveness against its operational plan. The operational plan is a breakdown for each NTRB by claim and agreement activity, and the particular milestones that it hopes to reach during that financial year. We conduct an assessment as to how effective or otherwise the NTRB has been, taking into account that of course this is an environment where the circumstances are often outside an NTRB's control. That is weighted and it derives an outcome about how effective the NTRB has been during that period. It is still an element of subjectivity and it is still very early days of this assessment, but at least having moved to this process we are getting closer to something more like an objective assessment of performance.

**Senator CROSSIN**—The other recommendation was the establishment of an independent advisory body to advise the minister on the rerecognition of NTRBs. Is that picked up in the legislation?

**Mr Roche**—That is not in the legislation.

**Senator CROSSIN**—And it is not currently being done as a matter of course by the minister or the department?

**Mr Roche**—I think that probably should await the government's response to the report.

**Senator CROSSIN**—Another recommendation I wanted to ask you about was the developing of standardised criteria for use in the recruitment of the representative body staff, so some sort of nationally consistent standards of recruitment for NTRBs.

**Mr Roche**—The government has funded the Castan Centre at Monash University to provide a range of human resource activities for the NTRBs, including assistance with recruitment and something like a national pool of—particularly professional—staff who will be interested in careers in NTRBs.

**Senator CROSSIN**—I think you mentioned something about it at the hearings.

**Mr Roche**—I did, yes.

**Senator CROSSIN**—That is right. The last recommendation I wanted to know if you had picked up was investigating the feasibility of the secondment of government staff to NTRBs or the establishment of a centre for excellence to develop the legal capacity or the provision of scholarships or postgraduate study for staff in NTRBs.

**Mr Roche**—That is I think again one which will need to await the government's response.

**Senator CROSSIN**—All right. That is all I had for native title representative bodies.

**CHAIR**—Senator Siewert has some more questions on native title. Then we will go back to overview areas—whole-of-government issues—because there are some more questions on that.

**Senator SIEWERT**—On the native representative bodies, from a comment you made earlier I took it that there is not a clear set yet of criteria by which the minister will be making a decision on recognition and rerecognition of native title bodies. Is that a correct interpretation?

**Mr Roche**—The minister has approved criteria which are to guide him in his decision making in relation to the recognition periods that will come, assuming this legislation is passed. I wrote to the CEOs of the NTRBs approximately a fortnight ago, advising them of those criteria. I do not have the letter here but I can take it on notice and provide a copy. But, in short, it goes to the issues surrounding how well the NTRB has been performing, what the native title environment is like in its particular jurisdiction because of course it varies and also such matters as what is the prospective workload as some NTRBs are probably coming to the end of the road in terms of claims.

**Senator SIEWERT**—Will the minister's decision be reviewable?

**Mr Roche**—The bill provides for the decisions of the minister. They are both legislative instruments and also subject to review under the Administrative Decisions (Judicial Review) Act.

**Senator SIEWERT**—So they will be reviewable under that.

**Mr Roche**—That is correct.

**Senator SIEWERT**—They will be treated as a regulatory instrument?

**Mr Roche**—As a legislative instrument, yes.

**Senator SIEWERT**—So will that be around all of the decisions that the minister makes in terms of rerecognition, in terms of length—

**Mr Roche**—Yes, the recognition decisions will be legislative instruments. The bill provides for them.

**Senator SIEWERT**—If they are legislative instruments and they are treated as legislative instruments, where does the review come in?

**Mr Roche**—The ADJR review?

**Senator SIEWERT**—Yes.

**Mr Roche**—Because the advice to the minister is obtained by ourselves, our process will be subject to a potential ADR challenge should it be found that there has been a defect.

**Senator SIEWERT**—So your advice will be, but the minister's decision will not be?

**Mr Roche**—The minister's decision will be subject to judicial review, yes.

**Senator SIEWERT**—It will be as well?

**Mr Roche**—Yes.

**Senator SIEWERT**—Sorry. I am just getting a little confused.

**Mr Roche**—It is both.

**Senator SIEWERT**—Maybe it is because I do not know the process well enough. If it is reviewable under the review process, why is it then a legislative instrument as well?

**Mr Roche**—That is a matter of government policy.

**Senator HEFFERNAN**—Thanks very much. Mr Gibbons, congratulations on getting into the black hole in the wall there in the line-up of people like at the footy toilets trying to get onto Centrelink. I have been given a task of a SWOT analysis of the north in the form of a task force for the development of economic opportunities for the Indigenous people including the development of all the land and water resources in a way that does not offend mother earth in the area, which obviously means a lot of the sit-down country in that area of the world may have an economic opportunity presented to itself.

In recent times I just wondered what the role of the department would be in assisting us to come to terms with that and assisting the Indigenous community to make decisions. I am sure that we will take a lot of careful consideration of who would be on the task force to assist it in that manner. But in recent times I have noticed that there has been a lack of duty of care by a lot of people in the disbursement of mining royalties and there was certainly an episode that I think every Australian should feel desperately disgusted with before Christmas—and I will not give the location—where the best part of half a million dollars was handed out to a group of families, a lot of whom spent the money in the casino; buying vehicles.

One bloke was arrested, on his way back from the big spend, with a hundred slabs of beer in the back of the vehicle. Noel Pearson and people like that have said to the Indigenous communities that the way forward is not sit-down money. I met a developer in Darwin. Darwin is quite an amazing place for the number of high-rise units that are there that seem to me to be built on the back of hot money and Asian money and drug money and God knows what.

I said to this developer, 'In my view, the development of the Northern Territory and economic opportunity oughtn't to be another high-rise block of units with a view out over the bloody sea. It ought to be something that produces something,' and he said, 'You just keep sending that blackfella money up here and we'll keep spending it for you.' I want to know what the department can do to make sure that there is some education on how to best distribute and invest the money. I think there will be fantastic opportunity, everything from carbon offset trading to God knows what in the north, and a lot of that will be involved with the better use of Indigenous land. What role do you think your department can play in all of that? I do not know whether you acknowledge that some of the mining royalties are—the terminology that I would use is 'water down the drain'. Do you blokes have any consideration of influence on the land councils and other people that have responsibility for that? Is there some educative process? Sorry for the preamble.

**Mr Gibbons**—You have covered a wide range of issues there, Senator.

**Senator HEFFERNAN**—I did. I said I was going to go straight up the middle.

**Mr Gibbons**—Yes. Let me say at the outset that I think, to the extent that the department has responsibility for issues that are relevant, we would be happy to assist your inquiry or make submissions to your inquiry. I suggest there are a number of agencies that are potentially relevant. Our responsibilities involve assistance to individuals through the welfare system and assistance beyond that with things like income planning and income management. We are responsible for the land council legislation or the land rights legislation, though we do not control the land councils; they are independent, as you know. We are pursuing, in partnership with the Northern Territory government, land reform, focused on the townships in the Northern Territory. The minister has determined that the days of distributing large amounts of Commonwealth moneys in a non-strategic way are coming to an end, and we are negotiating investment strategies in partnership with relevant jurisdictions, that give consideration to economic opportunities for local people.

