



COMMONWEALTH OF AUSTRALIA

Official Committee Hansard

SENATE

LEGAL AND CONSTITUTIONAL LEGISLATION COMMITTEE

ESTIMATES

(Consideration of Budget Estimates)

THURSDAY, 29 MAY 2003

CANBERRA

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SENATE

LEGAL AND CONSTITUTIONAL LEGISLATION COMMITTEE

Thursday, 29 May 2003

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

Senators in attendance: Senators Crossin, Kirk, Ludwig, Payne, Scullin and Sherry

Committee met at 9.02 a.m.

**IMMIGRATION AND MULTICULTURAL AND INDIGENOUS AFFAIRS
PORTFOLIO**

Consideration resumed from 28 May 2003

In Attendance

Senator Ellison, Minister for Justice and Customs

Department of Immigration and Multicultural and Indigenous Affairs

Executive

Mr Bill Farmer, Secretary

Mr Ed Killesteyn, Deputy Secretary

Ms Philippa Godwin, Deputy Secretary

**Outcome 1 – Contributing to Australia’s Society and Its Economic Advancement
through the Lawful and Orderly Entry and Stay of People**

Mr Abul Rizvi, First Assistant Secretary, Migration and Temporary Entry Division

Ms Arja Keski-Nummi, Assistant Secretary, Temporary Entry Branch

Mr Bernie Waters, Assistant Secretary, Business Branch

Ms Jacki Hickman, Acting Assistant Secretary, Migration Branch

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

Mr Robert Illingworth, Assistant Secretary, Onshore Protection Branch

Mr John Okely, Assistant Secretary, International Cooperation Branch

Ms Robyn Bicket, Assistant Secretary, Humanitarian Branch

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

Ms Rosemary Greaves, Assistant Secretary, Detention Policy Branch

Mr Jim Williams, Acting Assistant Secretary, Unauthorised Arrivals and Detention Services
Branch

Ms Mary-Anne Ellis, Assistant Secretary, Detention Infrastructure Branch

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

Ms Nelly Siegmund, Assistant Secretary, Border Protection Branch

Ms Janette Haughton, Acting Assistant Secretary, Onshore Compliance and Integrity
Support Branch

Ms Christine Sykes, Senior Assistant Secretary, Entry Branch

Ms Yole Daniels, Assistant Secretary, Offshore Asylum Seeker Management Branch

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

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

Outcome 2—A Society Which Values Australian Citizenship, Appreciates Cultural Diversity and Enables Migrants to Participate Equitably

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

Ms Jennifer Bryant, Senior Assistant Secretary, Settlement Branch

Mr David Doherty, Assistant Secretary, Citizenship and Language Services Branch

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

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

Mr Peter Vaughan, Executive Coordinator, Office of Aboriginal and Torres Strait Islander Affairs

Mr Stephen Oxley, Assistant Secretary, Social Programmes and Reconciliation Branch

Ms Dianne Hawgood, Executive Director, Indigenous Community Coordination Taskforce

Ms Michelle Patterson, Assistant Secretary, Indigenous Community Coordination Taskforce

Mr Geoffrey Richardson, Assistant Secretary, Indigenous Community Coordination Taskforce

Internal Products

Mr John Moorhouse, First Assistant Secretary, Corporate Governance Division

Ms Louise Gray, Chief Financial Officer, Resource Management Branch

Mr Douglas Walker, Assistant Secretary, Visa Framework Branch

Ms Kate Pope, Assistant Secretary, Ministerial and Communications Branch

Ms Cheryl Hannah, Chief Information Officer, Business Solutions Group

Indigenous Land Corporation

Mr David Galvin, General Manager

Ms Jodie Lindsay, Chief Finance Officer

Aboriginal Institute of Aboriginal and Torres Strait Islander Studies

Mr Russell Taylor, Principal

Mr Steve Larkin, Deputy Principal

Mr Tony Boxall, Chief Finance Officer

Indigenous Business Australia

Mr Ron Morony, General Manager

Mr Ian Myers, Deputy General Manager

Refugee Review Tribunal

Mr Steve Karas, Principal Member

Mr John Blount, Deputy Principal Member

Mr John Lynch, Registrar

Mr Rhys Jones, Deputy Registrar

Migration Review Tribunal

Mr Steve Karas, Principal Member

Mr John Lynch, Registrar

Mr Rhys Jones, Deputy Registrar

Migration Agents Registration Authority

Ms Laurette Chao, Chairman, Migration Agents Registration Authority

Mr Ray Brown, Immediate Past Chairman, Migration Agents Registration Authority

Mr David Mawson, Executive Officer, Migration Agents Registration Authority

Aboriginal and Torres Strait Islander Commission

Mr Wayne Gibbons, Chief Executive Officer

Mr Bernie Yates, Executive Coordinator

Mr Mick Gooda, State Manager, Perth

Mr Pat Watson, Group Manager, Corporate

Mr John Kelly, Group Manager, Network

Ms Ros Kenway, Group Manager, Legal and Compliance

Mr Brian Stacey, Group Manager, Land and Development

Mr Peter Taylor, Group Manager for Economic and Social Participation

Mr Russell Patterson, Group Manager, Social and Physical Wellbeing

Mr Les Turner, Group Manager, Culture Rights and Justice

Mr Peter Schnierer, Group Manager, Coordination and Review Policy

Mr Paul Barrett, Chief Finance Officer

Mr Rod Alfredson, Director, Office of Evaluation and Audit

Ms Laura Beacroft, Registrar, Office of the Registrar of Aboriginal Corporations

Mr Joe Mastrolembro, Director, Client Services, Office of the Registrar of Aboriginal Corporations

Mr Garry Fisk, Director, Corporate Relations, Office of the Registrar of Aboriginal Corporations

Mr Peter Armstrong, Director, Regulations, Office of the Registrar of Aboriginal Corporations

Mr Bernie Hackett, Officer, Budget Strategy Section

CHAIR—I declare open this hearing of the Legal and Constitutional Legislation Committee in its consideration of portfolio budget estimates for the Immigration and Multicultural and Indigenous Affairs portfolio. I welcome the minister, Senator Ellison, the secretary, Mr Farmer, and officers of the department to this morning's consideration of budget estimates. The budget estimates will be taken in the order in which they appear on the printed agenda, beginning with OATSIA and moving on to the portfolio agencies, the Aboriginal and Torres Strait Islander Commission and so on, as printed.

Office of Aboriginal and Torres Strait Islander Affairs

Senator LUDWIG—In respect of OATSIA, could you give us an update of the current organisational structure. I want to identify how, who and where they sit—but perhaps not their names. As I am sure you understand, the organisational structure includes the positions. Could you also include the staffing levels, whether they are ongoing or non-ongoing and whether there are any vacancies in the structure as at a suitable date—you can choose that. I understand that things change, so a recent date will be fine. I would also like a breakdown of total spending on salaries. Would it be easier to take it from the end of the last financial year? Is there a projection, perhaps, depending on what you can provide? I take it that you can do all of that.

Mr Vaughan—I will attempt to do all of that. On the organisational structure, the office itself is a unit within the department. As head of the office I answer to the secretary and, through him, to the minister. The office staffing complement is approximately 30 staff at present, which is its full operating complement. Nearly all of those people are ongoing staff, although some are on loan or temporary secondment from other parts of the department. The salaries' cost per annum is about \$2.9 million for those 30 staff. That includes superannuation, leave and the rest.

Senator LUDWIG—I am happy for that to be taken on notice, and then you will be able to put that down for me in either a matrix or the way you would normally keep it on your system. In respect of the COAG trials, are there other trial locations close to agreement or planned in the Northern Territory?

Ms Hawgood—No, not officially as COAG trials, although government agencies are working together in a couple of other areas—the West McDonnell Ranges, in particular.

Senator LUDWIG—Could you tell me a little about that? You say there is none other than the Northern Territory. Is that right?

Ms Hawgood—I thought you asked whether there were any others in the Northern Territory.

Senator LUDWIG—Are there other trial locations close to agreement or planned in the Northern Territory or other locations?

Ms Hawgood—Yes, there is one in each state and territory.

Senator LUDWIG—How far away do you think the Northern Territory is in terms of the COAG agreement?

Ms Hawgood—One trial has been announced in Wadeye, and that is progressing now.

Senator LUDWIG—Where is it up to? When you say that it is progressing, is it half-way through, is it near completion?

Ms Hawgood—It is still early days, but in Wadeye a shared responsibility agreement has been signed between the community, the NT government and the Commonwealth. That sets out a number of things that are going to be done throughout the trial in relation to issues such as health, employment and education. The Wadeye community very much wanted to focus on 'give all kids a chance', so the agreed work around Wadeye is essentially around young people and children.

Senator LUDWIG—Is a copy of that agreement available? Is it set out in a document form?

Ms Hawgood—Yes, it is. I do not have it with me, but I can get that for you and have it here later today.

Senator LUDWIG—You could take it on notice and provide it to the committee at a convenient point. It would be helpful if you could do that today.

Senator CROSSIN—While we are on the topic of the COAG trials, were there to be any other agreements beyond the initial 10?

Ms Hawgood—The COAG decision said that there would be up to 10. There are currently eight. For the moment, the decision has been to try to progress the work in those eight before any more are brought on board.

Senator CROSSIN—Have all of the 10 places been identified?

Ms Hawgood—No. The decision was to have up to 10 places, not precisely 10 places.

Senator CROSSIN—You have identified eight. Can you provide a list of those?

Ms Hawgood—I can.

Senator CROSSIN—Have all of the eight agreements been signed?

Ms Hawgood—No, they have not. At the moment, three of them have been publicly announced—Cape York, Wadeye and the AP Lands. Shared responsibility agreements have been signed in Wadeye and Murdi Paaki. Murdi Paaki has not been announced because, while the shared responsibility agreement was signed between the community, the New South Wales government and the Commonwealth government before the New South Wales election, the announcement was not able to be made then. There has been a change of minister in New South Wales. It is expected that the joint public announcement will be made in the next couple of weeks. Other sites have not been announced and agreements have not been signed as yet, but that is being worked towards at the moment in all of the sites. Do you want me to run through the sites?

Senator CROSSIN—You could provide a list. Which agencies have overall responsibility for which sites? I know Family and Community Services are the lead agency at Wadeye.

Ms Hawgood—Do you want me to go through those or provide them to you?

Senator CROSSIN—It is fine for you to provide them. Where is that item in the PBS?

Ms Hawgood—Page 110.

Senator CROSSIN—Is it headed ‘Cross-portfolio Indigenous flexible funding arrangements’?

Ms Hawgood—It is.

Senator CROSSIN—Is that \$3 million the total cost for those sites in any one year, or is that just this agency’s contribution to that?

Ms Hawgood—This pool has been drawn together from a number of agencies which are part of the secretary’s group that leads the COAG process at the Commonwealth level. Those agencies are DIMIA, Employment, Health, Education, FACS, Environment Australia, ATSI and Prime Minister and Cabinet. The COAG trial is not essentially about spending lots of new money in these trial sites. It is about more effective expenditure of government resources within the trial sites. That will require some flexible approaches and some new ways of doing business, based around priorities identified by communities. This flexible funding pool has been drawn together to allow some modelling of whole-of-government initiatives. It will also be used for what we are calling ‘enabling support’. As part of the whole-of-government work, it has often been necessary and desirable for people from a number of communities to come together with government to talk about priorities, about where they want to go and about what outcomes government and communities want to achieve together. There is no readily

identifiable pool of funding to allow support for people to get sometimes great distances, so this pool will also be used for that.

Senator CROSSIN—Do you have an overall responsibility in overseeing how these trials are going, despite the fact that you might not be the lead agency in that area?

Ms Hawgood—Yes, because Minister Ruddock is the minister with overall responsibility. The task force sits within DIMIA but works essentially to the group of secretaries who are the heads of the lead agencies. The secretaries' group is chaired by Bill Farmer. In supporting the secretaries' group, we have a role in oversighting the coordination of the trials.

Senator CROSSIN—So you would expect Commonwealth agencies to be a bit more flexible in these places in terms of perhaps not going by the policy book when it comes to implementing programs. This might be an opportunity for them to think outside the square a bit. Is that right?

Ms Hawgood—That is right. This is not just about delivering traditional programs.

Senator CROSSIN—I want to raise with you a situation which you might want to take on board. The Wadeye community have had a rural transaction centre built. Are you aware of that?

Ms Hawgood—Yes.

Senator CROSSIN—You might also be aware that that community borrowed \$100,000 in order to build the rural transaction centre they want. As well as the contribution from the government, they borrowed an extra \$100,000 as a business venture. They want to make money on the rural transaction centre. Centrelink are going to be moving into that rural transaction centre. I assume that Centrelink in most other commercial buildings pay rent. Would that be a fair assumption?

CHAIR—I do not think it is a matter Ms Hawgood is equipped to comment on.

Mr Farmer—It is really not a matter for this department.

Senator CROSSIN—If you have total oversight for these COAG trials, and given that Family and Community Services is the agency responsible predominantly for Wadeye in this trial—

Mr Farmer—The bow is getting longer, Senator.

Senator CROSSIN—It is. It is a very long bow when we talk about Indigenous communities and what is happening out there. Would you take on board to ask Centrelink or FACS why it is that they are refusing to pay rent when they move into the rural transaction centre.

Mr Farmer—We will certainly refer that question.

CHAIR—They could also be asked in their estimates next week, of course.

Senator CROSSIN—You have just explained to me that this is an opportunity for agencies to think outside the square.

Mr Farmer—Yes.

Senator CROSSIN—FACS is the agency predominantly responsible for Wadeye. The COAG trials are terrific and, if they work, they will be wonderful. But I think we have already come across a bit of a glitch in this one that needs addressing.

Mr Farmer—Both the Commonwealth and, to the extent that we can judge, the state and territory governments are bringing, in effect, a great will to this process to essentially work together not only with the various levels of government but also—and crucially—with the communities. I think we have had a high degree of cooperation and common will between the Commonwealth and the other jurisdictions and in a lot of the communities that we are dealing with. In terms of a general approach—the auguries so far; and it is very early days—I do not think anyone is professing that trying to make a go of a trial like this will be a one- or a two-year process.

Senator CROSSIN—I agree with you and, as I said, what is starting to happen is a good thing.

Mr Farmer—Yes, but having said that, I do not know the details of the case you are talking about. We will certainly refer that to FACS. I would like to make the observation that I do not think this is a glitch in the COAG trial process. There may well be an issue and we will refer it and get an answer for you. With the best will in the world, governments are going to have to work hard and flexibly at this process. I do not think, realistically, it can take up each and every issue relating to Indigenous affairs and put it right from day one.

Senator CROSSIN—No, but this is a fairly minor incident, I think. All of your words are correct and everyone has signed up to more flexible arrangements and to better and more ways of doing business. This is a community that is seeking to do business. I raise it with you because you told me that this department has the overall responsibility for the COAG trials. If departments are being asked to think outside the square and do something differently, this is an example where that is not happening and I think it needs to be brought to your attention.

Mr Farmer—And we have said that we will pass it on to FACS and make sure that they are aware of your interest. We will certainly do that.

Senator LUDWIG—We will move on to Commonwealth expenditure on Indigenous affairs. Specifically what I was looking at was what proportion of expenditure went to litigation. I have a couple of detailed questions in this area; you might want to take them on notice. Perhaps you could then also give me some understanding of how you would be able to put these figures together and how they would be presented back to us. What we are looking at is what proportion of the \$2.5 billion on Indigenous affairs went to litigation—we might have to come to an understanding about what we mean by litigation—and what was spent on court work. If you need to make a comment, please intervene. There are about four or five areas that I am now going to go through.

For each year from 1983-84 until 2001-02 inclusive, what proportion of Commonwealth Indigenous affairs expenditure went to litigation? For each year from 1983-84 to 2001-02, what were the number and nature of the matters where Commonwealth Indigenous affairs expenditure went to litigation? That is the background. Could you provide the outcome of the particular cases—whether you were an intervener, defendant, respondent or plaintiff in the matter, as the case may be—and, from the role that you took in each, whether you were

successful or not, as the case may be. What were the various fees associated with that—for example, the cost of barristers, solicitors and private investigators, if they were employed. I want any identifiable amounts that would have been paid. I guess private investigators would be separate from the department whom you could at least identify in a cost or a bill. Solicitors or barristers may not be separate, but if they are that would be helpful. It would depend very much on whether they were from the Government Solicitor's Office or separately employed. That is the extent of the information that the committee is seeking.

Mr Vaughan—I doubt that we would have the records going back 20 years in that sort of detail, and, of course, some of that information has been put on the record to this committee over the last three or four years. However, I can provide you with a snapshot of the status quo at the moment. When you talk about litigation, I think you are referring principally to litigation in which the office is involved on behalf of the Commonwealth. This year, up until yesterday, the office has spent \$1¼ million on litigation out of a total office budget of \$5.8 million. That is out of a total Commonwealth expenditure on Aboriginal Affairs this year of \$2.5 billion. I think the litigation component works out at about five per cent of one per cent of total Commonwealth spending.

Of that \$1¼ million, about \$832,000, or 65 per cent, has been spent on defending the litigation against Minister Tickner and the Commonwealth by the developers of Hindmarsh Island for damages they claimed to have sustained as a result of the ban on the development of the Hindmarsh Island bridge under the Aboriginal Heritage Protection Act. The Commonwealth has successfully defended that case, so that \$832,000 was spent on the successful defence of Mr Tickner and the Commonwealth's interest. Another \$300,000, or 25 per cent, of that \$1¼ million is related to separated children litigation, and \$121,000, or 10 per cent, is related to other matters which largely relate to litigation by native title representative bodies against the minister over decisions over which he has made in favour of other native title representative bodies. I suppose the merits of that depend on which native title representative body you think is in the right. That is the extent of the current litigation situation. As I said, we have previously put on the record the details concerning previous years' litigation, but we would not now have the records going back five, 10 or 20 years.

Senator LUDWIG—Why would that be the case? Were they archived?

Mr Vaughan—They were archived, but they were not necessarily kept in the sorts of categories in which the committee and parliament have shown an interest, such as the distinction between separated children litigation and other forms of litigation. We have only commenced categorising the expenditure in those terms over the past few years as a result of parliament's interest in that issue. Prior to then you would have to, in effect, go back to the archive records if those files had not been sentenced—I think that is the word that is used—and look at the individual accounts day by day and decide the nature of the case that they related to and how that case fitted into current expenditure. Also, there was a large range of cases. For example, in the mid-90s there were the original Mabo and Wik cases and the Kruger and Bray challenges to the Commonwealth's constitutional powers, which could be regarded as anti-Aboriginal litigation or as the Commonwealth under the previous government defending its interests against Aboriginal claimants. It is a political judgment as to whether a case is pro- or anti-Indigenous. I instanced the native title representative bodies'

cases. We have a live case at the moment in Western Australia where a native title representative body, which has failed to win accreditation and has been replaced by another one, is refusing to hand over the native title records to the new representative body. We have been acting on behalf of the Commonwealth to try and effect the handover of those records in the interests of the Indigenous native title claimants.

Senator LUDWIG—Could you then take it on notice and have a look at what you have for the period. If it is going to create mayhem within your department, come back to the committee but, if you can provide what you have in a short period—in other words, in the time that is allotted for the return of questions on notice—please do so. If it is going to present you with difficulty, I think we can accept that. Given your explanation for what you have and the way you have kept it, I am sure you can pass a fair eye over it and provide it to the committee.

Mr Vaughan—We shall certainly provide whatever we can.

Senator LUDWIG—Thank you. The questions I have now really go to ATSIC and the new body. In the past, it has been convenient to have both ATSIC and the department at the table, because sometimes the questions fall between the two.

CHAIR—Yes, the questions can cross over the two. Are you seeking to have Mr Vaughan stay at the table?

Senator LUDWIG—Yes.

CHAIR—Mr Vaughan is looking positively enthusiastic at the proposition.

Senator Ellison—We can do that. It is a good idea.

[9.29 a.m.]

Aboriginal and Torres Strait Islander Commission

Senator LUDWIG—I have had an opportunity to have a look at the make or break background to the ATSIC changes and the review put out by the Parliamentary Library, and I want to understand the changes in the budget that affect ATSIC and ATSI as we move forward. How is the change between the two going to be effected and what budgetary implications does it have? I know that is a broad question, but I am trying to understand the process that you will be adopting from here and the corporate or organisational structure that will be put in place as of 1 July 2003. I think that is the turnover date.

Mr Gibbons—From 1 July the changes effect a legal separation of powers but in terms of actual operation they do not have much impact on the structure of the organisation and the way it operates. The budget appropriation is not affected by this. The funds available for programs remain unaffected. They have increased because of the budget measures that were also announced in this budget. The main impact of the change is to affect the operation of regional councils—and to some extent the board—in divorcing them from decisions on grants to individuals, or contracts to individuals or organisations. It leaves them in the role of setting the policy, determining the distribution of the budget to regions and between programs, and identifying the guidelines for determination of claims et cetera, for the administration to process in the same way that departments of state operate.

Senator LUDWIG—Do you have a copy of the structure as it stands before, and then after, 1 July? I am happy for you to take that on notice; I was just trying to understand the ongoing, the non-ongoing, the part-time and the organisational structure in terms of the boxes where everyone sits. And I was interested to see whether post-1 July there will be any change to that. If there are changes, I was wondering if you could highlight how those changes would be reflected in the new organisational structure?

Mr Gibbons—At this stage there will not be any organisational changes affecting ATSIIC on 1 July. The structure that I provided this committee at the last hearing will remain in place. However, given the emphasis that is being given to the role of regional councils, particularly their planning role, I am giving some thought to strengthening our capacity to support regional councils' planning capabilities. So I might make some adjustments before the end of this year in that context. But I can certainly provide you with an updated structure table.

Senator LUDWIG—The total moneys spent on salaries in 2001-02—will there be a difference between last budget and this budget because of the organisational structure change on 1 July? I am trying to understand the salaries and usual expenditure for the out years. Is that affected by the change?

Mr Gibbons—The funds that are spent by the administrative arm of ATSIIC now will transfer to the ATSIIS agency but the overall quantum is pretty close to the same. I can take that on notice and give you a break up of those figures. A small component of those funds will remain appropriated to ATSIIC to cover the cost of the elected arm, the public office holders and a number of support staff.

Senator LUDWIG—You can make a note about that as well?

Mr Gibbons—Yes.

Senator LUDWIG—The salary range for each level: is that included in that table? For argument's sake, there must be positions in this part of the organisational structure with proposed salary levels and ranges within those salary levels.

Mr Gibbons—They are set out in the current certified agreement. That will apply to the new agency without change. I can provide a copy of that.

Senator LUDWIG—I see. Thank you. So the certified agreement will transmit to the new organisation?

Mr Gibbons—There is no change to the employment conditions arising from this measure.

Senator LUDWIG—Taking a group manager for argument's sake, what classification are they in? Are they all on the same salary and allowances?

Mr Gibbons—SES band 2.

Senator LUDWIG—When you say this year's band 2 does that change?

Mr Gibbons—No.

Senator LUDWIG—Are they all on band 2?

Mr Gibbons—The group managers are band 2 classifications, yes. There is no change to the arrangements.

Senator LUDWIG—The information you will be able to communicate to us will also include the number of people within each level, I understand.

Mr Gibbons—Yes.

Senator LUDWIG—Is that able to be broken down to give us a regional focus and to enable us to understand whether they would be centrally located or located in a state or regional office? Would that be a separate one again?

Mr Gibbons—I can give you some figures now. I suggest this will not change much over the course of the next few months. It will be influenced as people leave and as people come on.

Senator LUDWIG—Yes. You can provide it as of a certain day. I understand.

Mr Gibbons—At 22 May, there were 1,202 staff in ATSIC and 449 of them were located in what we call regional offices. These are offices largely away from capital cities. There were 440 in state offices and 318 in the national office.

Senator LUDWIG—Does the organisational chart reflect how many there are in which office across Australia?

Mr Gibbons—I can provide that information. There is no problem with that.

Senator LUDWIG—By the information you have provided already, there does not seem to be a spill of positions going to occur when the transferral occurs. You are not going to recall for positions; the structure will change and that is all.

Mr Gibbons—Staff will follow function, as they would in any administrative order change. On 1 July the Public Service Commissioner will transfer the staff from the statutory agency that is created under the ATSIC Act to the executive agency of ATSI. There will be no change to their positions or their employment conditions arising from that transfer.

Senator LUDWIG—Do they have to apply for their job again?

Mr Gibbons—No.

Senator LUDWIG—I just remember that being an old process that some public servants used to have to go through when those sorts of departmental name changes went through.

Mr Gibbons—This is largely, in terms of the impact on staff, a seamless exercise.

Senator LUDWIG—In respect of the review of ATSIC—and I guess this is more to you perhaps, Minister—why didn't the government wait until a review had been completed before announcing the new changes?

Senator Ellison—The ATSI measure is an interim one and, as the minister has said, it is something which was both necessary and urgent and therefore had to be dealt with in the short term. The review of ATSIC is one which is looking in the longer term. That review is more comprehensive. If you waited for the result of that for an interim measure, you could lose the moment and the advantage. That would describe the reasons for the minister's decision.

What has been said is that the current breakdown in community confidence in ATSIC poses a threat to the longer term interests of Indigenous Australians. What Minister Ruddock was saying was that we have a situation which needs to be dealt with now and that can be dealt

with by this interim measure of AT SIS. But of course there is a longer term problem we have to address, and that is AT SIC itself. That is where the review comes in. I think all of us here would realise that there has been a good deal of coverage in relation to AT SIC, how it is functioning, its format and various personalities involved in it and that there has been a good deal of controversy in relation to this issue, some of which I have experienced myself in my home state of Western Australia. So I think that the review was both timely and necessary but it is fulfilling a different function from that of AT SIS, which is an interim measure.

Senator LUDWIG—If AT SIS is an interim measure, won't it contribute to a destabilisation of the organisation as it awaits a review to find out whether or not it has to change again before 1 July 2004? That certainly concerns me.

Mr Farmer—I think what you are hearing from the CEO of AT SIC is that the arrangements for staff are really Teflon coated. It is a seamless transition to the new agency. I certainly do not foresee the sort of issue that you are talking about.

Senator LUDWIG—Time will well, I guess.

Mr Farmer—I think it is already telling, but telling positively.

Senator LUDWIG—When do you expect the review to be completed?

Mr Vaughan—In announcing the review, the minister said that the purpose of the review panel was to produce a discussion paper, and that was to be done within approximately six months. We understand that that process is now nearing completion.

Senator LUDWIG—So there has been no change or request for a change in the reporting timetable? That was the nub of the question. You still expect it to be completed in the time that was set and you have not been advised otherwise?

Mr Vaughan—It is still on track.

Senator LUDWIG—Have the changes between AT SIC and AT SIS been cost neutral? What costs have been incurred in the changeover or are expected to be incurred from 1 July?

Mr Vaughan—There is no increase other than new policy moneys in the combined bottom line of the two organisations.

Senator LUDWIG—Have there been any administrative expenses—stationery, at least?

Mr Vaughan—There is obviously work to be done in terms of giving legal effect. Instruments have to be drawn up and signed. The preparation of the portfolio budget statements is affected because you have to separate out the budgets of the two organisations. All those sorts of internal managerial processes have to be undertaken. But, as I said, there is no change to the bottom line other than the increase resulting from new policy.

Senator LUDWIG—Where would that money have been provided from? Would that have come from the administrative budget, from programs or from what I guess we would call the elected arm budget?

Mr Gibbons—The costs that arise from the sort of work that Mr Vaughan has mentioned will come out of the departmental expenses of the new agency, AT SIS, from 1 July. Until that time they are being covered by the administrative budget of AT SIC.

Senator LUDWIG—Has any reaction or response to the changes been sought from the regional councils?

Mr Gibbons—All regional councils have been informed and there are processes under way now where members of the administrative arm and commissioners—from the board of commissioners—are meeting with regional councils to explain the concept of separation of powers and answer questions that arise from that. It is fair to say that, across the country, the reaction has been mixed but I think the majority have accepted the change and want to move on. There are a number that, at this point, are still undecided, and there are several that have positively endorsed the development. We are continuing to work with them to explain the changes and to have them understand the opportunities. That is a process that will continue over the coming months.

Senator LUDWIG—What form did the advice or the notification of regional councils take? Was there correspondence sent to them or was there a more personal touch taken?

Mr Gibbons—As soon as the announcement was made by the minister, it was communicated to them. I understand, however, that the minister rang every commissioner and every regional council chair with the intention of giving them advance notice of the decision. I wrote a minute to staff and to regional council chairs and commissioners on the day to get the information that was available to me at that time to them. We had video links with regional managers to ensure that they understood as quickly as possible the dimension of the change, to enable them to supplement the advice that had gone in writing or in the telephone call from the minister. Since then there have been, as I have said, sessions with regional councils around the country. The senior officers from the administrative arm have each taken responsibility in presenting, at a meeting of regional councils or a collective of regional councils, for the purposes of explanation and answering questions.

Senator LUDWIG—I am trying to understand—and perhaps you could provide information to the committee—whether the new organisation will have an elected arm as such with policy control and an administrative arm and how the two will interface? I am just trying to understand the overall operation of it.

Mr Gibbons—I suppose it is best examined like this. The ATSI Act creates a commission. The commission is 18 people, including the chairperson. And that is ATSI. It also creates a number of regional councils that are independent of ATSI; they are independent bodies and they have a statutory planning role. The ATSI Act also creates several public office holder positions, including the CEO, and provides for the CEO to engage staff under the Public Service Act to assist the commission. Those staff, together with the CEO, form a statutory agency.

You have those three elements that make up the ATSI family. The arrangements alter the nature of the statutory agency by making it an executive agency prescribed under the FMA Act and the funds are administered by that agency in accordance with policies and plans drawn up by the commission of ATSI and/or the regional councils. The authority for that is a direction from the minister to the CEO of the new agency to administer the funds in accordance with those policies or plans.

Senator LUDWIG—The elements that comprise—and I am just trying to understand if this is a fair statement—ATSIC in the new ATSSIS will then not be within the one—in other words, overlapping or a subset of the one—but they will be distinct elements with distinct lines of communication and the statutory authority will be separate and distinct but still within the same umbrella?

Mr Gibbons—The statutory agency will have a distinct legal identity. Its existence, though, is to support the role of the board and the regional councils and to administer programs. There will be a small team of people who remain in the existing statutory agency who are responsible for providing direct support to the board of commissioners. They will be governed by the provisions of the ATSSIS Act.

Senator LUDWIG—Will the policy persons within ATSSIS stay in the same policy positions, will they remain with OATSIA or—

Mr Gibbons—Of the 1,200-odd who are currently employed in ATSSIS, all but about 20 will transfer to ATSSIS and will include all of the policy and administration positions. The agency will provide, as the statutory agency does now, policy advice to the board and will administer and implement the programs and decisions of the board and regional councils.

Senator LUDWIG—The chief executive officer will be where? They will be at the statutory part.

Mr Gibbons—There are two statutory officers: one is the CEO of ATSSIS and the other is the CEO of ATSSIS. It is proposed that those offices be held by the same person.

Senator LUDWIG—That is whom? You are going to have the two hats?

Mr Gibbons—Two hats.

Senator LUDWIG—But will the policy people then move out of ATSSIS into ATSSIS? This is what I am trying to understand. Will their direct role change and will they then be under the direction of you as a statutory office holder?

Mr Gibbons—They are under my direction now; they are not under the direction of the board or regional councils. I am the employer of those people now as the CEO of ATSSIS. They will transfer into ATSSIS where they will be under my direction as CEO of ATSSIS. However, their duties will not change, notwithstanding that the legal basis for determining applications for grants and the expenditure of moneys on contracts will change. They will still provide policy advice through me to the board and regional councils. They will still do the research that is requested of me by the regional councils or the board et cetera.

Senator LUDWIG—What has changed in terms of just that line of communication then?

Mr Gibbons—Very little.

Senator LUDWIG—That is what I thought you were saying, but I just needed to be assured.

Mr Gibbons—In the implementation of these arrangements, in accordance with the minister's public statements, we are not promoting separation of the organisation here and we are not distancing the organisational support from the elected representatives of ATSSIS or regional councils. What has occurred is a separation in the legal power structure. The board

and the regional councils will have no legal authority to determine who gets a grant or who is awarded a contract, though the policies that must be applied in making the decision will be determined by the board. So there is a relationship being set up between the board, regional councils and the public servants who are administering their policies, much as exists in Commonwealth departments between a department and a minister.