Other agencies—for example, Employment and Workplace Relations portfolio—have a responsibility for investment in economic business development. They have a number of programs at their disposal. There is also Indigenous Business Australia, which has funds available. I should have mentioned that in our portfolio the minister is also responsible for decisions to disburse the Aboriginal benefit account, which can be spent in the Northern Territory for the betterment of Indigenous people.

**Senator HEFFERNAN**—I do not want you to cut me any slack. I would actually like to congratulate the minister on the attendance in the first week at the Wadeye school which, as you know, has been a bloody disgrace. The model of a Catholic school had been used and it has completely failed in the past. To attend the first presentation day there, where for the first

time ever there were presentations for achievement instead of just attendance, is extraordinary and hard to believe, and I am pleased to see that the minister had his people on the ground there at the beginning of this year. We are talking about the sixth-largest community in the Northern Territory, where there is not a high school, and I am pleased to see there is a plan to at least get a bloody high school in the place. What chance have they got? No-one seems to be able to come up with the right figure, but somewhere between 5,000 and 7,000 kids have no access to high school in the Northern Territory, and I would like to think that part of the task force role will be to package up development so that at least we can get infrastructure and—

**Senator CROSSIN**—You could have asked those questions.

**Senator HEFFERNAN**—We will kick down every door on the way through in this process, don't worry about that! I do not understand why that 'black hole in the wall' thing was there for all that time. I do not understand that. But I am concerned that we need to have determination by all the players that we will value add and give advice. One of the things that is quite obvious—it is as obvious as needing a bloody high school in places like Wadeye, and there are other places in the same boat—is that there ought to be some sort of technical training. You are in a community where you cannot work out why you go to bed at night and why you get up in the morning because half the population drinks all night and sleeps all day, and you wonder why the kids get into mischief every time the TV cameras turn up.

It is patently obvious that we have got to burn a bridge somewhere and get a generation of kids to go to school and then go from school to some sort of technical training so that they can get a job in the mine and have all the opportunities that might present themselves. I would like to think that we have got some quite exciting discussions to have in the near future about the opportunities that might present themselves, and I am encouraged by the fact that the land councils are already wanting to get on board. It is just a question of how we assemble all the data onto one database, and, if you blokes have in your department data that you would consider valuable to the Prime Minister's task force on assembling the SWOT analysis of the opportunities in the north, we would be grateful to receive that. I would like the message from here to be that I would like to start people delving into what data they might have.

Already the minister for agriculture has given me a list of all the grants that have been passed out in the last so many years, some of them \$1 million grants to look at science-gathering on some of the catchments up there, and the work on the earth and water. If there is information that you have stored away that has never been used, we would be grateful to receive it.

**Mr Gibbons**—Certainly we are prepared to assist. I just mention that there are data being released I think at the end of March—an update of data for a database of population across the north, a most valuable resource. We will certainly make that available to you.

**CHAIR**—Are they the questions you have, Senator Heffernan?

**Senator HEFFERNAN**—Yes. I could go on all night. I had better shut up.

**Senator CROSSIN**—They're begging to come back to the opposition senators after that, I think, Senator Heffernan.

**CHAIR**—That is very unlikely, Senator Crossin.

**Senator CROSSIN**—I can see the look on their faces!

**Senator HEFFERNAN**—But does the department recognise, Mr Gibbons—and, by the way it is not peculiar to the Northern Territory, it is true of a lot of places—that there are a lot of communities where you cannot walk to the corner and pick a bus up, or turn a tap on and water will come out, and there are a lot of communities where they have not had the first bite of the cherry? That is what we are talking about. There are obviously a lot of smart kids in that country that get completely overlooked because they do not get educated. Is there a plan, in say Ti Tree or somewhere, to develop some sort of a higher education, like technical type stuff where perhaps you could—

**Senator CROSSIN**—Like building houses? Have a look at the transcripts, Bill.

**Senator HEFFERNAN**—I will not speculate on what the specifics are, but if eventually you get your land sorted out and you can build your own home on your own land and own the thing, so that when someone comes along and kicks the door in they are not kicking a community door in, they are kicking your door in because you own the house, and you are going to leave the house to your kids to give them a start in life—all that sort of stuff—what about—

**Senator CROSSIN**—Senator Heffernan, perhaps you should have been here a little while ago.

**Senator HEFFERNAN**—Yes, righto. I am sorry.

**Senator CROSSIN**—This department could not even guarantee us that a certain number of people at Port Keats would be involved in building new houses; at this stage only six and there is no definitive number into the future. Perhaps if you had been here an hour ago, you may well have directed your comments at that lack of commitment.

**Senator HEFFERNAN**—That could well be.

**CHAIR**—Senators, we are here to ask the department questions.

**Senator HEFFERNAN**—Yes, I am. Let me ask a question.

**CHAIR**—We are not doing that at the moment. Senator Heffernan, have you got a question?

**Senator HEFFERNAN**—Is there a plan for further education of kids once they have been to high school? We have not got a high school yet for 7,000 kids but let us look beyond that. What are we going to do with them after they finish high school?

**Mr Gibbons**—Education is one of the foundation elements in all our planning. It is a Territory responsibility. The Commonwealth contributes—

**Senator HEFFERNAN**—Yes, I am aware of that.

**Mr Gibbons**—a large amount of money. In the development of joint investment strategies—for example, the one that we are negotiating with the Northern Territory government at the moment over Wadeye and a number of other remote communities—education is at the centre of the plans. In fact, I think at Wadeye the high school opens later this month. But I repeat: we are more than happy to meet with your task force or make a

submission to your task force; make available our data and discuss our experience in these areas.

**Senator HEFFERNAN**—In terms of the money that comes from the Commonwealth to the Territory government or wherever, traditionally some of that has disappeared in areas like health. You send a cheque and half the cheque gets eaten on the way through; only half comes out the other end on the target. Obviously I am trying to jolly-up everyone, including the Commonwealth and the Territory, about not living another generation of neglect up there. Are you having a reasonable sort of an arm-wrestle with the Territory government about them also meeting their obligations in the area of education? It is not much good kids going to Wadeye if there are no desks and no bloody classrooms.

**Mr Gibbons**—One of the reasons that there is such a gap between an announcement in principle to do something with the Territory or another jurisdiction and the release of the plan is that it takes a good deal of negotiation. That involves convincing the Territory or the appropriate state jurisdiction that it has to meet its share of responsibility. It is not a one-sided process. But we are close in the Northern Territory to some significant agreements that the minister will announce, hopefully, soon.

**CHAIR**—We are going to have to leave it there because we have other questions to ask. Thank you for that.

**Mr Gibbons**—Mr Chair, can I respond to the comment from Senator Crossin? One of the reasons that I am not prepared to make any guarantees at the moment is that I do not want to pre-empt any announcement that the government might make on what it is going to do at Wadeye.