Senator LUDWIG—Is there a conflict between the chief executive officers of both organisations? They are going to be separate in the sense that one will be a statutory organisation and you will be the CEO of that. Is there a potential for conflict to arise between the direction of ATSIIC and ATSIIS?

Mr Gibbons—My colleagues may want to add to this, but I have seen the advice that the Commonwealth has received from its principal legal advisers, which makes clear that there is no conflict in the structure that is proposed. My view is that there can only be a conflict if the minister's direction creates one. So long as the minister, as he is publicly committed to do, is requiring the administration of the funds in accordance with the policies and plans of the regional council and the board, it is pretty hard to see that there can be a conflict.

Senator LUDWIG—Madam Chair, I do not suppose I could try for the legal advice?

CHAIR—Senator Ludwig, trying never killed anyone, but I am not sure that it will be a highly productive exercise on your part.

Senator LUDWIG—I will ask anyway. Is that legal advice available to the committee?

Mr Vaughan—The advice was to the department and it was along the lines that Mr Gibbons described in the sense that there is no inconsistency in the roles of CEO of ATSIIC and CEO of ATSIIS. But under normal policy we do not release legal advice to the government for the reason that, if these matters ever ended up litigated before the courts, we would prefer to have our legal advice to ourselves.

Senator LUDWIG—I did think there was a bit of precedent that was forming of recent times about legal advice that might help.

Senator Ellison—That is a very good point that Mr Vaughan makes—and I have seen it happen in my experience where advice has been leaked and has then been used against the person, and that is not the reason you obtain legal advice.

Senator LUDWIG—If we come back to the issue of the conflict of interest or issues that might arise—or that you say may not arise—is there any potential for a conflict to arise in the way that the board might make a decision and the statutory authority either can or cannot—in other words, through you—make a different determination as to how that is going to happen? It just always seems to present to me that that possibility can arise if a board makes a strategic direction and the statutory authority, for whatever reason, disagrees. How is that conflict or direction resolved?

Mr Vaughan—I think the way to conceptualise this is that the relationship between the CEO of ATSIIS and the ATSIIC board is, as Mr Gibbons implied, very similar to that between a department and its minister in that the department is obliged to implement the policies and observe the priorities of the minister, but that does not normally involve the minister deciding who will get a contract or who will get a pension.

In this case, the way to reconcile the role of the AT SIS CEO with the AT SIC board's position is that the AT SIS CEO is required to follow directions given by the minister. The minister has indicated that he will give a direction to the CEO that, in making decisions, the CEO and the organisation must follow the policies and priorities of the board. In that sort of arrangement, there is not the potential for a conflict, unless—and this happens in the same situation in relationships between departments and ministers—the CEO was given a direction that was unlawful or that he could not discharge without breaching his other legal obligations. Then, obviously, he must in the first instance follow the statutory requirements. That is no different from the relationship that exists between a public servant who is given an improper direction from a minister or from another public servant.

Mr Gibbons—And it is no different from the situation now. If the board gives me an improper direction that is contrary to the law, I cannot follow it.

Senator LUDWIG—Will difficulty arise in those organisations then seeking funding? Will they go to the board or to the statutory authority?

Mr Gibbons—An organisation that is seeking funding will make its application to AT SIS, the application will be assessed against the policy determined by the board or the regional council, depending on the circumstances, and a decision will be taken. Depending on the particular program, there may be external merits review or there will be an internal review process. All the decisions that taken by AT SIS are, to my knowledge, going to be subject to ADJR.

Senator LUDWIG—What about the board's decisions?

Mr Gibbons—The board makes decisions on policy.

Senator LUDWIG—There will be 30 more staff positions then, won't there, that will be created? There will be new positions—is that right—when we move from AT SIC and AT SIS staffing levels? Where will they go?

Mr Gibbons—I think you are referring to a decision that was taken before it was proposed to introduce separation of powers—to increase the number of personal staff available to commissioners, if I am correct.

Senator LUDWIG—And will they stay with AT SIC or will they move across to AT SIS?

Mr Gibbons—They will stay with AT SIC. At the moment, commissioners have access to one secretary/personal assistant. Last year we negotiated with the minister to increase that to give them also a research assistant. The funds are available for that in the budget from 1 July, and that is undisturbed by the introduction of separation of powers. The people who are recruited into those positions will be non-ongoing public servants and they will be employed under Public Service Act by AT SIC.

Senator LUDWIG—The organisational chart that you were going to give me in respect of AT SIS—that will include those new positions from 1 July?

Mr Gibbons—They are not part of AT SIS, but, in the information I provide to you, I will make it clear where they sit. I suppose it is analogous to the staff employed by a minister in the minister's private office and a departmental structure.

Senator LUDWIG—I am not sure that the minister will give me his though.

Mr Gibbons—A member of parliament. You have personal staff who are not part of a department. I will set that out in the information I provide you with.

Senator LUDWIG—That information will include the level or the band?

Mr Gibbons—The level has already been determined. They will be at the salary equivalent of an ASO6 in the public service.

Senator LUDWIG—In terms of ATSSIS, how many staff will it have?

Mr Gibbons—ATSSIS?

Senator LUDWIG—ATSSIS, yes. I will withdraw that. I think I have asked for both, and we will leave it at that. I am just trying to understand the three elements. Is there an overview of that in an organisational sense?

Mr Gibbons—I will put one together for the committee.

Senator LUDWIG—That would be much appreciated. In respect of the minister's April 2003 separation of powers statement, does that override—this is perhaps directed more at you, Minister—the December 2002 directions preventing ATSSIC from funding organisations of which full-time ATSSIC office holders are directors or in which they have a controlling interest? I am happy for the department to answer it. I was just trying to understand how that will be dealt with after 1 July.

Mr Vaughan—What will change after 1 July is that ATSSIC will no longer be making the individual funding decisions. The minister has written to the regional council chairmen and the members of the board of ATSSIC saying that it is his intention for the foreseeable future to require ATSSIS to follow the same principle that was inherent in his conflict of interest direction, and that is that ATSSIS should not fund organisations where a full-time elected member was a director or had a controlling interest. That is, the 50 or so people who are either regional council chairmen or board members of ATSSIS would be prevented from funding organisations of which they are also a director unless they relinquish their directorship. The effect of the conflict of interest direction would remain in play for the immediate future.

Senator LUDWIG—So the April 2003 separation of powers statement remains current?

Mr Vaughan—Yes. There are two things—separation of powers, which is the separation of the decision making, and the conflict of interest direction previously—

Senator LUDWIG—Of December 2002.

Mr Vaughan—Yes, which prescribe a certain form of decision making.

Senator LUDWIG—I am curious as to whether there is a policy justification, if you are going to separate them out into distinct elements—one is a statutory authority, and there is AFMA—for the continuation of that December 2002 direction.

Mr Vaughan—In his letter to the ATSSIC commissioners and the regional council chairmen, the minister indicated that his reason for continuing the original effect pro tem concerned lingering perceptions of conflict of interest.

Senator LUDWIG—Is that correspondence available to the committee?

Mr Vaughan—I can take that on notice, but, given that it was a letter to 50 different people, I suspect there is not a lot of confidentiality attaching to it.

Senator LUDWIG—I did not think so. Can you then explain this to the committee, you say ‘lingering’. Is it only lingering suspicion? It now cannot happen, can it? From 1 July, there will be a statutory authority and a board giving strategic direction which makes policy decisions. How does that work? That would not happen in other organisations, would it—that you would continue with that same justification?

Mr Vaughan—I think he said ‘lingering perception’ and that it would be his intention to review the situation following the completion of the ATSIIC review and the outcome of that. I think he means it as a circuit-breaker to try to give a bit of clear air and for those old impressions and perceptions to be washed through the system over the next 12 months.

Senator LUDWIG—What would happen to those organisations—and perhaps you could identify them, or at least take it on notice to identify them—which will be affected by that from 1 July and what will happen to their funding or their continuation? I think there would be at least one or two in that category.

Mr Vaughan—There are a few in that category. It depends on the decision taken by the ATSIIC commissioner or regional council chairman concerned. If they elected to remain a director of those organisations, ATSIIC would not be able to fund them. If they resigned their directorships, those organisations would be eligible to apply for ATSIIC funding just like any other organisation.

Senator LUDWIG—Has that been communicated to the organisations concerned?

Mr Vaughan—Yes, it has.

Senator LUDWIG—And is there a copy of that correspondence available? What I want to identify is how many and when.

Mr Vaughan—It has been communicated to the ATSIIC officials concerned—that is, the commissioners and the regional council chairmen. It has been made public knowledge that, if you have one of those people on your board, you are affected by the decision.

Senator LUDWIG—I understood that was the case, but what concerns me is your policy justification and the additional issue of the potential loss of funding that could result to an organisation that is now delivering service to persons and that could be affected from 1 July, and whether that organisation has been notified and is aware of it. There are also other people involved.

Mr Gibbons—I can perhaps answer that. There are not many, but, in the cases that I am thinking of, the organisations concerned have been in constant communication with us, and we with them, about the issue. They are fully across the issue. We are taking contingency steps to protect services where we will not be able to fund an organisation because a commissioner or a regional council chair has decided not to resign.

Senator LUDWIG—Can you provide the committee with a list of organisations which are affected and for which you have a definite response from the organisation or the chair of the organisation that they are not going to resign and what contingencies you are going to put in place from 1 July onwards to ensure that the end product—the people who are operating, the

employees and the like, and the services that they deliver—is secure. And can you provide a list of those organisations that have acceded to the vagaries of that policy justification.

Mr Gibbons—I can take that on notice, but I must say that this is a moving situation. I will give you a point in time report within the constraints of the privacy provisions of the ATSI Act.

Senator LUDWIG—Thank you. Just coming back a step, Mr Farmer, have the explicit instructions been issued to ATSI public servants informing them of the situation? There will be public servants affected by this, I suspect.

Mr Gibbons—Yes, I will answer that too. When the minister made the direction under the ATSI powers last December, it included staff delegates in ATSI. I put in place arrangements to identify or have staff declare whether they were on the boards or had a controlling role in any organisation. I have also now—because I have seen the letter that has been written by the minister to commissioners and regional council chairs about his intention post 1 July—put in train arrangements to ensure that no staff in ATSI or ATSI who are in a position to exercise any delegation are on a board or have a controlling interest in an organisation.

Senator LUDWIG—What has been the result of that? Are any still—

Mr Gibbons—To my knowledge, there are none, but I will certainly be checking that as we approach 1 July. If there is a change to that, I will let the committee know.

Senator LUDWIG—Turning to—

Mr Gibbons—I am sorry, could I just qualify that. It may well be that there is a member of the ATSI or ATSI staff who are on the board of an organisation. That is not prohibited. What is prohibited is the exercise of any delegation by those staff in relation to the administration of the funds. My duty is to make sure that I do not delegate any authority to staff in that position. That is what I am doing.

Senator LUDWIG—The National Aboriginal Health Strategy has funds assessed on a three-year basis. Is it possible to re-examine the funding assessment formula so that funding can be released for urgent projects as the need arises—or, once it is assessed and set, is that it?

Mr Gibbons—Sorry, I missed that.

Senator LUDWIG—I asked about the National Aboriginal Health Strategy, incorporating housing, environment and health in the Northern Territory.

Mr Gibbons—I might ask my group manager for the housing and infrastructure area to comment on that.

Mr Patterson—Under the NAHS program, we have rounds of funding that extend over some years. We do a thorough assessment to determine where the greatest need for the funding is and we also assess the capacity of the organisation to manage the houses that are built or the infrastructure and then set out a plan of action. During the course of the three years, that may change. For a whole range of reasons, priorities may change. We make adjustments, but we draw on the results of the assessment that occurred at the beginning of the NAHS round.

Senator LUDWIG—So it works for major projects. But what about if there are small issues that arise? I am told they include what happens if a bore pump breaks down. What happens if that requires fixing? Is there money in a pool available to be redistributed?

Mr Patterson—Under the Community Housing and Infrastructure Program, which NAHS is a part of, there are other elements which provide for funding for housing and infrastructure outside the NAHS process to allow us to respond on a more immediate basis.

Senator LUDWIG—Have you then? Do you have a couple of examples where you can say that in the last six months you have had an application to fix a pump or fix a bore, and this is what you have done?

Mr Patterson—I could take that on notice.

Senator LUDWIG—If you would not mind, we can then gain an understanding of the flexibility of that funding.

Mr Patterson—Okay.

Senator LUDWIG—I understood that it works for major projects, but it may not be quite flexible for the small issues. But you are now explaining to me that it is sufficiently flexible to meet those needs. Perhaps a couple of examples might assure the committee that it is.

Mr Patterson—Yes.

Senator LUDWIG—I can go to CEDEP now.

CHAIR—There is also another question from Senator Scullion in this area before we move on.

Senator SCULLION—In regard to the NAHS funding and the community housing and infrastructure program, I have just completed a round of many of the Indigenous communities in my electorate in the Northern Territory. The single issue that strikes me very evidently—and involving the issues that have been put to me, whether they are health issues or education issues—really concerns housing. Most of the communities I visit enjoy occupation rates of up to 20 people in each house. The increases of population are just staggering in comparison with the amount of housing that is available and the amount of funds that NAHS and other opportunities provide. Have you been thinking in terms of a policy change—the amount of funds that are available under NAHS and whether some changes can be made in view of some of what I see as very evident predictions in terms of population and our capacity simply to house people?

I will just make a brief connection with education. It is very hard to get up in the morning in a house of 23 people and go to school. Because of the nature of the communities and the people within the house, you only need two or three people who are occupying themselves or simply even talking in a house that size to distract a school child.

There are also health issues. There is a much larger percentage of people in Indigenous communities who are smokers and we are now seeing people at very young ages, they are three and four years old, who are suffering from respiratory conditions associated with smoking and they are not smokers themselves. You cannot have 20 people smoke inside house—and I probably should not lecture about this, particularly not to you, Mr Patterson—

and not have those respiratory ailments which is, I think, a real reflection of the community. I am concerned that with the proposed spending within the NAHS program including the community housing infrastructure is simply going to be inadequate. Perhaps the question should not be directed to you, Mr Patterson, but is ATSIC really aware of the chronic housing shortage? Does it have the capacity to reprioritise funds within the ATSIC budget to go to housing?

Mr Patterson—Yes we are aware of the need for housing throughout the country and occasionally we undertake a community housing infrastructure needs survey, which we publish and which goes into some detail about needs across the country. But we need to realise that our community housing and infrastructure program, which NAHS is a part of, has a limited budget. We need to think about Indigenous housing in a broader context that goes beyond the community housing and infrastructure program. We need to consider in different ways the needs of urban and remote Indigenous communities. If we consider housing needs for Indigenous people in an urban setting—in Sydney or Brisbane—funding through ATSIC may be one source but there are other options for people to get housing in those situations, such as through mainstream public housing through the states—just the normal vacancy rates for public housing in the capital cities is quite substantial so it is important that Aboriginal people get a share of those opportunities. There is also home ownership, and ATSIC runs a very successful home ownership program that Aboriginal people access in very large numbers. There is also a private rental market.

But some of the communities in your area, Senator Scullion, have few options other than public housing because of the land tenure situation. What we need to do over time in a strategic sense, and we have been heading in this direction, is to ensure that Aboriginal people get a greater share of mainstream housing in urban areas and major provincial areas to allow us to free up a limited resource to better meet the needs of people in remote areas. It is a strategic approach taking account of the various housing options and having different approaches in urban areas to remote areas. We have, in most states and territories, bilateral agreements—as you know in the Northern Territory we have IHANT—and we are using our CHIP funds through those arrangements to leverage contributions from the states and territories. What I would like to see over time is that we use our involvement in those bilateral arrangements to also lever a greater share of mainstream public housing, the normal vacancies that occur for Indigenous people so we can free up our Indigenous specific resources for the bush.