**CHAIR**—Thank you for that. We have further questions from Senator Siewert on whole-of-government issues or coordination of policy. Would you like to ask those questions now, Senator?

**Senator SIEWERT**—Thank you. I want to go back to the COAG communique of July 2006 about the generational commitment that was made. I understand it was around overcoming Indigenous disadvantage and the key indicators report, and that a working group was set up that was supposed to report by December 2006. First of all, I want to know if the working group was set up.

**Mr Yates**—Yes, it was, Senator. The Commonwealth's participation on that is led by the Department of Prime Minister and Cabinet, and we are also involved.

**Senator SIEWERT**—Has it reported yet? It was supposed to report back by the end of the year.

**Mr Yates**—I understand that there would have been a report prepared because in the lead-up to the next COAG meeting in April there is a meeting of senior officials and they would be receiving an update: I think that is later this month.

**Senator SIEWERT**—That is a progress report, is it, rather than a final report?

**Mr Yates**—I think it is more on progress in terms of giving a response to COAG about how to take that proposal forward.

**Senator SIEWERT**—Has a time frame been set for development of the framework that they are working on?

**Mr Yates**—I think that is part of the scoping of the work that will be considered. Certainly they are obviously looking at a generational commitment. How to best shape that and over what time frame and through what steps is something that the intergovernmental working party is looking at.

**Senator SIEWERT**—Thanks. Do you have more whole-of-government approaches? I will pass that back to Senator Crossin.

**CHAIR**—Okay. Senator Crossin?

**Senator CROSSIN**—Thank you. Mr Gibbons, I am sorry, were you going to get me the cost of Mr Sanderson's house and car this evening? Was that something you were going to try and get back to me about tonight?

**Mr Gibbons**—No, Senator. I understood the officer offered to take that on notice.

**Senator CROSSIN**—It is not possible?

**Dr Harmer**—We need to be accurate. I do not think we could have got it tonight. The people who we would rely on to put those figures together would be people back in the department in the corporate areas and they would not be there now.

**Senator CROSSIN**—You mean they are not all working late at night watching the television?

**Dr Harmer**—Not like us, no.

**Senator CROSSIN**—Where are the performance outcomes for that?

**Dr Harmer**—They work very hard, Senator, I should just add, the people in the department.

**Senator CROSSIN**—I want to ask some generic questions about Mutitjulu; not in relation to ORAC. I have got questions of ORAC in a moment. These questions are in relation to the department. Dr Harmer, is your department aware of a complaint lodged with the Ombudsman by the former CEO of the Mutitjulu Aboriginal Corporation about the conduct of certain employees within the department?

**Dr Harmer**—No, I am not. Maybe someone at the table behind is, but I am not. Senator, it does not seem that people at the table are aware of that, so if you have got a question we will take it on notice.

**Senator CROSSIN**—I have. Maybe I should ask the Ombudsman now, because I understand that this complaint was laid with the Ombudsman last November and I am wondering why it has not been brought to your attention.

**Dr Harmer**—I do not know the answer to that, Senator.

**Senator Scullion**—I think you are right, Senator: I think it probably is a question for the Ombudsman or the Attorney-General. I am not sure if they are still operating this week.

**Senator CROSSIN**—I think it would be the Ombudsman. It is a complaint that was—



**Mr Gibbons**—If there is a complaint with the Ombudsman, it is up to the Ombudsman to investigate and to issue a report. We would not comment on the matter ahead of the determination by the Ombudsman of his finding.

**Senator CROSSIN**—I understand that. I am just wondering if the complaint has actually been brought to your attention.

**Mr Gibbons**—Not to my knowledge.

**Senator CROSSIN**—So at this stage the Ombudsman may well be sitting on that complaint. I will put questions on notice perhaps to the Ombudsman. Is your department aware at all that the former CEO of the Mutitjulu Aboriginal Corporation was recently raided by the national crime prevention unit?

**Dr Harmer**—I am not aware of that.

**Senator Scullion**—That perhaps, again, will be an issue for the Federal Police.

**Senator CROSSIN**—Your department is not aware of that?

**Dr Harmer**—I am not aware of it.

**Senator CROSSIN**—Did your department provide any information to the AFP or the national crime prevention unit?

**Dr Harmer**—I would have to take that on notice.

**Mr Gibbons**—We would have to take that on notice. I am not personally aware of it.

**Dr Harmer**—Neither Mr Gibbons nor I am aware of that.

**Senator CROSSIN**—So neither you, as secretary, Dr Harmer, nor you, Mr Gibbons, had meetings or contact with the AFP or the national crime prevention unit.

**Mr Gibbons**—Certainly not. I have not, Senator.

**Senator Scullion**—Mr Chairman, it is generally the convention that we would not allow questions on those issues that have a criminal investigation afoot. Nobody here is aware of where that is up to, but the assertions made by the senator indicate that there would be something afoot at the moment in any event. I think the best way is to simply take that on notice, and I am quite sure the department will provide information within those constraints where they can.

**CHAIR**—Are you aware of the judicial status of that matter?

**Senator CROSSIN**—The status of the matter is, in fact, that there was no finding of any criminal possessions or activities, so the investigation has finished and concluded. I am asking this department if they provided any information to the national crime prevention unit or the AFP which might have led to that raid.

**Mr Gibbons**—To the extent that I can establish anything tonight, I am advised that we have not, but we will take that on notice.

**Senator CROSSIN**—Thank you. I wonder if you can tell me how much of the \$4.467 million allocated for 2006-07 to improve policing in remote areas has been spent to date.

**Mr Yates**—That is part of an initiative that the government proposed in the context of both the summit and the subsequent COAG meeting to address family violence and child abuse in Indigenous communities.

**Senator CROSSIN**—That is right.

**Mr Yates**—We have been involved in a range of bilateral discussions with a number of different states and territories about the need for improved policing, and those discussions and the subsequent decisions around the allocation of those funds have not yet concluded.

**Senator CROSSIN**—Which states and territories have been involved?

**Mr Yates**—They are particularly focused on WA, the Northern Territory, South Australia and Queensland.

**Senator CROSSIN**—Can I get an answer to my question?

**Mr Yates**—None of that money has yet been allocated.

**Senator CROSSIN**—None of the \$4.467 million has been allocated as yet?

**Mr Yates**—Yes, that is correct.

**Senator CROSSIN**—So nothing has been achieved with the money to date?

**Mr Yates**—We have done a lot of working through. The only basis upon which one can wisely allocate those funds is on the information shared by the states and the Northern Territory about need and circumstances where they would like that investment to be made and what they themselves might do in combination with the Commonwealth to address the need to improve policing.

**Senator CROSSIN**—Where are the discussions with each of the states and territories up to?

**Mr Yates**—None of them are concluded yet.

**Senator CROSSIN**—Is one more concluded than the other? Is it likely that one will sign off soon or not?

**Mr Yates**—The minister will need to consider the evidence in front of him in terms of the range of factual information the states and the Northern Territory will provide to him to enable him to prioritise where the Commonwealth might invest its funds.

**Senator CROSSIN**—Has this money been broken down into, say, police officers or stations or accommodation? Is there that sort of nominal amount next to this \$4½ million?

**Mr Yates**—The funds are essentially for capital purposes.

**Senator CROSSIN**—Do we have an idea of what that might mean—like, 10 police stations?

**Mr Yates**—That will depend on what the money is applied to, as police stations or police accommodation.

**Senator CROSSIN**—Do you have a specific breakdown and allocation of that money, or can you only tell me that it is intended for capital works? Is that all you can tell me?

**Mr Yates**—Yes, that is right.

**Senator CROSSIN**—You do not have a breakdown of so many million for capital works and so many million for actual police—

**Mr Yates**—Of that \$4.658 million that you referred to, the bulk of the funds are around improved policing in remote areas—that is about \$3.7 million. There is also a commitment to two additional sniffer dog units, which is at a cost of around three-quarters of a million, and there is just under \$200,000 that is being earmarked for the review that is being conducted by Mr Valentin.

**Senator CROSSIN**—By Minister Brough—the review of policing?

**Mr Yates**—That is correct.

**Senator CROSSIN**—Where is that review at?

**Mr Yates**—It is not quite concluded but it is well advanced.

**Senator CROSSIN**—Has that been done in conjunction with just these four states or all states and territories?

**Mr Yates**—No, just in regards to those four jurisdictions.

**Senator CROSSIN**—Was there a need to finish that review before any negotiations could be finalised?

**Mr Yates**—I believe the minister would like the benefit of that report as part of his deliberations. That is why it has been commissioned.

**Senator CROSSIN**—Have the relevant states or territories agreed to provide the extra police officers to date?

**Mr Yates**—It is a continuing discussion about need and what they would be looking for from the Commonwealth and what they would themselves be prepared to commit in terms of additional resources.

**Senator CROSSIN**—What is the total amount that has been allocated for policing in remote areas?

**Mr Yates**—\$40 million over four years.

**Senator CROSSIN**—We will get an update of that in June, I suspect.

**Senator MOORE**—In terms of that particular allocation, how does that work in line with the money that has already been allocated for upgrading policing services that I have linked in my mind with the petrol sniffing initiative? There were a number of media releases that came out towards the end of last year that spoke specifically about enhancing police services and linking that to the petrol sniffing allocation. Do they work separately or do they work in concert? From your answers to Senator Crossin, it seems that this one was entirely separate and about to start. How do they work?

**Mr Gibbons**—At the time the government took a decision to fund the rollout of Opal fuel across a defined area in Central Australia it recognised that, if the rollout was successful, dealing with aromatic petrol alone would not solve the problem. We would have to look at the problem of distribution and of substances of harm. So the Commonwealth negotiated with the jurisdictions of the Northern Territory, Western Australia and South Australia to set up a tri-

state intelligence group based in Alice Springs with support from WA and the South Australian police.

That operation was quite successful in its first year. Based on that success the Commonwealth agreed to continue funding for a further 12 months and increased the capital component to enable the unit to acquire a sniffer dog of its own and some specialist vehicles of its own. That has now been delivered and the results of that investment are very promising. The other initiative in that area involved a commitment to build a police station at Mutitjulu and police accommodation. That has been delivered as well.

**Senator WEBBER**—Just going back to the beginning of what you were saying, Mr Gibbons, is that the Substance Abuse Intelligence Desk?

**Mr Gibbons**—That is correct.

**Senator WEBBER**—It is a very strange title. What is that about?

**Senator MOORE**—But in terms of the kinds of things that you have itemised there in the policing, they seem very similar to the kinds of initiatives that Mr Yates was describing to Senator Crossin in the other one.

**Mr Gibbons**—It predated the summit meeting on violence and abuse.

**Senator WEBBER**—But they are two separate programs and two separate allocations. We are not double counting?

**Mr Gibbons**—No, we are not double counting.

**Senator CROSSIN**—I just want to now go to Indigenous home ownership; the 99-year lease. Can you just explain to me how Indigenous Business Australia administers the Indigenous home ownership programs?

**Mr Knapp**—Correct, Senator. They have overall responsibility for the management of the program.

**Senator CROSSIN**—How involved is your department in this policy area?

**Mr Knapp**—We work closely with Indigenous Business Australia because of our interest in the broader housing issues and also because there are elements of the program which we are taking responsibility for. There are going to be houses built as part of the program and also offering discounts for affordability and incentives which we will be offering. Also the department is providing money for management, support projects to provide education for people in savings and other financial matters.

**Senator CROSSIN**—Do you have somewhere a bit of a spreadsheet on what areas you look after and what areas IBA are responsible for?

**Mr Knapp**—IBA will be providing the home loan packages. They will also be providing the affordability incentives such as low-interest loans, co-payments and payments of establishment costs. We will be funding the construction of new houses specifically for home ownership, together with offering a discount on purchase price for good renters under our existing Community Housing and Infrastructure Program. FaCSIA will also be undertaking some money management projects, as I mentioned, and organising savings programs that

support and encourage savings for a home loan deposit. FaCSIA also will be involved in coordinating the community consultations and negotiations.

**Senator CROSSIN**—The Indigenous Land and Housing Group I understand receives the highest amount of departmental funding—would that be about right?—of the Indigenous-specific division of FaCSIA?

**Mr Knapp**—I have not done a comparison with the rest of the Indigenous areas so I am not sure.

**Senator CROSSIN**—How many staff does FaCSIA have working on the Indigenous home ownership policies or project area?

**Mr Knapp**—I will take that on notice. I do not have that figure in front of me.

**Senator CROSSIN**—Can you actually take on notice for me whether in fact this group receives the highest amount of departmental funding?

**Mr Knapp**—Yes.

**Dr Harmer**—Senator, are you referring to the allocations for staffing?

**Senator CROSSIN**—Both, I think—not so much staffing, no, just the overall funding.

**Mr Knapp**—Because we have responsibility—

**Dr Harmer**—They are not the biggest program, Senator.

**Mr Knapp**—Yes. With the Community Housing and Infrastructure Program within our responsibility we certainly do have one of the most significant expenditure items in the Indigenous area.

**Dr Harmer**—That would probably explain it. They run a \$200-million-plus program. It is the most significant funding program in that side of the portfolio.

**Mr Knapp**—In terms of the program side, certainly we are a significant—

**Senator CROSSIN**—How many staff are involved in it, working on the Indigenous home ownership policies or projects?

**Ms Freudenstein**—There is one staff who works on the home ownership initiative in the national office. It is not the only thing she does so part of her time is spent doing that. In our branch, and then part of the time, some of the people in the community branch work on the money management project. But again it is not their full task. They have other responsibilities.