Senator SCULLION—Thank you for that, Mr Patterson. The associated issue of policy in the Community Housing Infrastructure Program, as I understand it, is that when you build a house you have to have a maintenance program involved. So there are two processes: firstly, you get a house built in a community—and I am speaking specifically about remote communities—and, secondly, you have to supply some maintenance for the provision of those houses. It has been my observation that, when these houses are getting built, generally speaking the people who build them live elsewhere. They are invariably white and they invariably go around different communities and build houses as a living. The opportunity for employment in most of these communities is not just limited—there is none.

I think that there is a huge opportunity to re-evaluate how we go about ensuring that there is an increased amount of Indigenous labour, particularly in the building of houses and, I would have thought, for ongoing maintenance. Would ATSIC currently be in a position to review those arrangements? I understand that in some communities they have higher rates than in others, but generally speaking it is extremely low. I wondered if there was a capacity within ATSIC to have a look at some of those issues and to see if we can increase the level of Indigenous employment, particularly in the building of houses.

Mr Patterson—We have for some years run apprenticeship and traineeship programs with the Department of Employment and Workplace Relations associated with our housing effort. It is an important priority for CHIP to use our funds where we can to generate employment, and particularly training opportunities, in the construction of houses, because it leaves skills within the community that can then be available for the maintenance of housing. The longer that houses can survive wear and tear the more people we can accommodate with new housing.

We are continually working out ways to increase the employment and training opportunities generated through our funds. I should say that, if you undertake a training project on a community associated with the housing program, by its very nature the construction of those houses usually takes a longer period than it otherwise might. Sometimes it may be the decision of the community that they want the houses to be built quickly rather than have them as a training exercise. I think that should be their choice. I know that up your way, Senator Scullion, some of the communities have a mix. They have a number of houses being used as a training exercise for trainees but with a number of others they bring in contractors to build the houses quickly to relieve an overcrowding problem, I guess.

We are currently having discussions, again with the Department of Employment and Workplace Relations, to explore ways that we can expand the employment and training outcomes that arise from our housing expenditure. We met with them the day before yesterday, I think, to talk through new approaches. We are very interested, like you, Senator, in maximising employment and training opportunities from housing.

Senator SCULLION—Do you think it is within the capacity of ATSIC to consider in a contractual sense prescribing a percentage? I well understand, as you do, Mr Patterson, the benefits of a joint approach to this. When you build a house in an Aboriginal community a minimum amount of employment could be prescribed. There are different size houses and different projects, and I am quite sure we could have some sort of factor to ensure that that happens. But, in a contractual sense, I would have thought that the marketplace would determine that someone would be there, if they have to find those people in the community, who can build a house.

We want to turn this into real outcomes—and I am delighted to see that ATSIC are turning their policy towards being outcome driven. But it is my feeling that, irrespective of how much training goes on in the community, if you prescribe a minimum number of Indigenous people to work on that community while NAHS houses are being built, you will have that. Someone in the wider building community will come up with that employment figure. Do think that is an area that ATSIC might look at?

Mr Patterson—Possibly, Senator. I am new to this role, as you know. We do not have those arrangements in place at the moment in ATSIC. We have to keep an eye on costs. Going back to your earlier question, we have a limited budget and a very high housing need. So we need to contract services at a reasonable price to produce the greatest number of houses we possibly can with the funds available, given the overcrowding issues in some of your communities. It could be argued that imposed conditions like that might be passed on by contractors as an additional cost, which would reduce the number of houses we could build under the CHIP program. Our approach, which we are continuing with at the moment, has been to work with other agencies, like the Department of Employment and Workplace Relations, which have funds that they can make available to employers to offset their costs for training people and, therefore, not add to the cost of the construction. We would prefer to use our housing money for housing and, for employment money, go to the employment departments and get money in that way.

Senator SCULLION—In terms of ensuring that we are, in the vernacular, getting the bang for the buck, do you have a broad understanding of the requirements in terms of design? For example, what percentage of the cost of a house would ATSIC spend on design and approvals for architects?

Mr Patterson—I would have to take that on notice. I know that a lot of work has been done on improving the design of houses over recent years. You have probably seen some good examples of recent construction in some of the communities in the Northern Territory. But I would have to take that on notice in terms of the resources that are spent on that sort of activity compared to construction.

Senator SCULLION—Since you are taking that on notice, I will just give you a bit of background to the question. It has been put to me that there has to be a design for every house we build. I know of about 15 different designs that are regularly built and promoted in regional northern Australia. They are all good designs now, and I think both NAHS and IHANT have done a very good job in the provision of the types of houses they build. But, as I understand it, every time they build a house, up to five per cent of the cost of the house goes into design. The houses are the same design, colour and shape; yet, for some reason or other, we continue to pay architect approval fees to quite a substantial amount of the cost of the house.

Mr Patterson—I will take that on notice, but I understand that ATSIC has been working towards standardising designs to lower that cost. I will get back to you on that.

Senator CROSSIN—Mr Patterson, I am not sure whether ATSIC have provided us with a new organisation chart. Was that asked for previously?

Mr Gibbons—It was. The organisation structure that exists today will continue into the ATSI arrangement with some variation perhaps in the area of regional planning. But I have undertaken to provide the committee with a revised chart.

Senator CROSSIN—Just before I go to questions that Mr Patterson might be able to answer, you provided to this committee earlier this year the new organisational arrangements for 2003—your memo dated 17 October 2002—and with that the organisational structure for the national office policy group. Is that still the current state of play?

Mr Gibbons—Yes.

Senator CROSSIN—I will go first to the National Aboriginal Health Strategy in the Northern Territory—the NAHS. It is actually a program that is managed by a company called Ove Arup. Are you aware of that?

Mr Patterson—That is correct.

Senator CROSSIN—It would seem that all of the major works are actually assessed on a three-year basis by this company and I am wondering if ATSIIC have ever looked at a way in which there can be a change to how the funds are allocated. They will actually allocate funds for major projects and therefore they do not leave any spare funds for any unexpected urgent jobs.

For example, let us say you are going to put a bore in at a community, which is a major capital works. Ove Arup are the contractors for this and they will do they work. But, what about where the water supply pump breaks down, as at Utopia this year? What happened there was that the Northern Territory government said, 'It is not our problem because ATSIIC put it in,' and ATSIIC said, 'It is not our problem because this major company were contracted in.' We had a situation where nothing was done for many weeks. What is the situation when you are awarding contracts for major infrastructure works? There does not seem to be any surplus left over in case those projects break down or need ongoing maintenance.

Mr Patterson—Generally, with large scale infrastructure projects we have arrangements with the states and territories for them to pick up the ongoing maintenance and repair activity and any urgent arrangements as in Utopia. I am not sure of the specific circumstances.

Senator CROSSIN—But you say generally you have an arrangement with the state or territory governments. What happens if there is not such an arrangement? What happens there when those infrastructure programs fall through the crack?

Mr Patterson—I answered Senator Ludwig earlier on and said I would get back with further details but we are not dependent only on the NAHS program, which—as you say—is a quite structured program where we go through a very exhaustive needs analysis and also assess the capacity of the community to manage the activity that we are funding. We have a list that we work through but not sufficient funds to cover that entire list in each round. The CHIP program provides more flexibility to respond on an immediate needs basis. I have undertaken to get back to Senator Ludwig with some more information about how that might happen.

Senator CROSSIN—It is a bit more than that though. Where you do not have any agreement with the state government and major projects break down or do not work, nobody seems to be able to come up with the cash to fix the problem; yet everybody seems to be pointing the finger at ATSIIC because it was you who originally put that major infrastructure in. Have ATSIIC have looked at this? Are they reviewing this aspect of their operations?

Mr Patterson—I think that the question about bores in the Northern Territory was raised with me a few days ago—in relation not to Utopia but to a similar situation elsewhere where we have an understanding with the Northern Territory about recurrent funding arrangements and repair work. For one reason or another, the Northern Territory government did not assume

responsibility for those particular works immediately. It is an area that I will be having a look at because, as you know, water supply is fundamentally important out there.

Senator CROSSIN—It is getting scarcer.

Mr Patterson—That is correct.

Senator CROSSIN—So you will come back to us with information about that? We will no doubt follow it up.

Mr Patterson—I will take that on notice and come back to you.

Senator CROSSIN—I want to ask about community capacity participation agreements. Is that in your area as well?

Mr Patterson—No, it is not; it is in Peter Taylor's.

Senator CROSSIN—Mr Taylor, your answers to my questions in February indicated that interim guidelines were in the process of being tested. Do we have final guidelines now, or are they still interim?

Mr Taylor—As I understand it, we are in discussions with a couple of other key Commonwealth agencies with a view to their being finalised for next financial year.

Senator CROSSIN—So you expect them to be completed by the end of June; is that right?

Mr Taylor—Yes.

Senator CROSSIN—Can you take on notice to provide us with a copy of those guidelines when they are finished?

Mr Taylor—Yes.

Senator CROSSIN—I understand that they were tested through a pilot program. Can you give us some information about where the pilot was held, how it was conducted and how the guidelines were tested?

Mr Taylor—A few pilot processes have been engaged in over the last couple of years. Probably the most substantial was the one at Mutitjulu, which I think you are familiar with. Through that process we learned considerable lessons about the kinds of capacity building processes needed to build the capacity of community leadership and, to a certain extent, governments to engage with communities appropriately to achieve the kinds of agreements that are expected in this process. Other work was undertaken in western New South Wales and, while these are not specific projects, we have had substantial workshops involving our elected arm and community organisations.

Senator CROSSIN—Is this in Murdi Paaki?

Mr Taylor—Yes, in Murdi Paaki; and we have had workshops in the Northern Territory at which community organisations have participated in a range of discussions around the scope and complexity of potential CPAs. We thought that kind of early engagement with community leaders was important because of the clear connection between CPAs and existing programs in their communities, including CDEP.

Senator CROSSIN—Were agreements to be developed in 94 communities originally?

Mr Taylor—That is right.

Senator CROSSIN—The target is 94, is it?

Mr Taylor—Yes.

Senator CROSSIN—Do you know where those 94 communities are, or is that an ambit figure?

Mr Taylor—No, we cannot say where all 94 will be, but we have commenced the development of capacity building leading to CPAs and we have currently contracted resources agreed with communities in five locations.

Senator CROSSIN—Where are they?

Mr Taylor—Western Australia. I can provide you with background on those projects.

Senator CROSSIN—Thank you.

Mr Taylor—We expect another five to commence in Queensland before the end of the financial year. The bulk of resources for those projects will obviously be—

Senator CROSSIN—A list of those communities would be useful.

Mr Taylor—Certainly.

Senator CROSSIN—How was the number of 94 communities derived?

Mr P. Taylor—I think that is probably a matter for the government to explain to you. I was not directly involved in that process. I think it was intended to reflect the level of development work that would be needed to secure agreements in various remote sites around the country.

Senator CROSSIN—Can anyone else at the table throw any light on the magical number 94?

Senator Ellison—We are just making inquiries, Madam Chair, about that.

Mr Vaughan—My recollection is that the figure of 94 was in the budget of two years ago. Would I be correct? Mr Patterson may help me with some of this. That was a figure derived in consultation with ATSIC as to the scope of the program and cost of the program and how far those resources would spread.

Senator CROSSIN—Where is the costing of the CPA program in the PBS this year? Can someone direct me to that?

Mr P. Taylor—It is in the welfare reform item in output 5.

Senator CROSSIN—What page are you looking at?

Mr P. Taylor—It is page 192, output 5.5.

Senator CROSSIN—It says 'up to 94 communities by 30 June 2005'. You have a fair way to go in the next two years, haven't you?

Mr P. Taylor—Yes. But as I think I have explained previously, the allocations for this program were heavily tapered so that there were very minimal amounts in the first two years

rising to more substantial amounts in 2003-04 and 2004-05, reflecting I think the need for substantial development work, both policy and administrative capacity.

Senator CROSSIN—What is the appropriation that has been set against that?

Mr P. Taylor—For next year? It is just over \$9 million.

Senator CROSSIN—What page is that on?

Mr P. Taylor—I do not know that you will find it properly reflected as a program in the PBS, but the allocation that I am working to is about \$9 million for next year.

Senator CROSSIN—It was announced in the budget two years ago, so obviously it is a five-year program. What was the total allocation over the five years; do you remember?

Mr P. Taylor—About \$30 million. I think the financial breakdown was provided in the question on notice response at our last hearing.

Senator CROSSIN—Not the one I am looking at, which is 156. There does not seem to be a figure amount in that answer.

Mr P. Taylor—From memory, I think there was just over \$1 million in the first year, about \$4½ million this year, \$9 million next year and it rises to the balance in the out year of 2004-05.

Senator CROSSIN—Have those funds been expended in each of those years? Have you spent \$5½ million to date?

Mr P. Taylor—No, we have not. I can provide you with a separate breakdown of our expenditure and commitments for this financial year.

Senator CROSSIN—That will be fine. Please take that on notice. In relation to CPA, under the agreements, is it the case that people will actually have to undertake an activity in return for income support?

Mr P. Taylor—The intention is—and this is the focus of discussions within a number of the sites—that certainly CPAs will involve communities agreeing on a range of expectations about community individuals participating in the community productively. It is an open question for communities and government agencies as to whether or not those expectations of social participation are linked to formal agreements covering individuals' income support entitlements.

Senator CROSSIN—Will those income support entitlements replace CDEP or can a community have both?

Mr P. Taylor—In a number of the sites where we are in discussion, there is clearly going to be a mixture of CPA and CDEP arrangements. In some circumstances a CPA agreement may provide a much more holistic expression of community expectations around behaviours and social participation, and CDEP in those sites would need to operate as a discrete element, a particular kind of resourcing and employment element, of the broader range of expectations of community members.

Senator CROSSIN—Has any work been done on what entitlements participants would have under a CPA?

Mr P. Taylor—There is no question that they would change from their entitlements outside of a CPA.

Senator CROSSIN—If a community signs up to a CPA under this welfare reform, they would be either on Newstart, on CDEP or getting an income. Is that correct?

Mr P. Taylor—Yes.

Senator CROSSIN—Do you have a role to play in Indigenous Employment Centres?

Mr P. Taylor—Yes.

Senator CROSSIN—What is happening here? Twelve Indigenous Employment Centres have been established. Is that correct?

Mr P. Taylor—Yes.

Senator CROSSIN—I think we have already been given a list of where they are, but would you mind—

Mr P. Taylor—I would have to take that on notice. I am aware of the precise location of six of them, but of not the others. I have not gotten around to all of them.

Senator CROSSIN—Are they all up and running and functional?

Mr P. Taylor—As I understand it. Some are operating more successfully than others in terms of placements, but they are all operating.

Senator CROSSIN—Do the Indigenous Employment Centres predominantly have only CDEP participants attached to them?

Mr P. Taylor—The IECs that are attached to CDEPs are a subset of the broader IEC framework. We are particularly concerned with the IECs that are attached and operating in tandem with CDEPs, and I guess my comments need to be constrained to the CDEP related IECs. You would need to refer questions on the overall IEC program to the Department of Employment and Workplace Relations.

Senator CROSSIN—Are they the agent that is predominantly—

Mr P. Taylor—They administer that program and let the tenders for it.

Senator CROSSIN—I did not realise that. Having seen most of the information about IECs in your national CDEP news, I figured that ATSIC was administering the program.

Mr P. Taylor—No. The program is administered by DEWR. I just think that CDEP organisations have been reasonably successful in finding ways to provide services under that framework and are finding it a reasonably productive way of achieving transition from CDEP to mainstream employment.

Senator CROSSIN—Before we go on to the outcome regarding CDEPs, I have one or two general questions to do with ATSIC. They might not necessarily be for you, Mr Patterson. In relation to an answer to a question from Senator Ludwig, which was No. 140, has the investigation regarding Mr Johnstone now been completed?

Mr Gibbons—It has been completed.

Senator CROSSIN—When was that?

Mr Gibbons—Approximately two months ago, I think.

Senator CROSSIN—What was the result of the investigation?

Mr Gibbons—That is not a matter that I should disclose publicly. It is a matter covered by the Public Service Act and is confidential to the officer.

Senator CROSSIN—How much did the investigation cost?

Mr Gibbons—I think approximately \$7,000.

Senator CROSSIN—At the last estimates I think you implied that the media reports were inaccurate and carried a lot of speculation. Are you able to tell us where you believe those inaccuracies occurred?

Mr Gibbons—I do not recall making those comments. This was a discipline matter under the Public Service Act and there are protections for the individuals. I do not think it is appropriate that I comment on the nature of the case or the outcome, in fairness to the officer involved.