**Mr Gibbons**—Can I just make it clear that there are three activities directed at home ownership; two are managed by IBA. One of those is a longstanding home loan program that was transferred to IBA from ATSIC when ATSIC was abolished. The other is a new program that involved the budget provision of \$107 million over four years, made available from 1 July last year for home ownership on Indigenous land. That requires resolution of land tenure issues across a number of jurisdictions to enable individuals who may collectively own land to be able to lease individual portions to proceed with a home loan. Then within this portfolio we are building, as I said, in the Wadeye area a number of houses for lease, purchase to individuals and we are doing that with a view to expanding that in due course.

**Senator CROSSIN**—I have a number of questions about this area but I might put some of those on notice, given the time. But I do want to go to some of the issues around the 99-year leases on Indigenous communities. Is it still the case that if the Tiwi Islands people do not agree to the 99-year headlease then the \$10 million promised for the new school will not be forthcoming?

**Mr Gibbons**—I do not think it is appropriate for me to talk about that. We are in the middle of negotiation with the traditional owners and to talk about the Commonwealth's position would prejudice our negotiating situation. Can I just say that we are pursuing the lease-back of the township of Nguuu on the Tiwi Islands and a township in Groote Eylandt at the request of the traditional owners to make it possible for the residents of those townships who are made up, by and large of non-traditional owners, to get some security over land tenure in due course. We are required to negotiate initially through the land councils with the traditional owners. When we have secured agreement there we will negotiate with the non-traditional owners, who make up the majority of citizens in the townships, about how we will construct and operate an entity to make available individual land leases for homes and other purposes.

**Senator CROSSIN**—This minister has always maintained that the \$10 million for the new school will not be forthcoming unless a 99-year headlease is signed. Are you telling me that that is a change of position?

**Mr Gibbons**—No. I am just saying that I am not prepared, in the middle of negotiations with the traditional owners on Tiwi, to talk about the Commonwealth's negotiating position.

**Senator CROSSIN**—When you say 'in the middle of negotiations', what do you mean? There was an MOU signed. What is the current state?

**Mr Gibbons**—Sorry. I think it was called a heads of agreement that was signed, which committed both parties to negotiate. In the case of the Tiwi Islands group, they have appointed a negotiator. They have set up a negotiating steering group and we have had several meetings which are part of the formal negotiation; hopefully leading to an agreement to lease back the township.

**Senator CROSSIN**—Who attended the meeting with the Tiwi Land Council on the islands on 6 February?

**Mr Gibbons**—Representatives from the Commonwealth negotiating team.

**Senator CROSSIN**—Who would they have been?

**Mr Gibbons**—An officer from our department and an officer, I think, from the Australian Government Solicitor.

**Senator CROSSIN**—From the Darwin offices or from Canberra?

**Mr Gibbons**—From Darwin office, yes.

**Senator CROSSIN**—Mr Stacey?

**Mr Gibbons**—I cannot recall whether it was Mr Stacey or not. It was probably his deputy.

**Senator CROSSIN**—Can you take it on notice for me, please.

**Mr Gibbons**—If it was not his deputy Ms Edwards, I will come back to you.

**Senator CROSSIN**—Were you at that meeting, Mr Gibbons?

**Mr Gibbons**—No.

**Senator CROSSIN**—Are the meetings held only with the Tiwi Land Council members or are they with all of the TOs?

**Mr Gibbons**—It is up to the TOs and the Tiwi Land Council—who are a statutory body with the responsibility to represent TOs—to inform us who we are to meet with.

**Senator CROSSIN**—You are saying that it is up to the TOs, as well as the Tiwi Land Council, to tell you that?

**Mr Gibbons**—That is right.

**Senator CROSSIN**—Can you explain to me why I have a number of traditional owners from the Tiwi Land Council ringing my office and saying that they have little or no information about the 99-year leases?

**Mr Gibbons**—I am aware that there is local politics in this. There are some people—

**Senator CROSSIN**—No, these are traditional owners—

**Mr Gibbons**—No, there are some traditional owners—

**Senator CROSSIN**—who are now ringing my office saying that they do not know what is going on.

**Mr Gibbons**—a small number, who do not want to proceed, and there is a large majority that do. We are negotiating in good faith through the Tiwi Land Council with traditional owners. That does not mean that every traditional owner is happy. At the end of the day, it is up to the traditional owners to sort out their side of the process, not us.

**Senator CROSSIN**—I am not talking about people who are ringing my office, not happy about the negotiations. I am talking about people who are ringing my office saying that they have no information about the process or about the 99-year leases. What are you doing to ensure that all of the TOs get that information?

**Mr Gibbons**—Are we talking about TOs or historical people who make up the—

**Senator CROSSIN**—We are talking about TOs. I have said the word ‘TOs’ about four times now.

**Mr Gibbons**—The Tiwi Land Council is funded by the parliament. It has a statutory responsibility to represent the interests of all of the TOs. We are in negotiation with the Tiwi Land Council about leasing the township for 99 years under an arrangement that was jointly agreed by the Commonwealth and the Northern Territory. In the process of negotiations, which we expect to go on for several months, any issues that they raise we will attempt to clarify.

**Senator CROSSIN**—So you do not check with the land council as to who they are negotiating with or who they are representing? You do not question their processes, or you do not attempt to provide information to all TOs, other than through the land council?

**Mr Gibbons**—Senator, I have just said that the TOs are represented by the Tiwi Land Council. That is its statutory duty—to represent the TOs.

**Senator CROSSIN**—One would have to assume that, if I have got a number of them ringing me, the Tiwi Land Council is not doing their job properly. If they are ringing my office and saying that they do not know what the progress of the negotiations are at and they do not know the details—

**Mr Gibbons**—I suggest that you refer them to the Tiwi Land Council.

**Senator CROSSIN**—of the 99-year leases, you can only assume either you are not doing your job properly or the Tiwi Land Council is not doing their job properly.

**Mr Gibbons**—Our job is to explain to the negotiating team that the land council and the TOs have established what we are seeking and to negotiate terms.

**Senator CROSSIN**—Who were the members of the negotiating team when you last met?

**Mr Gibbons**—Sorry. The Tiwi negotiating team? The Tiwi have appointed Bill Gray as their negotiator. I do not recall the names of the team that backs him up, but I can take that on notice.

**Senator CROSSIN**—If you could, that would be most useful. I understand also that the Nguiu community applied in 2006 for funding to upgrade their oval. Is that money contingent also on the 99-year lease?

**Mr Gibbons**—I do not believe so.

**Senator CROSSIN**—The Galiwinku community: what is the state of the negotiations on that community regarding the 50 additional houses and the 99-year lease? Is that also linked?

**Mr Gibbons**—Yes. The minister made an offer initially to provide a major investment into Galiwinku, subject to resolution of the land issue. We have been negotiating with the traditional owners at their pace, not ours, since that announcement was made in the first half of last year, and we understand that the traditional owners will be prepared to talk to us sometime in March about their position.