Senator LUDWIG—On what basis can't you tell the committee? I am happy to accept your view of why you want to keep it confidential, but perhaps you could give a little more justification than what you have just said. This person, as understand it, is no longer working with you, is he?

Mr Gibbons—There is not a link between the investigation and the fact that he does not work with us anymore. He was a non-ongoing employee and had come to the end of the period of his contract. Under the Public Service Act, because of the duration of his employment with us as a temporary, he was not able to be re-engaged.

Senator LUDWIG—That is distinct from the investigation?

Mr Gibbons—That is right.

Senator LUDWIG—What can you tell us then?

Mr Gibbons—I would certainly want to take some advice on my obligations under the Public Service Act and the Privacy Act before I respond to a question like that. I will take it on notice.

Senator LUDWIG—I understand that. I am not gambling with that. If I set out the issues for you to look at, you could come back to me with what you can and cannot answer. I that is a reasonably fair way for us to go through it.

CHAIR—That is fine.

Senator LUDWIG—The information I am seeking is: who decided to suspend Mr Johnstone and what, if any, discussions were held about that; were you involved in the decision; was there an independent investigation; if there was an independent investigation, when did it begin and when did it conclude; what were the findings of that and could they be made available to the committee; was Mr Johnstone advised about the independent investigation when he was first contacted and did he understand that it was going on; was he advised of the findings and was he given an opportunity to respond? Apart from Mr Johnstone, can you advise who else was spoken to by the investigator, if there was an

investigator for this matter? Were there any commissioners or other persons involved in the issue? If not, was it only confined to Mr Johnstone? Does ATSIC have procedures for dealing with those sorts of matters and, if it does, do you have a copy of the guidelines that would be used? Can you advise whether those guidelines were followed? If they were not followed, why weren't they followed, or if they were departed from, why were they departed from? Can you advise us of the investigator's report and what conclusion it came to? In relation to the contract of employment, how was Mr Johnstone advised that he was a non-ongoing employee? The nod is yes, I take it.

Mr Gibbons—Yes.

Senator LUDWIG—Can you advise how he was advised that his non-ongoing status would come to an end? Was it by letter, and from whom? Were any reasons provided in that letter? If not, would it have been normal practice to advise—given that if his status was not ongoing it may not have been, but I am sure you will be able to clarify that? Is it the case that just shortly before that event you posted a notice on the ATSIC intranet site on the same day announcing changes to the media and marketing section and renaming it the communications branch? It may be that you can answer that one now. Did that happen and when did it happen?

Mr Gibbons—I had certainly informed staff that I was going to review the structure of the communications area and, in the knowledge that I would have to recruit a new person to head that branch at the expiry of Mr Johnstone's contract, that I was commencing recruitment action. I cannot recall off the top of my head what the date was but it was around that time. I think we will be able to answer most of the questions that you have read out. There are one or two that I would have to take advice on in the context of the former officer's right to privacy et cetera.

Senator LUDWIG—I fully appreciate that and I understand the nature of the inquiry and the acts that might be involved in it. In addition, when did the change of the media centre to a communications branch first occur? When was it contemplated that you would be changing to a new structure? When was that put into effect? Was it advertised with the new positions? Is there a copy of the advertisement? Were the relevant guidelines followed?

Mr Gibbons—All of that is available. I will respond to that on notice. I stress that the two questions—the one about the recruitment of a permanent officer to fill the position and the investigation into the alleged breach of the Public Service code of conduct—are not related.

Senator LUDWIG—Yes. Can you advise if an audit was conducted by ATSIC's office of evaluation and audit into the operations of the media and marketing area? If so, has that audit been completed and can you provide a copy of that audit when it is available?

Mr Gibbons—I will check the status of that and provide to take it on notice.

Senator LUDWIG—I think that encapsulates all the issues.

CHAIR—Senator Ludwig, does that encapsulate in total the issues that you have to raise with ATSIC?

Senator LUDWIG—No—only in respect of Mr Johnstone. I understand the sensitivity of that issue and I appreciate it.

CHAIR—Thank you.

Senator CROSSIN—Mr Patterson, the budget announces, under ‘Support for Indigenous people’, an expansion of Centrelink’s agent and access point network, with additional funding of \$8 million over four years to expand to 50 new access points. Is it envisaged that these access points will be in communities?

Mr Patterson—That is a question which should be put to Centrelink.

Senator CROSSIN—Is it not an area which ATSIC has been consulted about or has a role in?

Mr Patterson—We would take an interest in it but since I have been with ATSIC I have not spoken to Centrelink or FaCS about that initiative.

Senator CROSSIN—Is it the same with the budget measures under the Indigenous Capital Assistance Scheme, under the Indigenous employment policy—is that more a matter for DEWR?

Mr Patterson—Yes, that is a matter for them.

Senator LUDWIG—I want to move on to the area of CDEP. Senator Crossin, do you have questions in that area?

Senator CROSSIN—I have a fair bit for CDEP.

Senator LUDWIG—In the limited time available, perhaps you could start.

Senator CROSSIN—What does ‘limited’ mean?

CHAIR—It means limited.

Senator CROSSIN—Are we stopping for morning tea?

CHAIR—No, we are not going to stop for morning tea, but we have other agencies and other programs as well today—not just OATSIA, ATSIC and their portfolio agencies.

Senator CROSSIN—I can do the CDEP ones. I want to go first to the 100 new CDEP places that will be given to the communities participating in the COAG trials. Where a COAG trial is scheduled to begin but has not done so yet, will these communities still be able to take advantage of these extra places?

Mr P. Taylor—Are you talking more broadly about the 1,000 new CDEP places?

Senator CROSSIN—Yes, that is right. I understand those 1,000 places are specifically tied to the communities in the COAG trial. Is that correct?

Mr P. Taylor—I think the intention is that they would be a principal target. It is not clear at this stage that all of those places may be required in those locations. We have a little way to go yet before we can determine how many of those CDEP places are likely to be utilised. You would be aware that there are two other dimensions to the roll out of the 1,000 places. One is that they will be targeting the expansion of community based strategies to deal with family violence and substance misuse. It is quite conceivable that, in some COAG sites, those areas of social concern may not be as prevalent or concerning as in others. Also, in some locations CDEP may not be the appropriate vehicle for addressing substance misuse or family violence. We cannot necessarily guarantee that every COAG site will require CDEP resources to

address those issues. But it is our intention to have a primary focus on the COAG sites in rolling out those places.

Senator CROSSIN—If some of those five sites in Western Australia or Queensland that you mentioned were going to come on board said, ‘All right, we’d like some of those CDEP places now,’ is that an option for those communities?

Mr P. Taylor—It is, but I think we would need to have fairly strong discussions about how those resources would be made available in the context of the emerging whole-of-government strategies. We are quite keen at these sites, as you are no doubt aware, that agencies operating in these areas do not commit to new initiatives without proper coordination from the government side and that we respect the processes of planning and engagement with community leaders to ensure that agencies are not acting in isolation from a broader engagement.

Senator CROSSIN—So there will be communities not participating in the COAG trials that will be able to access these places.

Mr P. Taylor—Potentially, yes.

Senator CROSSIN—Is this the first time that CDEP places have been targeted at particular areas such as family violence and substance abuse?

Mr P. Taylor—Yes.

Senator CROSSIN—Have a percentage of these 1,000 places been targeted in this way?

Mr P. Taylor—No. As I said, all the 1,000 places are intended to expand community based strategies to deal with family violence and substance misuse. These concern either prevention or victim response.

Senator CROSSIN—So they all have to be used for that purpose?

Mr P. Taylor—Yes.

Mr Gibbons—If I may add a comment here, it is the first time, to our knowledge, that a program like this has been targeted specifically at these issues, but it would not represent the first time that CDEP places have been used to support family violence programs.

Senator CROSSIN—I know. That is quite a distinction there. I have not known CDEP places, for example, to be used in the building industry, a school or a health centre. I have never known them to be used for a particular area like this. This is the first time that that has occurred. Is that correct? There may well be other CDEP places out there that are used for these areas—

Mr Gibbons—That is right, yes.

Senator CROSSIN—But these are specifically tied to specific issues.

Mr Gibbons—They are specifically tied to this, but there are places out there that are being used for this.

Senator CROSSIN—Yes, I know, but there is a fine distinction there. Has the review of CDEP been finalised yet?

Mr P. Taylor—If you are referring to the intention to undertake some long-term policy reform directions for the program, no, it has not.

Senator CROSSIN—No, I thought there was a review of CDEP being conducted.

Mr Gibbons—There is work being done within ATSIC in the context of the provision of advice to the board. It is looking at CDEP, and the board's economic and social participation committee is engaging with us in that. It is not at a terribly advanced stage at this point. There is, I understand, an audit by OEA into CDEP planned for this financial year.

Senator CROSSIN—I saw that in the PBS. That could well be different from a review by ATSIC of a whole range of issues to do with CDEP—its effectiveness, its outcomes, its outputs. That has not happened in any formal sense?

Mr Gibbons—We are doing the groundwork. Over the course of the next financial year, as we put a lot more emphasis on developing regional council plans and trying to get out of the box we are in to some extent, we will be looking very closely at CDEP. A number of regional councils are already asking for more flexibility, particularly the councils operating in the COAG sites. For example, the Cape York Peninsula council is very keen to expand the resource in ways that have not been trialled to this point.

Senator CROSSIN—Is it correct that the wage component of the extra 1,000 places will come from reducing money out of Family and Community Services by a similar amount as they come off Newstart and Jobsearch and move on to CDEP.

Mr P. Taylor—That is the usual arrangement for funding participant places in CDEP.

Senator CROSSIN—Moving from the FaCS budget to—

Mr P. Taylor—From FaCS entitlements into ATSIC's budget for CDEP wages, yes.

Senator CROSSIN—Is the on-cost component of this being met by ATSSIS, the new body within ATSSIS? Is that how you are referring to ATSSIS—the new body within ATSSIS?

Mr P. Taylor—Yes, the ATSIC board has agreed that the on-cost component should be absorbed within the budget.

Senator CROSSIN—With your existing budget. The amount for the 1,000 participants is about \$3 million; is that correct?

Mr P. Taylor—The on-cost component is just over \$3 million, yes.

Senator CROSSIN—Can you explain how ATSSIS can do this without somehow reducing funds from other programs or other areas? Where is this money coming from?

Mr P. Taylor—It is a complex answer. It would probably be best if I gave you a supplementary answer in written form. Essentially the management strategies that we are looking to to fund these are twofold. One is that we will engage in tighter management of CDEP participant places around the country. We have taken a number of steps to do that.

Senator CROSSIN—I will come to that in a minute.

Mr P. Taylor—The second is to see if we can make linkages with the programs of other agencies to support the wage component. There are other agencies at the Commonwealth and state levels that are engaged in supporting community based strategies around both family

violence and substance misuse. We would be looking to support not just in terms of the direct costs but also in terms of policy and professional expertise to community based strategies in this area.

Senator CROSSIN—When you refer to the tighter management of CDEP places, I am assuming—and I am going to get to this—that will mean that, where communities do not have full participation or the outputs are not what ATSIIC would expect, those places are removed from those communities. Is that a saving that will then be translated into the on-costs for the extra 1,000 places?

Mr P. Taylor—It may not operate at the precise community level. It is more likely that we will be running a much tighter management framework across the regional allocation of places.

Senator CROSSIN—If we look at that, does that mean that, if there is a reduction in the CDEP places across the regional level, the saving in those places will be put into the on-costs for these 1,000 places?

Mr P. Taylor—For on-cost components, potentially, yes.

Senator CROSSIN—Does that effectively mean that we have 1,000 additional places in one area but there may well be a reduction in places in another?

Mr P. Taylor—No. Usually the scheme has a capacity for unfilled places. There are a whole range of reasons that drive a level of unfilled places which have to do with the lead time for planning expanded projects or commencement of new projects. In discussion around implementation of this, we have identified capacity for that process to be run more tightly.

Senator CROSSIN—Will that mean a general overall reduction in places, though? They may well be unfilled, but will there be a reduction in places?

Mr P. Taylor—I do not expect so.

Senator CROSSIN—I am still a bit unclear as to how you translate tighter management of CDEP places across to a capacity for ATSIIC to find \$3 million to provide the on-costs. There must be a link in money there somewhere.

Mr P. Taylor—There is. As I am trying to explain, we are hopeful that, rather than have unused places at a certain level on an ongoing basis, that level of unused capacity will be reduced and will have a higher level of active places, properly resourced, either from within ATSIIC administered funds or through connections with other—

Senator CROSSIN—So at the moment you have a notional budget allocation against the unused places. Is that right?

Mr P. Taylor—We have an agreement with the department of finance about the level of unused places that we are able to carry as a program.

Senator CROSSIN—How many are they?

Mr P. Taylor—Generally it runs at around two per cent of the total program.

Senator CROSSIN—So are you looking at reducing that to, say, one per cent?

Mr P. Taylor—We have not set a target, but we are looking to improve our performance in terms of unused places to part fund the on-cost component for this.

Senator CROSSIN—With these 1,000 places, will workers such as police aides or court support workers continue to be limited to the part-time, part-pay CDEP policy or will there be ability to turn these positions into proper jobs?

Mr P. Taylor—One of the challenges in the process is to secure some commitments from other agencies and other levels of government. One of the ongoing policy concerns about CDEP is the extent to which it is funding activities that, from some policy perspectives, may more properly be fully funded by other agencies. We are certainly mindful that, in expanding key social support activities such as those that target family violence and substance abuse, we would not be wanting to exacerbate any tendencies for cost shifting or substitution around those issues. One of the reasons why I emphasised the need for us to have discussions with other agencies and other levels of government around this is that generally they are principally involved in funding the kinds of activities that CDEP are involved in around substance abuse and family violence. We certainly would be looking to secure stronger commitments for funding from other Commonwealth and state agencies around those kinds of things.

Senator CROSSIN—It will be interesting to see in November if that has happened. The 1,000 new places also include activities such as new diversionary training or educational and personal development programs. Where are the resources coming from to fund these programs?

Mr P. Taylor—We have notionally earmarked 10 CDEP places for the WA communities that are getting into CPAs. We have already secured commitment from Dhua to provide step funding to make available the equivalent of full-time work for those people to support the CPA discussions in communities. The approach to identifying and resourcing those new CDEP participants is to see those jobs as developmental—that they will take on roles, over time, in being community brokers.

Senator CROSSIN—Mr Taylor, are you saying that, because some of these 1,000 places are automatically going to be part of a COAG trial, that in itself is an educational personal development program?

Mr P. Taylor—No it is not. The discussions that we have had on those particular projects have identified the need for some community resources for communication flows and for helping—

Senator CROSSIN—Will formal training programs be part of it?

Mr P. Taylor—There will be some. We have had discussions with the WA state government about how to integrate some formal training opportunities as part of that.

Senator CROSSIN—How will these be resourced?

Mr P. Taylor—We are hopeful that the state government will resource them. There are a range of training supports supporting community governance that have been identified by the state government over the last couple of years which we would expect to be available.

Senator CROSSIN—We have seen in press releases or statements from the minister that new diversionary training educational personal development programs will occur. Is that a Commonwealth funded initiative or are you expecting the states to pick up the funding for that?

Mr P. Taylor—In this particular instance, I think that we are expecting states to be part of that project. That does not mean that there may not be other Commonwealth initiatives that will be part of other projects.

Senator CROSSIN—But there are no formal training programs being planned to be funded by ATSIC at this stage?

Mr P. Taylor—In relation to this?

Senator CROSSIN—Yes, in relation to these places.

Mr P. Taylor—We would be looking to other Commonwealth agencies such as Dhua or FACS to link funding in appropriately.

Senator CROSSIN—And negotiations with those agencies will begin?

Mr P. Taylor—They have begun. Mr Patterson mentioned some discussions with Dhua. They were particularly related to employment outcomes from NAHS, but our engagement with Dhua, FACS and other agencies extend beyond that.

Senator CROSSIN—In February you provided me with a breakdown of the number of CDEP participants per ATSIC zone as well as the amount of administration costs allocated to each zone—that was question 155. Is there an updated table that can be provided?

Mr P. Taylor—We can provide one.

Senator CROSSIN—Are you able to tell me if there are any Indigenous people on CDEP that are employed by federal government agencies?

Mr P. Taylor—There are a limited number of placements with federal agencies.

Senator CROSSIN—How many are available?

Mr P. Taylor—I will have to take it on notice to give you current figure.

Senator CROSSIN—The last time that we had a look, there were around 19 CDEP participants being employed by the federal government. Can you take that on notice and provide me with information on where these people were based and what they were doing?

Mr P. Taylor—A similar kind of breakdown as the last brief? By agency?

Senator CROSSIN—Yes. The Indigenous Economic Forum held in Alice Springs in April mentioned CDEP quite prolifically. One of the comments made was that it was seen to be too bureaucratic and inflexible to help organisations create real jobs. In allocating these 1,000 places—and despite the fact that the review of CDEP still has not been completed or that work has not been done on that—is there going to be any attempt by ATSIC to look at allocating these in a more flexible way?

Mr P. Taylor—The issue of flexibility around allocation of places is only one of a number of issues that were raised in that forum—and others—about whether, and how, CDEP can be a more productive driver of development.

One of the features of the distribution and setting up of new places that the CEO referred to is to engage regional councils more fully in a proactive approach to dialogue with CDEPs about how they are operating at a regional level. I and other people, senior management and ATSIC have had a number of discussions with regional councils. They see those kinds of discussions and a much more hands-on engagement in the strategic use of CDEP across a region as the kinds of flexibilities that they are looking at to get better social and economic outcomes from the program. It is a new dimension of the kinds of flexibilities in the program that we are keen to explore with regional councils in the rollout of not just the new numbers but of a new policy engagement with CDEPs around social and economic outcomes.

Senator CROSSIN—How and when is that all going to start? The inflexibility of the system is something that is raised with me in nearly every single community I go to. It has been an issue that has been raised with me for at least the last five years.

Mr P. Taylor—One of my roles as a manager in ATSIC is to work with a board subcommittee—the economic and social participation group—which looks at this area. That committee has spent a fair bit of time considering an approach to policy review of CDEP. It is fair to say that the kinds of views that the committee is bringing to this is that CDEP has been around for a long time, it is a fairly large program, heavily embedded in community life and complexly connected to a whole range of other government services and programs. Substantial, meaningful reform to CDEP in the committee's view to date is that it needs to be a fairly long-term and considered process. It is not necessarily looking to introduce or to advocate, from a policy point of view, abrupt changes without being able to fully consider implications from a community point of view and the impacts on other government agencies, programs and services. It is certainly very keen to explore stronger involvement of regional plans and regional councils and how CDEP operates and, in the first instance, is concerned to establish a framework and a process for engagement with the large number of stakeholders that need to be brought on board in the long-term reform of CDEP.

Senator CROSSIN—Mr Taylor, do you keep records of how many people move from CDEP into full-time or permanent work?

Mr P. Taylor—Our record-keeping on that at this stage has not been strong. It is an area that we are working on.

Senator CROSSIN—You do have numbers though?

Mr P. Taylor—Through the IEC trials we clearly are identifying much more effectively the transition to mainstream labour markets. There is some data that can be extracted at the regional level in relation to CDEPs not involved in IECs, but that issue is one of a suite of program management reforms that we are looking at.

Senator CROSSIN—If you have the data of the number of people who may have been on CDEP and have moved into casual, part-time or permanent work, can I ask you to have a look at it?

Mr P. Taylor—Certainly.

Senator CROSSIN—When CDEP numbers are cut in particular communities, let alone overall in the region, who makes that decision, the regional or the national office?

Mr P. Taylor—In normal circumstances it would be the regional office.

Senator CROSSIN—What grounds do they give for cutting the number of CDEP participants a community has?

Mr P. Taylor—In general terms it is usually lack of uptake that the CDEP organisation has been planning on a certain number of participants over a period of time. If a regional officer sees that those numbers are not being taken up and that there are not good, plausible explanations for that from the community organisation, those numbers can be withdrawn and reallocated, usually within the region.

Senator CROSSIN—What period are we looking at: one month, six months?

Mr P. Taylor—Usually it is across quarters, so it would be three to six months.

Senator CROSSIN—And what about communities which have 15 or 20 participants on their books and yet the CDEP numbers are cut? How do you explain a situation like that?

Mr P. Taylor—I am not aware of circumstances when numbers have been cut below current take-up. Does that make sense?

Senator CROSSIN—Yes, it does.

Mr P. Taylor—You were asking what happens if there are 20 participants on a CDEP and a decision is taken to reduce the number of available places below that. My answer is that I am not aware of circumstances where that has happened.

Senator CROSSIN—We could give you plenty of examples. What sort of discussion occurs with communities or, in particular, organisations prior to their being told that their number of participants are going to be cut?

Mr P. Taylor—My expectation and my understanding of the general practice is that the regional office, through the relevant project officer, would be in reasonably constant contact with that organisation, monitoring take-up. That is one of the general elements of monitoring a CDEP project. Before a decision would be taken to cut available numbers a project officer would be talking to the community saying, 'You have said that you have additional people coming on board and they haven't. Other organisations and communities in this region could quite reasonably and effectively use those numbers.' The community would be given some notice that unless numbers of take-up are met by next quarter—

Senator CROSSIN—The administrative arm of the ATSIC regional office makes this decision and you would expect those decisions not to be arbitrary.

Mr P. Taylor—Absolutely.

Senator CROSSIN—And communities and organisations would have a fair lead-in time to know that this is happening?

Mr P. Taylor—Yes.

Senator CROSSIN—What do communities or organisations do when they believe a decision is arbitrary—when there has been little or no contact and they suddenly get a letter to say, 'As of the 1 July, you have 35 fewer places.' What is their decision to appeal or review that?

Mr P. Taylor—They would, either through the elected arm or a senior manager, make that problem known and seek for it to be either reconsidered or addressed.

Senator CROSSIN—Are you aware of times where that has helped? How effective is it?

Mr P. Taylor—There is only one example in recent times that I am aware of where there has been some indication that an organisation is dissatisfied with the actions of a regional office. From my understanding of the case, I think the community will be satisfied with the review and redress of that situation.

Senator CROSSIN—What consideration would you expect a regional council to give to factors which may from time to time cause lower numbers to occur? Given that it is ATSIC, you would think that it would be a fairly weighty consideration, wouldn't it?

Mr P. Taylor—At the regional level you would think the council would have a reasonable appreciation of the circumstances.

Senator CROSSIN—Does the council or the administrative arm make this decision?

Mr P. Taylor—I would expect that the regional manager, in making the decision, would usually discuss that with the council.

Senator CROSSIN—To reduce places in communities or organisations?

Mr P. Taylor—Yes.

Senator CROSSIN—What if there is evidence that that does not happen? I am trying to get to the bottom of—

Mr P. Taylor—It is important to be aware that the extent of regional council direct involvement in planning and monitoring of CDEPs varies somewhat around the country. The program has either a higher or lower profile depending on what extent of the overall ATSIC program effort it contributes in that region.

Senator CROSSIN—It might be the case that the regional directors do not consult their council members at all about removing places from certain organisations.

Mr P. Taylor—That is possible. It would probably not be good practice, particularly where the issues are known to be substantial. I can imagine circumstances where unused numbers are relatively small and it is known prior that the organisation is not going to be adversely impacted by an administrative decision to reduce numbers.

Senator CROSSIN—Are the positions that are removed lost or reallocated within that region?

Mr P. Taylor—No, generally the decision to withdraw is usually accompanied by a plan as to where they may be redirected.

Senator CROSSIN—That might be part of your plan to tighten up the unused places.

Mr P. Taylor—I think the management at the regional level is part of the overall national program management of it, yes.

Mr Gibbons—Two years ago, ATSIC had a surplus at the end of the year of about \$40 million.

Senator CROSSIN—Under the CDEP allocation?

Mr Gibbons—It was our program surplus, and a large part of that was driven by unused places in CDEP, so a decision was taken to be much more active in disciplining the use of those places to make sure we got better take up. The process involves generally active engagement with regional councils. In fact, in some regions the regional councils are actively monitoring this and taking decisions to move around places that are not being used. We do not take away places that are filled. We do not withdraw the funding from organisations that have people on board.

Senator CROSSIN—I know that.

Mr Gibbons—However, we have demand that we accommodate by removing places from areas where they are not being used. That does not mean that they are removed permanently. As a result of that, we got our surplus last year down to \$8 million. I am hopeful that this year it will be much lower.

Senator CROSSIN—The point I am trying to get to though is that, by and large, communities and organisations could expect that the removal of those places is not made arbitrarily.

Mr Gibbons—It is certainly not intended to be made arbitrarily. The field officer who is monitoring the progress should be talking to them and should understand why it is they are not taking up the places. They should have notice and encouragement to do something about it. If they cannot respond and we have other organisations that are interested in taking up those places, then we or the regional council takes the decision.

Senator SCULLION—Following the theme of Senator Crossin's questions, across Arnhem Land we have a number of pretty significant cultural events from time to time. We have just had Goonabiby and Dhua. They are large ceremonies that involve a great number of people. It has been put to me that quite large numbers of places have been lost because of these events—not out of a lack of recognition, but out of a lack of capacity to plan for those events. They are well-known events. People leave the outstations and communities to participate in these events, which principally take place well away from the communities. In their absence of quite some time—five to six weeks, and sometimes longer—those places are lost. People do recognise it at the time and say, 'Okay, we'll reinstate it,' but quite a considerable period of time is needed to be able to reinstate those places. How could we approach that a little better?

Mr P. Taylor—As I understand it, we are reviewing that situation as we speak. My understanding is that there were a substantial number of unused places in that region, which extended beyond the anticipated levels of participant numbers that would be affected by the ceremonial activities you are speaking about. I understand that the regional office decisions on participant numbers were not intended to impact on that reasonably well-known fluctuation, but were in fact dealing with numbers above that normal tolerance of fluctuation because of ceremonial business.

Senator SCULLION—Thank you, Mr Taylor. Perhaps you can give us a personal update on that at the next estimates.

Mr P. Taylor—Yes.

Senator SCULLION—My next question principally reflects the nature of the payments in CDEP. It has been pretty well documented that many Indigenous individuals still have some difficulty in budgeting beyond immediate needs. For example, if they receive a lump payment for CDEP—and perhaps the classic example is that over Christmas they get a lump payment of many weeks of CDEP—it is very difficult for them to be able to budget for more than their immediate needs. The impact on some communities is pretty evident. It has certainly been put to me by the police that in some places we know when the CDEP lump payment has been made because suddenly people have a massive disposable income beyond their immediate needs. That gets disposed of in whatever way, and there is an immediate increase in break and enters, particularly for food and those sorts of things. So it is evident that there is a very negative impact there. Is there any capacity to try and make the payments more periodic, or is there some other way of dealing with that?

Mr Taylor—I think there are, and I understand that a number of regions have been grappling with this issue for a little while. In some circumstances, it has to do with the large shutdown of the community based organisation and its operations for a period. So the issues are not just around how ATSIC manages the program but the local administration by a CDEP organisation. I can come back to you with some ideas and some information about how those issues are being dealt with at a regional level at the moment. We are certainly mindful of the way in which CDEP and other income support payments are made to communities; it is still not ideal from a community point of view. That is one of the areas where we are keen to work with FACS and Centrelink to address.

Senator SCULLION—I understand, Mr Taylor—it is not you giving an excuse—that one of the reasons is that, over Christmas, a lot of organisations close down. But I just cannot stress enough that we need to be so cautious about dysfunctionality because of some administrative change. I am quite sure that it is within our capacity at ATSIC to take those issues into consideration and make some determination to those bodies that are dispersing the funds that this is something for which, particularly over those periods, they have to find another mechanism.

Mr Gibbons—A number of regional councils around the country—in fact, the majority of them—are very concerned about the funding model that we use—that is, the grant funding model. They are anxious to see some changes to that. You will notice in the announcement about the 1,000 additional places this year that part of that involves piloting contracting of the places. In the context of implementing that arrangement and working with a number of regional councils, I am anticipating that during the year we will also be experimenting with different support arrangements. Just tossing the money over the fence and hoping that the organisation will be able to manage has not worked and we will be looking at how we can restructure the purchase of the service, if you like, to minimise the risk of organisations getting into liquidation because they have not managed their accounting effectively et cetera.

Senator SCULLION—What would be the time line on examining a restructure of the administrative dispersal of those funds?

Mr Gibbons—As Mr Taylor has said, we are not going to run out ahead of the regional councils and the board on this. We have to work with them. We are encouraging them to take the lead. I suggest that it will probably involve a small number of councils participating with us in some experimentation before it broadens across the country.

Senator SCULLION—I look forward to hearing more about that.

Senator Ellison—Madam Chair, while Mr Taylor is taking that on notice, it is a matter which I have had some feedback on, too. I think Senator Scullion's point is a very good one and I will undertake to take it up with the minister as well and get back to Senator Scullion.

CHAIR—Thank you, Minister. We have been working towards a timetable of trying to deal with most issues in the Indigenous area around noon. I do not know whether that is achievable but we will keep moving on.

Senator LUDWIG—There are a couple of issues still outstanding in relation to the memorandum of understanding. I wonder if I could put those on notice. We might move to the Torres Strait Regional Authority as a way of trying to meet that deadline. Are they about?

Mr Taylor—I do not believe they have been called.

Senator LUDWIG—I will put those on notice then.

[11.45 a.m.]

Australian Institute of Aboriginal and Torres Strait Islander Studies

Senator LUDWIG—There seems to be a total decline of \$1.657 million across three programs between 2002-03 and the next financial year. Research seems to have lost \$392,000, Dissemination of Information has lost \$114,000, and Collection Development and Management has lost \$1.151 million. Is there an explanation for that?

Mr Larkin—Those figures reflect the completion of the digitisation grant and the family history unit grant that we received from ATSIC. They expire at the end of June.

Senator LUDWIG—Was that \$1.657 million across those three programs?

Mr Boxall—I am sorry, where is this?

Senator LUDWIG—This is within your budget. Are those three programs—Research, Dissemination of Information, and Collection Development and Management—up or down?

Mr Boxall—They are all down. As Mr Larkin said, there are two programs in particular that are funded by ATSIC for fixed periods which are to be completed this year.

Senator LUDWIG—Do they form part of that funding?

Mr Larkin—Yes, they are spread across there.

Senator LUDWIG—What will fill that place, or you do not have any more funding?

Mr Larkin—We have recently received an offer from ATSIC for bridge funding from July through to September this year. During that period, we anticipate that we will be in negotiation with ATSIC to attempt to continue those funds.

Senator LUDWIG—Do you expect that they will be continued?

Mr Larkin—The indications at this stage appear to be favourable and positive, and that is the outlook we are taking in relation to those negotiations.

Senator LUDWIG—When will those negotiations be complete?

Mr Larkin—Optimistically, we hope to know before the end of September.

Senator LUDWIG—So the money will end on 30 June?

Mr Larkin—The current grants end on 30 June. We have an offer of bridge funding to carry those two programs over till the end of September.

Senator LUDWIG—How does bridge funding work? Where does that money come from?

Mr Larkin—That comes from ATSIC. It is three months worth of funding for both programs.

Senator LUDWIG—They are going to provide that?

Mr Larkin—Yes.

Senator LUDWIG—On what basis? Do you write a letter? Do they grant you bridge funding?

Mr Larkin—It will be through a short-term grant.

Senator LUDWIG—Do they have the ability to provide a short-term grant to give effect to that?

Mr Larkin—When the new agency comes into being on 1 July those grants will take effect.

Senator LUDWIG—In effect, you are saying that there will not be a loss of revenue or expenditure in that area.

Mr Larkin—Up until September, no. After September, potentially no as well.

Senator LUDWIG—Are staff employed in those areas?

Mr Larkin—Yes.

Senator LUDWIG—Are they aware of what is going on?

Mr Larkin—Yes.

Senator LUDWIG—Have you put in place any contingency plans for after September if there is no ongoing funding?

Mr Larkin—That is something that our council and senior management are looking at seriously. We may need to look seriously at the capacity of our current funding to see whether we can extend the program for some time, but that analysis is not yet complete.

Senator LUDWIG—When will the analysis be completed?

Mr Larkin—It is in progress, and we would need to be in a position to consider what we can do after 1 July in that period between July and September.