**Senator CROSSIN**—So the 50 houses are clearly linked to the 99-year lease?

**Mr Gibbons**—Yes. The minister made that clear on day one.

**Senator CROSSIN**—He made it clear about linking the school on Nguiu as well. Is that still the case?

**Mr Gibbons**—In the case of the Tiwi, we have moved to formal negotiations, Senator, and I do not wish to comment on the negotiations. In the case of Galiwinku we have not. We have not even reached a heads of agreement position.

**Senator CROSSIN**—In communities where there will be multiple TOs, do they all have to agree to sign the headlease for it to be legal, or are you just looking for a majority decision?

**Mr Gibbons**—I will take that on notice so that we can lay to rest the issues around this once and for all.



**Senator CROSSIN**—In relation to the entity, is that right that the traditional owners will have an initial say as to whether their land is headlease, but after that they have got no say in who subleases the land over the next 99 years? Is that correct?

**Mr Gibbons**—The whole purpose of leasing the townships is to provide a normalised situation where it is possible for the people who live in these townships—whether they are traditional owners or not—to lease an individual plot of land and apply, for example, to an organisation like IBA or a bank for money to build a house, or for an Indigenous person or somebody else who wants to invest in setting up a commercial business in the town to apply for a lease. It is about bringing normal economic activity into these communities and stimulating—

**Senator CROSSIN**—Mr Gibbons, I did not ask you why. I asked you how. I asked you if traditional owners give up their land for a 99-year lease, do they then no longer have any say as to who subleases the land? My understanding is that that say will then rest with the entity.

**Mr Gibbons**—That is correct.

**Senator CROSSIN**—Is that correct?

**Mr Gibbons**—In principle, yes.

**Senator CROSSIN**—That is correct: once they give up their land for 99 years, that is the end of their control over that land?

**Mr Gibbons**—They are leasing their land to an entity and it is up to the entity then to sublease in accordance with the conditions of the primary lease.

**Senator CROSSIN**—Will the entity be bound by any or all of the conditions put in the initial headlease agreement or can that be changed from time to time by referring back to the original TOs?

**Mr Gibbons**—No. If the Commonwealth signs an agreement with the traditional owners through the land council, that agreement is binding for the life of the lease.

**Senator CROSSIN**—For 99 years?

**Mr Gibbons**—Yes.

**Senator CROSSIN**—Given the time, I will put the rest on notice because I am aware that we have ORAC, Aboriginal Hotels and ILC here.

**Senator SIEWERT**—Can I go back to the answer you gave Senator Crossin about the Commonwealth not revealing its position as to whether they will not go ahead with funding if the community says no. Is that not being disingenuous in the negotiations, if the government is not putting its position up-front? They go through this process and then if they say no in the end you say, 'No, you can't have the program.'

**Mr Gibbons**—I am not saying one way or the other. I am simply saying that we are in the middle of negotiations with a group of people appointed by TOs to negotiate with us. We are answering their questions. We are putting our terms and we are negotiating through that. I am not going to prejudice that process by discussing that at the present time.

**Senator SIEWERT**—How can the government's policy position being made public be prejudicing negotiations?

**Mr Gibbons**—We are negotiating a very serious deal here involving the lease of a township for 99 years that will involve the transaction of significant amounts of public moneys. It is appropriate that those negotiations are conducted in the normal way, in confidence. When the agreement is struck, the deal will be made public.

**Dr Harmer**—It is not terribly unusual. I have been involved in Commonwealth and state negotiations where we reserve our position which modifies as we deal with the states. If you would ask me what the negotiating position is, I would not be able to reveal that to you because it would prejudice our discussions with the states. It is not terribly unusual.

**Senator SIEWERT**—Let us rephrase it. Does the Commonwealth have a position in general of saying no to a proposal for funding if the community says no to a 99-year lease?

**Mr Gibbons**—It depends on what the proposal is.

**Senator SIEWERT**—What is the criteria for 'it depends'? Is it the size of the project? Is it who you are negotiating with?

**Mr Gibbons**—It is conditional on a number of factors: the local community, the history behind the relationship. It is not possible to speculate.

**Dr Harmer**—There are lots of examples in the negotiation of shared responsibility agreements where the Commonwealth negotiating position changes and we do say no unless you are prepared to do something that is going on all around the country.

**Senator SIEWERT**—I appreciate that, but that is not a policy position. That is if you are not getting the outcomes that you want to achieve, presumably. This is actually a policy position.

**Dr Harmer**—There are some significant outcomes we want to achieve in the Tiwi Islands, too.

**Senator SIEWERT**—Yes, but it means they are foregoing their management and decision making over their traditional lands. That is the issue which is different, I presume, or are you requiring that for SRAs as well? This is significantly different.

**Dr Harmer**—The situation is different but the principle is the same.

**Senator SIEWERT**—Can I ask one more about the Tiwi Islands. A number of us asked a series of questions about the Tiwi Islands last year regarding management of their plantations and clearing. I placed a number of questions on notice and, from the answers I got back, there does seem to be still ongoing dispute as to what the company says they will make in terms of profit out of that operation, and what the traditional owners have received. Is the department concerned about that discrepancy; it appears the company is claiming there will be millions of dollars made for the TOs and that is not being delivered? Are you concerned about it and have you reviewed that situation?

**Mr Gibbons**—You asked those questions, as I recall, of the Tiwi Land Council?

**Senator SIEWERT**—Yes, I did.

**Mr Gibbons**—Which is responsible for managing the land under the direction of the TOs.

**Senator SIEWERT**—Yes, and you have just said that you fund the land council to represent the TOs, so I would have thought that you would have been desperately interested in whether the TOs are making any money out of that process. Have you reviewed it?

**Mr Gibbons**—We have an interest but we cannot step across the line and take over the role of the land councils. We would be criticised roundly if we were to do that. These are independent statutory bodies with a duty to represent the interests of their shareholders who are the traditional owners. The land council is governed by a board of traditional owners.

**Senator SIEWERT**—Are you reviewing the effectiveness of the spending of your resources for that land council and the outcomes for TOs in respect to this decision?

**Mr Gibbons**—We pay an amount of money from the ABA each year to cover the administration costs of the land councils. We do not have any control over how the land councils operate.

**Senator SIEWERT**—So the government is not concerned about that situation at all and has not reviewed it?

**Mr Gibbons**—I will take that on notice because I do not know the full details of the answers that you received.

**Dr Harmer**—We have not seen all the answers that the land council provide us.

**Mr Gibbons**—They were answers from the land councils to your questions.

**Dr Harmer**—We are a bit in the dark in terms of what they have said to you so that is why we have to be careful.

**Senator SIEWERT**—If you could take that on notice, that would be appreciated. However, the point is that this has been in the media and you will not be unaware of the discrepancy between what the industry is saying, what the land council is saying, and what the TOs are getting. Surely you are aware of those issues?

**Mr Gibbons**—Yes, I have read the issues in the media and we will take it on notice.

**Senator SIEWERT**—Thank you.

**CHAIR**—Senator Crossin, further questions?

**Senator CROSSIN**—I have questions for ORAC now.

**CHAIR**—Okay.

**Dr Harmer**—While ORAC is coming to the table, can I go back to some questions we took on notice from Senator Siewert earlier, when you were asking about the Family Relationship Services Program and the client consent form.