[11.49 a.m.]

Indigenous Business Australia

CHAIR—Welcome, Mr Morony and Mr Myers.

Senator LUDWIG—I only have a couple of short questions in this area. The last time the committee was speaking to you, Mr Morony and Mr Myers, you had undertaken a couple of programs, and we were asking about the success or otherwise of those and whether any had expired or not been continued with. Is that list growing or diminishing? You provide seed funding for programs, as I understand it.

Mr Morony—We operate in a commercial environment. When we enter into joint ventures we provide capital that brings us into the venture and then seek to finance our Aboriginal partners by sourcing funds through ATSIC or commercial sources.

Senator LUDWIG—Have any of the ventures in the last financial year not been proceeded with?

Mr Myers—Our board approves quite a number of new investment proposals during any 12-month period. Between that approval and a settlement we might, basically, be gazumped—someone might make a better offer—the deal might fall away through further due diligence exercises or we might run into difficulties in terms of equity levels. So, in any one year, we might approve 15 or 16 new investment propositions, but maybe only three or four will actually get up in a year. We also continually review our existing investments and look at downselling those that are not performing or have got to a point where the Indigenous partners are ready to move on without us. So our portfolio changes quite a bit over, say, a four- to five-year period.

Senator LUDWIG—That is what I thought. Have any of the projects you have specified in the annual report as having been approved for this year fallen over?

Mr Myers—Yes; a number of them have, but most of them have proceeded. We try to indicate in our annual report the amount of effort we are making to look at new proposals, but some of those do not proceed. The annual report always contains a section that shows the investments as at 30 June, so there is a detailed description. The ones that are identified in the report are projects that are up and running, in which IBA holds a direct equity position.

Senator LUDWIG—I understand. Perhaps you could take this on notice, as we appear to be having difficulty with the time today. I am interested in getting a snapshot—more understanding than the annual report allows—of those ventures you start, decide are successful and continue; those you start and then discontinue, if I could use that phraseology; and the decisions you then make, which are more of an update from the annual report. That way I think I might be a bit better placed, next time you are before us, to home in on some of those issues.

Mr Myers—I have a list here of the projects we have exited from over the last five years, so I can give you that and the reasons for those exits.

Senator LUDWIG—That would be helpful; yes.

Mr Myers—In a number of cases, clearly, the projects worked very well. It was just that our Indigenous partners were in a position to buy us out, so they took those businesses on and moved on. We have then used the cash to move on to other investments.

Senator SCULLION—Mr Morony, I have my standard series of questions for you with regard to my passion for the recognition of the value of further investment in marine resources on behalf of Aboriginal communities. I am speaking specifically about quota access rights for fisheries. Have you had any further discussions with ATSIC with regard to that matter?

Mr Myers—We would like to report that, since we last had discussions on this, IBA has entered into a series of negotiations with different state governments looking at ideas for becoming involved in the fishing industry, particularly in the quota area. We have met with the New South Wales fisheries department and discussed the options for joint venturing with shellfish hatcheries. We have met with the Western Australian fisheries department to talk about some long-term quota acquisition there and what would be the best target species, and they have given us good advice on that. We have met with the Victorian fisheries department to talk about possibly becoming involved in shellfish aquaculture in Victoria. We have also had discussions with the private sector, particularly groups that heavily invest in the quota industry, to look at how they go about their research, and they have indicated that they would be prepared to share that research with us. We have had a number of meetings with ATSIC to discuss working together with them. It is yet to be confirmed to us formally but I understand that the ATSIC board has agreed to set aside some money next year for the purpose of acquiring quota, and we will put a recommendation to our board to match that—to put a matching contribution into a trust to start progressively acquiring quota.

Senator SCULLION—How much money is that?

Mr Myers—At this stage we are probably looking at something like \$5 million each, so we will start with a pool of the order of \$10 million and hopefully develop that over time.

Senator SCULLION—You can imagine how delighted I am that that has eventually taken place. Your response seems to focus very much on output investment rather than input investment. Given the wider benefits in terms of employment opportunities and transferability between communities of input control acquisitions, why does your response seem to say that you are only going for output? Is that simply because of security issues?

Mr Myers—At this stage we have made a number of direct investments ourselves in the aquaculture industry. Some of those have been very successful; others have not been as successful. The view IBA started developing some time ago was to reach a position from which we could assist Indigenous groups in taking a long-term position in the fishing industry. We saw that the role we could initially play in that was to become involved in the acquisition of quota, which is basically taking a reserved position in the industry.

Senator SCULLION—Extremely reserved.

Mr Myers—If there are groups available and ready to take up quota now, that is good; but if there are not groups ready to take up quota now there is no reason why we should not be looking at buying quota at today's prices, leasing those out to non-Indigenous people in the

meantime for commercial return but basically reserving them as a long-term asset to involve Indigenous groups in years to come.

Senator SCULLION—There is still an issue with the wider benefits of input control in a geographic sense. From Broome to Thursday Island, let us say, the vast majority of communities that enjoy access to marine resources be most likely to only enjoy access to non-output controlled fisheries. That is a fact: the majority of Indigenous people and the majority of communities that are characterised by large numbers of Indigenous people lie within that geographic boundary. Whilst I respect and applaud your decision and the direction you are taking, could you give me some reassurance that, in view of the wider benefits that would necessarily flow from some input controlled investments, you are going to be looking at those sorts of issues in terms of security. You may not be aware that a third-party property register has now been created through the Westpac Bank for input controlled acquisitions which will give them the same amount of security as your house—a pretty reasonable level of security. So I would be very keen to speak with you further about that. Is your long-term plan to look at those input acquisitions?

Mr Myers—We have had proposals come before us to become actively involved in a number of farms which are not input controlled. At this stage, when looking at those, I would have to say that because of the risks involved—they are greenfield propositions—we have not been able to embrace them. We are taking a wide view about the industry. We certainly do not see the potential to work with ATSIC in terms of acquiring quota as a long-term exercise that is our sole involvement in the fishing industry. We will be looking at a number of different forms of proposals that come to us.

Senator SCULLION—When you go through this process of deciding to make effectively the \$10 million investment, you are telling me that at the moment it will be principally made on output of controlled acquisitions?

Mr Morony—We are basically doing a lot of research into the whole sector. We have not settled on any particular aspect of the industry as yet. We want to do our research. The main overriding element of our decision making is our act, which requires us to act commercially. That is a pretty critical element of our decision making. We are also trying to service the whole of the country with a limited amount of resource. We are developing the concept of a trust where not only IBA and ATSIC might contribute some moneys but also we might invite communities to input into that trust with the idea of acquiring more and more quota. We are developing a similar concept in the property area along those lines. So the answer to your question is that we have not settled at the moment on any particular aspect of the industry and we are at the stage where we are looking for someone to give us some professional advice.

We have been talking to the states. One of the key elements of the discussions with the states has been the concept of gifting licences if we provided adequate security over those licences. There is an element of interest in that in some of the states, provided we made guarantees that they would not be disposed of or sold down. We are reasonably well advanced, but I think we have still got some way to go. I expect to take a full paper to my board in about August on our contribution to the sector, and then reaching agreement with ATSIC as to how we jointly approach it, how we set up a national structure so that we can

deal with it and how we can invite other groups to invest in the trust and, at the same time, have a very clear picture about where to best target our efforts.

Senator SCULLION—Do other aspects of your charter—which effectively and quite rightly says that it should have a commercial bent as its principal focus—talk about other focuses such as increasing opportunities for Aboriginal employment? Does your charter talk about those things?

Mr Myers—Our act is silent on that but our board has a very clear objective to try to maximise Indigenous employment opportunities wherever we can. From the last figures I looked at, I think our joint ventures at the moment are probably creating something in the order of 700 jobs for Australian people, of which probably 200 to 250 are Indigenous. Obviously we would like to improve that but in some of the sectors that is difficult to do.

Senator SCULLION—I would like to keep a continued watch on that, and no doubt you will be able to give me an up-date at the next set of estimates.

CHAIR—Mr Morony and Mr Myers, thank you for assisting the committee this morning.
[12.05 p.m.]

Indigenous Land Corporation

Senator CROSSIN—You may need to take a number of these questions on notice, but if you can help today that would be appreciated. I will run through some of the questions. Can you advise me when the ILC purchased the pastoral area known as Boona, which is in south-west Victoria?

Mr Galvin—I do not know the exact date but I can find out.

Senator CROSSIN—Do you have an idea when it might have been?

Mr Galvin—I would say it would have been in the late 90s, approximately.

Senator CROSSIN—Please take on notice the question about the date. Do you know which companies, corporations or community groups have been involved in the leasing of land from the ILC on the Boona property since its purchase?

Mr Galvin—From my recollection of the Boona property, it is run by the Framlingham Trust. It just runs that property. It is a successful dairy; it milks 500 cattle and employs two Indigenous people. It is one of the showcase operations of the ILC. It is going through the hard times that the dairy industry is going through at the moment but it is making its loan repayments to the ILC. I think everybody who goes to Boona is impressed with the commitment of the group and the work being done.

Senator CROSSIN—So there are no other companies or corporations involved?

Mr Galvin—It is not my understanding, but I will take it on notice.

Senator CROSSIN—Has the Boona property ever been leased to the Kirrae Whurrong Community Corporation?

Mr Galvin—I will take that on notice.

Senator CROSSIN—If it has been leased, can you also take on notice this question: is it still leased to the corporation?

Mr Galvin—Yes, I will take that on notice.

Senator CROSSIN—Does the ILC have, or has it ever had, a commercial arrangement with the Boona Pastoral Company?

Mr Galvin—Yes, we have a commercial arrangement. We have a loan to the Boona Pastoral Company.

Senator CROSSIN—A loan to them?

Mr Galvin—Yes, to the Boona dairy. I would have to check what entity it is to, but it is a loan of \$500,000.

Senator CROSSIN—Is there any leasing arrangement?

Mr Galvin—I do not quite know what that means.

Senator CROSSIN—Is there any leasing arrangement in relation to the Boona Pastoral Company?

Mr Galvin—The Boona dairy has been divested to an Aboriginal corporation and that corporation runs the property. It milks 500 cows and does a bit of fattening of steers as well. But my understanding is that that is their entire operation.

Senator CROSSIN—The company is different to the Boona Pastoral Company—the corporation and company are two different entities?

Mr Galvin—I will have to check on that. I will take that on notice. We just refer to the Boona dairy.

Senator CROSSIN—So you would not know if there is any subleasing of the property to the pastoral company?

Mr Galvin—No, that would not particularly interest us because it has been divested to the corporation which owns the property. I have been to the property and the property is run as a dairy by the group. I would doubt that there is any leasing because they are fully extended at the moment. The property is at its carrying capacity. It is one of the biggest dairies—as I said, there are 500 head of cattle.

Senator CROSSIN—The reason I asked about the interests in relation to the Boona Pastoral Company rather than the Aboriginal corporation is that I understand that one of your board members, Geoffrey Clark, is on the board of the ILC and is currently also listed as a director of the Boona Pastoral Company. Are you aware of any connection between the corporation and the company?

Mr Galvin—No, I would have to check that. I will take that on notice. I am not aware of it.

Senator CROSSIN—Please take this question on notice: if that is the case, was Mr Clark required to declare an interest to the ILC in any negotiations about any leasing arrangements of the Boona property? Would Mr Clark have been on the board when the leasing arrangement was being finalised?

Mr Galvin—My understanding of the Boona dairy was that it was purchased and those agreements had been entered into before Mr Clark was on our board, but I will check that.

Senator CROSSIN—Can you also check for me whether Jeremy Clark, the chairman of the Kirrae Whurrong Community Corporation, is also listed as a director and secretary of the Boona Pastoral Company?

Mr Galvin—I can check that. I do not know whether that is particularly in our prerogative.

Senator CROSSIN—Can you provide this committee with any details of current subleasing arrangements on Boona, then, including arrangements that involve the assignment of cattle or other livestock?

Mr Galvin—That is actually the divested body's business. It is none of our business.

Senator CROSSIN—I see. Would you know how many private companies have leasing arrangements with the ILC to use ILC properties?

Mr Galvin—I have not got the exact number but there is a considerable number all across Australia.

Senator CROSSIN—Can you take that on notice for me, please?

Mr Galvin—I will take that on notice and provide that.

Senator CROSSIN—I was also wondering if you could help with how many Aboriginal corporations and community groups have leasing arrangements with the ILC to use ILC properties.

Mr Galvin—I can take that on notice, too.

Senator CROSSIN—Also, do you have any current or past members of the ILC board that have any direct interest or indirect interest regarding leasing arrangements of land owned by the ILC?

Mr Galvin—I can take that on notice.

Senator CROSSIN—And can you provide the name of the past or present board members and the properties leased?

Mr Galvin—We can take that on notice as well.

Senator SCULLION—I am not sure how long ago this took place. Is Roebuck Plains Station an ILC property?

Mr Galvin—That is an ILC owned property.

Senator SCULLION—When was that purchased—roughly?

Mr Galvin—1999, approximately.

Senator SCULLION—I do not want to go into the details necessarily but I understand that there was some sort of contention about the sale or purchase of the property. Was there a report commissioned into those events?

Mr Galvin—Yes. The Rogers report was commissioned to look into those events by the ILC board.

Senator SCULLION—Do you have a copy of the report?

Mr Galvin—Yes. The board has decided not to release that report, principally because it could be subject to defamation. But Rogers did say—and this has been made public—that there were no criminal charges that could be laid as a result of his report.

Senator SCULLION—I do not really know where to go from here, but I desire the report. Can you demonstrate to me why, if there is no criminality involved, the board would be concerned that somebody would perhaps litigate the board because of issues of fact that may be in the report?

Mr Galvin—The board was concerned about possible defamation relating to what had been put in the report. That is its principal concern. The board has made that decision. I can go back and refer your question to the board.

Senator Ellison—We will take the matter on notice, as we have done with other issues, and will see what the position is. It has been mentioned that there may be some difficulties with it. But we always do this in an endeavour to provide information, not in an endeavour to not provide information. We will take it on notice and have a look at what we can do. It may even be that there can be an opportunity for a confidential briefing. That could circumvent that. I do not know. But we will take it on notice. I appreciate the committee's cooperation.

CHAIR—Thank you, Minister. The committee is, as Senator Scullion has pointed out, interested in pursuing this issue. Perhaps, Mr Galvin, in taking that question on notice you can also provide information to the committee which goes to the basis upon which the report was commissioned and whether it indicated it was to be a confidential report.

Mr Galvin—I will take that on notice.

CHAIR—We would also like to know the process by which the report was compiled and whether it was put together in a confidential manner.

Mr Galvin—Yes.

CHAIR—We also need to know the extent of the distribution of the report to date—for example, has it only been released to members of the ILC board?—and any other matters that go to its current status that you think may be of assistance to the committee. On this matter I would reinforce Senator Scullion's request. If there are no further matters for the Indigenous Land Corporation, Mr Galvin and Ms Lindsay, thank you for your assistance this morning. Thank you also, Mr Vaughan, for attending and assisting the committee in relation to matters from OATSIA and other matters throughout the morning. We appreciate that assistance.

Senator CROSSIN—I have a number of questions that we will put on notice regarding the Aboriginal Benefits Account. I notice that Mr Stacey is here. I am sorry that we do not have time to ask you questions directly, but we will put our couple of pages of questions on notice to you.

CHAIR—Thank you, Senator Crossin. In fact, adverting to questions on notice reminds me that I indicated to the committee last night that I understood you had questions to place on notice in relation to the Christmas Island construction, as we discussed earlier in the day. Is that the case?

Senator CROSSIN—No, it was the Darwin temporary processing centre.

CHAIR—Then the record stands corrected and we will receive those in due course. As indicated before the committee adjourned late last night, our intention is to proceed with consideration of portfolio budget estimates for the portfolio agencies in the immigration and multicultural affairs area. I understand that representatives of both the Refugee Review Tribunal and the Migration Review Tribunal are present. With the agreement of the committee, I invite representatives of the Refugee Review Tribunal to come forward.

[12.20 p.m.]

Refugee Review Tribunal

CHAIR—I welcome to the table Mr Karas and the representatives of the Refugee Review Tribunal. We will begin with questions in this area.

Mr Karas—May I just introduce the representatives?

CHAIR—Certainly, Mr Karas.