**Senator SIEWERT**—Yes.

**Dr Harmer**—A lot of the information you are asking is now put together in an answer and we have attached the information that is available in relation to those questions so I can table that.

**Senator SIEWERT**—That is much appreciated, thank you.

**CHAIR**—Soon there may be a couple of questions for ILC and Aboriginal Hostels so it depends on how long you take, Senator, as to whether we can get to them or not. I feel a certain compulsion to do this after they were here all day waiting.

**Senator CROSSIN**—You are not getting them to come back at nine o'clock in the morning though, are you?

**CHAIR**—No. We will finish FaCSIA tonight. I do not want to put any pressure on you but you might bear that in mind.

**Senator CROSSIN**—I only have six questions.

**CHAIR**—They should be fine. We can probably whiz through those. We will press on straightaway.

**Senator CROSSIN**—Ms Beacroft, can you tell me what phase of the administration they are now up to at Mutitjulu?

**Ms Beacroft**—What phase? In some administrations it is hard to tell how long they will go. Some are easier to tell how long they will go. In relation to the Mutitjulu Community Aboriginal Corporation, I would say it is at a fairly early stage because there is still a significant amount of work to be done and not all the finances related to that corporation have been checked yet either. There is still a lot of work to be done by the administrator in relation to that corporation.

**Senator CROSSIN**—Did you say in relation to finances or compliance?

**Ms Beacroft**—Finances.

**Senator CROSSIN**—As I understand it there is an administrator at MAC. Is there also one in the health clinic?

**Ms Beacroft**—There is.

**Senator CROSSIN**—What is happening in the health clinic?

**Ms Beacroft**—The health clinic is at a later stage. It is going very well. The staffing has been stabilised, finances are in good order, so it is a matter now of what you might call the final phase, where having stabilised those and making sure that they are going to be sustainable for the future, we would be looking fairly soon at what the strategies would be to ensure that we could go through the usual processes to hand back. One of the issues there is what the service delivery model might be in the future.

There have been some discussions between the various governments who provide funding for that corporation and administrator, in conjunction with some community meetings, about what that model might look like. One of the discussions that is contained within that is whether there might be more funding provided for a doctor. So there are some issues around what the service might look like in the future, but that has been stabilised by the administrator so I would say compared to the other corporation you mentioned, the health service is much further along.

**Senator CROSSIN**—Is there talk of the health service either going to congress or to NT Health?

**Ms Beacroft**—There have been a number of discussions about what I might call the model of service and none of that has been resolved yet. But, yes, there have been discussions with various parties including certainly some, if not all, of those that you mentioned.

**Senator CROSSIN**—In relation to MAC, the Aboriginal corporation at Mutitjulu, are you now working with the community to install a new CEO?

**Ms Beacroft**—Yes, that position was advertised and it will be filled very soon. There is an advisory committee there, which is the previous governing committee, and they have worked with the administrator on that.

**Senator CROSSIN**—Is that advisory committee essentially the previous council?

**Ms Beacroft**—It is, yes.

**Senator CROSSIN**—Did the administrator find any fraud or corruption in the investigation of the corporation?

**Ms Beacroft**—It is too early to say. As I said to you before, there are still a number of matters that the administrator needs to look at.

**Senator CROSSIN**—Have any charges been laid to date?

**Ms Beacroft**—No.

**Senator CROSSIN**—What work is there left for the administrator to do now?

**Ms Beacroft**—At that particular corporation?

**Senator CROSSIN**—Yes.

**Ms Beacroft**—The funding still needs to be stabilised further. There are significant capital works that are occurring through that corporation. The childcare centre is almost complete and a respite care centre is also about to begin or has just begun to be built. They are quite large projects, so the funding needs to be stabilised to ensure those capital works are not jeopardised. There are lots of smallish bits of money, which also need to be stabilised. That is progressing quite well but it needs further work. The staff obviously needs to be stabilised, and there is still further investigation work to occur.

**Senator CROSSIN**—Do the members of MAC actually choose the CEO or does the administrator appoint one?

**Ms Beacroft**—A subset of the members of MAC are the advisory committee, because the previous governing committee became the advisory committee. No, the administrator is accountable for the choice and will do the final selection but as I understand it at the moment, there is quite a bit of consensus about who that person might be.

**Senator CROSSIN**—What happens if there is not consensus about the person?

**Ms Beacroft**—The administrator will—

**Senator CROSSIN**—Have the final say?

**Ms Beacroft**—Yes, because he is accountable for that choice as well.

**Senator CROSSIN**—I will ask you to perhaps take these on notice—that is, an update to questions 142 and 143, the cost of the administrator. And can you give me the cost to date on

the appointment of the administrator, both in terms of any legal costs and money paid direct to the administrator for services rendered? Out of those costs, have these come from ORAC or have they in any way reduced the overall amount that the community has got? Or are the costs part of your ORAC budget?

**Ms Beacroft**—For MCAC? ORAC has been paying those costs of the administrator.

**Senator CROSSIN**—In answer to question 145, you provided details of funds offered and released to Mutitjulu. Some of these were only partial releases, such as the municipal funding and the Centrelink agency services. Others had nil releases, such as the capital funding, the long day care, the outside school program, the youth and recreation program. Are you able to provide an update on those funds now released?

**Ms Beacroft**—I just note in that answer ‘awaiting funding release’, so they were in progress. Yes, we can update that.

**Senator CROSSIN**—In question 150 you said that only FaCSIA funding temporarily delayed—was that just for the upgrading of the childcare centre?

**Ms Beacroft**—Yes, that is the capital funding. Is that the one you are talking about there?

**Senator CROSSIN**—This has now been done and the funds paid out?

**Ms Beacroft**—I could not say exactly where they are up to with the releases but that capital works program is progressing. There is no hold-up there.

**Senator CROSSIN**—Question 159: you had said the administrator was negotiating funding for long day care and outside school care. Have these negotiations been finalised and will the programs commence in 2007?

**Ms Beacroft**—I will take that on notice for the exact figures and so forth; but to the best of my knowledge they have progressed well.

**Senator CROSSIN**—Also in question 159: have the trade creditors yet been paid anything?

**Ms Beacroft**—Yes, there are some outstanding trade creditors. To the best of my knowledge they have not been paid yet but I can take that on notice. The last time I spoke to the administrator, they had not been paid.

**Senator CROSSIN**—That is all I have for you. Sorry to be so quick.

**CHAIR**—Do not apologise for that. Unless we have anything we desperately want to do, can we move on to Aboriginal Hostels?

**Senator SIEWERT**—I would desperately like to go back to an earlier issue.

**CHAIR**—Are you sure you cannot put it on notice?

**Senator SIEWERT**—I would rather deal with it immediately. It is about some previous evidence and relates to what has just been tabled on the family relationship service.

**Senator CROSSIN**—Yes, we want to go to Aboriginal Hostels, please.

**CHAIR**—They are here now. Welcome, and thank you for the long wait.

[10.51 pm]

**Aboriginal Hostels Ltd**

**Mr Clarke**—Thank you.

**Senator CROSSIN**—It will not come as any surprise to you that the majority of our questions of course centre around your latest negotiations on wages and conditions. Has the Australian government issued a directive to the management of Aboriginal Hostels Ltd regarding the bargaining for the new collective agreement?

**Mr Clarke**—The government did not give us any direction, according to the bargaining we were doing for our staff, no.

**Senator CROSSIN**—So there has been no demand put upon you to insist on AWAs rather than a collective agreement?

**Mr Clarke**—No demand whatsoever. We as a management of the organisation decided to make a business decision because we wanted to offer an agreement that gives us a bit of flexibility to run the business, particularly for secondary education and aged care. We have had three certified agreements in the past. We believed that the AWA gave us a little bit more flexibility in trying to run the business.

**Senator CROSSIN**—Mr Clarke, have you had any letters or any meetings or any directives or any memorandums from any government department in relation to this?

**Mr Clarke**—No, not at all.

**Senator CROSSIN**—So nothing from DEWR?

**Mr Clarke**—No, not at all.

**Senator CROSSIN**—Nothing from FaCSIA?

**Mr Clarke**—Not at all.

**Senator CROSSIN**—Nothing in relation to your funding being tied to offering AWAs?

**Mr Clarke**—We believe, as with all government agencies, that when we offer agreements to staff we have to find those funds from within. We do not go to other agencies asking for money, because they would say no anyway.

**Senator CROSSIN**—I am not suggesting you have asked for money. I am asking you whether or not there has been any correspondence between yourself or board members with DEWR or the Office of the Employment Advocate or with any minister in this government that either suggests or mentions that you should be offering AWAs.

**Mr Clarke**—None whatsoever. Quite categorically, we have had no correspondence from ministers or from other agencies saying that we should offer an individual AWA.

**Senator CROSSIN**—I understand that you have suggested that your staff can continue working under the expired agreement but, if they do so, it will be without any pay rises or improvements in conditions of work. Is that correct?

**Mr Clarke**—Yes. We have offered the AWA to all staff. We did not terminate the certified agreement because, if we did that, staff would fall down to a fairly low level of salary. So we

said to staff, 'We're not terminating the certified agreement, but staff who want to stay on the certified agreement can do so. However, they will not be offered the pay rises that are offered in the individual agreements.'

**Senator CROSSIN**—You do not believe that that is clearly discriminatory and unfair, to give no effective choice to these workers, most of whom are Indigenous?

**Mr Clarke**—Most of the management made this decision. We made a business decision. We felt that sooner or later we had to make a business decision on how the company should run, rather than asking the staff how the company should run. We have a role to make a decision, and we believe that we have made the right decision.

**Senator CROSSIN**—You have offered them no choice, effectively. If they want a wage increase, they have to go onto an AWA. Is that correct?

**Mr Clarke**—That is right.

**Senator CROSSIN**—So there is no choice there.

**Mr Clarke**—There is no choice if they want a pay rise. Some of them will stay on the certified agreement because they will retain some of their existing rec leave, if you like to put it that way. There has been some press lately about some of our staff reverting back to four weeks. The adverse press we are getting is that we are reducing rec leave. I believe that we are not reducing rec leave; we are reverting back to the public service standard of four weeks. We initially gave an extra two weeks leave because we thought that it would reduce the sick leave that has been taken throughout the organisation. After a period of about six years, sick leave has given us no sign of a reduction. When we reverted back to four weeks leave, we made some money. We put that money back into the pay rise. We only made 1.7 per cent with the reversal of leave, and we have managed to offer 12 per cent over three years.

**Senator CROSSIN**—But Aboriginal Hostels Ltd has operated in a surplus now for a considerable period. Is that correct?

**Mr Clarke**—No. We provide low-cost accommodation. We give our staff the same rights as most of the public service. Nearly all of our clients are pension recipients. We charge a low tariff. Therefore, we run at a loss. The government gives us \$37 million a year to run this organisation.

**Senator CROSSIN**—But your annual report does not state that you are running at a loss, though. Your annual report suggests that you, in fact, have a surplus each year and you have done so for a number of years now.

**Mr Clarke**—I will ask Dr Sharma to answer the question, but how I see that is that we have other programs. We have building constructions going on. We have money in the bank so that we can complete these buildings. Buildings do not take three months; they usually take over a couple of financial years to do. We have also had some funds from other government agencies for other programs.

**Dr Sharma**—The surplus that is shown in the annual report is correct but it is mainly because of funding from other agencies for specific projects such as the Indigenous Youth Mobility Program, where DEST gave AHL 54 per cent of the grants—a four-year program



grant in 2005-06. That is playing a major role in showing a net profit. That money will subsequently be used up over the next two to three years.

**Senator CROSSIN**—That money, I assume, includes costs for salaries for people running the mobility program. Is that correct?

**Dr Sharma**—Yes, that is correct.

**Senator CROSSIN**—Can you confirm that many of the employment conditions are not actually contained in the AWA but instead are located in a separate document, called Aboriginal Hostels Ltd AWA Guidelines, and therefore they will not be lodged with the OEA.

**Dr Sharma**—The guideline actually spells out the current policies that exist within AHL and it covers things like overtime approval, remote locality allowances, how to apply for annual leave. We decided to put it in a guideline as opposed to in the AWA, otherwise the AWA document itself will be a massive one, and trying to do 491 of those would be a massive task. So we tried to keep the AWA short.

**Senator CROSSIN**—Yes, it is an onerous system, Work Choices, isn't it, when you have to go and implement it? The guideline, of course, will not be lodged with the OEA, will it?

**Dr Sharma**—It will not be lodged, but there are references to the guidelines in the actual AWA.

**Senator CROSSIN**—But it is correct, though, that management could alter or change the guidelines without any consultation with the employees or without reference to the OEA. Is that correct?

**Dr Sharma**—My legal advice on that matter is that we can change the process but not the benefits to the staff or the actual conditions. The administrative process could be changed but not the entitlements.

**Senator CROSSIN**—Where did you get that advice from?

**CHAIR**—Senator Crossin, I am sorry to interrupt you, but we have reached 11 o'clock. We have a longstanding agreement that we will finish proceedings at that time of night. I think for all concerned that is the only fair arrangement. So I have to ask for any further questions to be placed on notice, please.

Can I take the opportunity, please, of thanking you, Minister, and officers of your department, particularly Dr Harmer, for the time they have given to the committee today and for their willingness to answer questions. You have taken quite a large number of questions on notice, and I thank you for that. There is a deadline for the returning of those answers, and we would appreciate, to the extent that is possible, that you keep that deadline. I thank the senators for their assistance today and the secretariat of the committee as well.

**Committee adjourned at 11.01 pm**