Mr Karas—They are the Registrar of the tribunal, Mr John Lynch, the Deputy Principal Member of the Refugee Review Tribunal, Mr John Blount, and the Deputy Registrar, Mr Rhys Jones.

Senator SHERRY—In the budget papers, on page 315 of the portfolio estimates, output 1.1 indicates that the budget estimate for expenditure will decline by approximately \$373,000. Why is that the case?

Mr Lynch—We have some movement in the purchasing agreement pricing structure and we are anticipating that the costs of the finalised decisions will allow for that adjustment of \$300,000.

Senator SHERRY—Can you give me a bit more detail than that? That does not really answer my question.

Mr Lynch—The pricing structure of the purchasing agreement is varying by the sum of \$20. That sum of \$300,000 is the estimate of the differential between the current output pricing, which is \$3,413, as against a \$20 sum on top of that.

Mr Karas—I might just clarify that. We have an agreement with the department of finance to finalise 5,600 cases. For the year 2002-03, for each case to be finalised we are to be paid \$3,419. In the next financial year that is to increase.

Senator SHERRY—To what?

Mr Karas—To \$3,453.

Mr Jones—Could I just confirm that you are looking at the MRT statements?

Senator SHERRY—Yes.

Mr Karas—I have just been giving you the RRT figures. I thought we were dealing with that area.

CHAIR—That is because you are currently sitting here in the RRT capacity.

Mr Karas—Yes; that is how I understood it. In relation to the MRT the price is, in fact, going down from \$2,013 this year to \$1,993 next year. That explains the difference of the

\$300,000 on the basis of 9,500 cases being finalised for the financial year. I beg your pardon, Senator Sherry; we were looking at the RRT figures.

CHAIR—Just to clarify, Mr Karas, the personnel are the same but the organisations are different. That is the confusion which has resulted, but I did introduce this as consideration of the RRT.

Senator SHERRY—My apologies.

Mr Karas—That is what I understood and that is why I introduced Mr Blount as the Deputy Principal Member of the Refugee Review Tribunal.

Senator SHERRY—What is the projected anticipated workload of the Refugee Review Tribunal in terms of case load?

Mr Karas—Up until the end of April this year we had received 4,189 applications, which is slightly down on the cases we received in the last financial year—it is a reduction of 17.7 per cent, from 5,075 cases or thereabouts. The anticipation is that, at this stage, that rate of applications will continue. There may be a change in relation to the temporary protection visas once they are determined by the department. Applications that flow on to the tribunal may cause a difference in the figures, but the Refugee Review Tribunal had not received any TPV applications as at 30 April 2003. I do not know if Mr Blount has anything more he would like to add in relation to that.

Mr Blount—I think that is correct in regard to this financial year. There will, of course, be a significant impact on the case load next year due to the anticipated flow-on from TPVs. Next year we might see a figure substantially greater than this year.

Senator SHERRY—Let us assume that there is an increase, in the agreement with the department of finance, will you still be funded on the basis of the funding per finalised case?

Mr Lynch—Yes. There is a 20 per cent margin as well. We need to negotiate with the department of finance if we are 20 per cent below or 20 per cent in excess of the finalised target.

Senator SHERRY—Do you anticipate any significant variation in staffing levels to carry out the activities?

Mr Lynch—We do not envisage any major movement in staffing levels up or down at this stage.

Senator SHERRY—What if that anticipated increase in workload eventuates?

Mr Lynch—We are certainly alive to that possibility. We have an ongoing recruitment program and feel comfortable that we would be able to recruit as necessary. There is a range of staff that underpins the operations of the tribunal. The nature of the inquisitorial process is such that, if we have sufficient members, they conduct the inquiry and they have the support services available from lawyers, country researchers and case offices. Essentially, the members in the RRT are a fairly stand-alone resource.

Senator SHERRY—On page 342 of the budget papers the figure for your non-financial assets, land and buildings, decline significantly over time over the forward estimate period. Why is that?

Mr Lynch—The amalgamation of the tribunals' operations and the co-location of the MRT and the RRT in Melbourne account for that adjustment.

Senator SHERRY—Have both organisations come together under the one roof?

Mr Lynch—That is contemplated. We are actually in the process of settling arrangements with a preferred building owner in Melbourne. We anticipate a move by both tribunals from 628 Bourke Street into new premises towards the end of this year.

Senator SHERRY—The rent presumably is projected to be significantly less as a result of this move?

Mr Lynch—We are currently negotiating an appropriate rental. We are looking to settle a long lease, which will enable the tribunals to consolidate. We are hoping that we will see savings arise from the long nature of the lease as well as savings from the combination of resources of the hearing rooms, reception area, libraries, rec areas and so forth. So we anticipate savings over the life of the lease.

Senator SHERRY—How can you be confident of the savings that are projected, given that you have not settled the lease yet?

Mr Lynch—We are close to settling the lease arrangements. We have been negotiating for some months, so we anticipate that that is a fairly reliable figure.

Senator SHERRY—Let us assume that it is reliable and there is a significant saving that is outlined there. Effectively, have you been able to use that saving internally for the organisations or has it just effectively been grabbed by Finance and used for other purposes?

Mr Lynch—We certainly are a business that runs on a very tight revenue basis. We have a purchasing agreement, as Mr Karas mentioned. We only obtain revenue through finalisation of cases, and any surplusage would certainly return to fiscus at the end of the day.

Senator SHERRY—Looking at those estimated savings in respect of land and building, I must congratulate you. If you achieve those results, it is very impressive.

Mr Lynch—We are hopeful that there will be savings. We anticipate that particularly the period of lease will render those returns.

Senator SHERRY—The point I am getting at is that you seem to me to be putting in a very commendable effort in cost saving in this area. Is it appreciated by the department of finance?

Mr Lynch—We have been negotiating closely with them, particularly because of our dual operation of two tribunals, to maintain a proper reporting basis with them. We believe that, when we do return to the negotiating table with them towards the end of this year for a new purchasing agreement, there will be a fairly close recognition of our operating structure and our operating expenditure. That will be reflected in the pricing structure that we settle with them.

Senator SHERRY—I hope so because, with a pricing policy based on case load, it does not seem to me to be taking into account to the degree necessary the significant contribution your organisations have been making or will make if these cost reductions are achieved.

Mr Lynch—One of the dynamics of the work that we undertake is the fluctuating case load. With the RRT, it has accumulated in the past through high productivity—cash reserves of several million dollars. The imperative with DOFA is to reduce those cash reserves, use up those reserves through the operating expenditure, and that would enable us to settle a realistic pricing structure with them in terms of our fluctuating caseload.

Senator SHERRY—You want to be careful, Mr Lynch, they might put you on the privatisation list with cash reserves like that. Again there is a very significant reduction in the forward estimates on infrastructure plant and equipment. Is that related to the change in location? If not, what is the reason for that?

Mr Lynch—I might have to just take advice on it. Mr Jones might be able to assist me there.

Mr Jones—I do not think we can give a very detailed answer at this stage, so maybe we could take it on notice. There are elements in here to do with a change from the method of depreciation over the years, and we are going through a three-year cycle to move our non-financial assets cost to a fair market value basis.

Mr Lynch—If I might just add to that—I have just had some advice; it relates to a reduction in the information technology plant—that allows for that.

Senator SHERRY—And they depreciate pretty rapidly?

Mr Lynch—Yes. I think there is a three-year life at best.

Senator SHERRY—Are the employees in the Commonwealth public sector superannuation funds?

Mr Lynch—Yes, the CSS and the PSS.

Senator SHERRY—Just as a matter of interest, have any employees in the organisation expressed an interest in these new children's superannuation savings accounts?

Mr Lynch—Not that it has come to my attention.

Senator SHERRY—Nothing has come to your attention?

Mr Lynch—No.

Senator SHERRY—I am trying to track them down. It is a major initiative and no-one seems to be very keen on them.

Mr Lynch—No-one has shown any interest in that funding arrangement, but I might explore that with staff.

Senator SHERRY—Senator Ellison might pass on this to the minister responsible because I think she will be a tad disappointed that there does not appear to be any interest in these accounts. That is all I have on the RRT.

CHAIR—Thank you very much. We will now move to questions pertaining to the Migration Review Tribunal. Mr Blount, thank you for your assistance for the RRT.

[12.37 p.m.]

Migration Review Tribunal

Senator SHERRY—I notice that revenue from other sources is budgeted—and it is not a massive figure, I have to say. The actual figure in 2002-03 was \$62,000 with a budget estimate of \$23,000. It is a significant drop on what I have to say is a modest figure. Is there any particular reason for that?

Mr Lynch—I am sorry; which page are you referring to?

Senator SHERRY—It is page 315: ‘Total revenue from other sources’.

Mr Lynch—I do not know the answer to that question. I will have to take it on notice.

Senator SHERRY—Can you also indicate where you get revenue from other sources?

Mr Lynch—Apart from the fees, we really do not have a large source of revenue. I cannot give you an answer to that right now, but the primary resource or revenue base is the application fees. On the other hand, the RRT does receive revenue from the MRT for the outsourcing of its corporate service functions—a sum of approximately \$1 million now. But I am sorry I do not have an answer for you on the smaller figure.

Mr Jones—That figure of revenue from other sources includes \$6,000 for the sale of goods and services, which is a one-off in this year. There was also interest received of \$20,000, which we are not expecting to continue in the future, given the changes of arrangements in the handling of cash. There is \$36,000 from other sources. They are FOI application fees and things like that that the tribunal receives. We are not thinking that those things are going to run at the same level in the out years.

Mr Lynch—I will add to that, if I may. The disposal of some assets and plant, I am told, will also add to that small amount. That may well arise from the closure of the principal registry in the ACT. That office closed during the course of last year.

Senator SHERRY—What were the consequences of that closure? Is there any facility in the ACT now?

Mr Lynch—Yes. The ACT district registry continues to operate. One element of the principal registry continued. That continues to the end of next month. That is the decision support function—that is the legal and procedures and policy support for the tribunal. That is being relocated to Sydney and Melbourne as at the end of next month.

Senator SHERRY—What are the consequences for the staff involved in that relocation?

Mr Lynch—We have been able to place staff in Sydney and Melbourne who wished to transfer. We are down to a handful of staff now in the decision support area who are either being redeployed within DIMIA or have obtained promotions or transfers to other agencies. It has been a good result.

Senator SHERRY—I take it from what you are saying there have not been any redundancies or retrenchments?

Mr Lynch—None at all.

Senator SHERRY—Good. We had a brief discussion earlier about land and buildings. On 321, I noticed that the MRT's asset value on land and buildings is very, very small. Conversely, its assets on infrastructure, plant and equipment are very significant compared to the RRT. Is that because there is some sort of arrangement—the RRT has the budget component for buildings and the MRT has the budget component for infrastructure, plant and equipment?

Mr Lynch—I will take some advice on that, if I may. The \$525,000 relates to the case management system of the MRT and the land and building sum of \$21,000 relates to fit-out, which is depreciating over the out years down to a fairly small sum.

Senator SHERRY—That is all the questions I have.

CHAIR—There being no further questions for the MRT, I thank Mr Karas, Mr Lynch and Mr Jones for assisting the committee.

[12.43 p.m.]

Department of Immigration and Multicultural and Indigenous Affairs

CHAIR—It is the committee's intention to return to consideration of portfolio budget estimates in output 1.5, Offshore asylum seeker management. I ask the relevant officers to come forward.

Senator KIRK—I have some questions in relation to the detainees on Nauru. Could you inform the committee how many detainees are currently held in Nauru.

Mr McMahan—I know we have gone through this a couple of times before, but these people are not held under the Australian Migration Act. They are on Nauru under a restricted visa arrangement—and in Manus as well. There are 437 people. Three of those are on Manus.

Senator KIRK—There are only three people remaining on Manus?

Mr McMahan—That is correct. Two of them have refugee status and one we left on Manus because there were security concerns around him going to Nauru—his own personal safety issues.

Senator KIRK—So all three are going to remain in Manus?

Mr McMahan—Until they are returned or resettled, yes.

Senator KIRK—What sort of time frame are we looking at for that? I should ask where the detainees are from originally.

Mr McMahan—In respect of return, one person will be returned as soon as returns are possible. With the other two, we are still looking for resettlement places for them. All three are Iraqis.

Senator KIRK—It seems unusual to have only three people detained there, with the infrastructure, the management and the like on Manus. Is there some explanation for that?

Mr McMahan—We have taken the view in respect of that that it is available as a continuing facility. The cost differentials between having three people there and no people there are very marginal. We are concerned that, although there have been no unauthorised boat arrivals since December 2001, if one were to come, we may well use that facility first

because of separation and other issues. We would like to have it available as a ready operational facility.

Senator KIRK—So there is no intention to close it. The intention is to keep it going?

Mr McMahan—At the moment, the intention is that we will have it readily available. We have no plans for closure.

Senator KIRK—How long does the contract go for? It is IOM, isn't it, on Manus?

Mr McMahan—The contract with IOM in respect of both Manus and Nauru are open ended. At the moment we only have agreement of the PNG government with the memorandum of understanding to run until October of this year. It does not actually terminate at that stage; there is just a question about whether the two governments are minded to extend it.

Senator KIRK—What was the maximum number of people at any one time held at Manus?

Mr McMahan—It was 356, from memory.

Senator KIRK—In terms of the cost, what is the variation in cost of having 356-odd people there as opposed to three or zero as you described?

Mr McMahan—There is a significant variation between those two, although the way we run both of the centres is with slightly different funding arrangements from the way in which detention centres would be run in Australia. With these processing centres, essentially we are there to recoup the costs of IOM. It involves a certain amount of infrastructure. As the numbers vary, there is a difference in cost, but the costs are not necessarily as great.

Senator KIRK—Are the figures available as to that cost differential that you have just referred to?

Mr McMahan—We have the total payments that we make to IOM in any year.

Senator KIRK—Perhaps you could provide the committee with that information.

Mr McMahan—We can. We would have to extract it.

Senator KIRK—Can you take it on notice then.

Mr McMahan—At the last Senate estimates I provided the information for the last financial year. We can update that information. I would be happy to do that.

Senator KIRK—Thank you. Just returning to Nauru, you said that 437 people are being held there. How many sites are operating on Nauru?

Mr McMahan—Two sites—the top site and the state house. There are 434 on Nauru. There are 437 people in total and three of those are on Manus.

Senator KIRK—How many staff are currently employed to manage the two sites on Nauru?

Mr McMahan—We would not have that number.

Senator KIRK—That is the figure the IOM would have?

Mr McMahan—Yes. IOM provides a range of services. A lot of them are subcontracted. For example, it extensively uses Eures to provide food and other services and it has subcontracted some security services to Chubb—manning the gates and that sort of thing. IOM has a range of contractual arrangements in place and, depending on whether or not it is upgrading some buildings, it would have other people on board. We can say that IOM has its own substantial medical team—something which we obviously have an interest in—with one psychologist, one psychiatrist, five doctors and a number of nurses.

Senator KIRK—From what you are saying, there are some matters you have knowledge of, such as medical facilities, but not others. Is that what you are saying?

Mr McMahan—That is correct. They are simply providing a service. We have a clear expectation about the sorts of things they need to provide in respect of medical care et cetera. Obviously medical care is something we take a particular interest in, but how many people they have to produce dinner is not something we are particularly interested in—just that the dinner is provided and is provided appropriately.

Senator KIRK—How do you monitor things such as the provision of food?

Mr McMahan—We have a liaison officer on the island. We work extremely cooperatively with IOM. There is a weekly meeting, which Ms Daniels chairs, and we have senior contact. We also liaise closely with APS, which works under the umbrella of the Nauruan police. So there is three-way communication taking place very frequently.

Senator KIRK—At the weekly meetings, is there any written information provided as an update on what has occurred over the past week, or is it just a verbal discussion?

Mr McMahan—No, normally we do not get written reports from people.

Ms Daniels—The weekly teleconferences we run between stakeholders here in Canberra and the various parties in Nauru cover quite a range of centre management issues ranging from the sorts of issues you have referred to—things to do with food provision, particular cases that might come to our attention, keeping abreast of the Nauruan political situation and other management issues.

Senator KIRK—How long are those teleconferences for? I am trying to get an idea of the range of issues that are covered and how much time is devoted to them.

Ms Daniels—Do you mean the length of those teleconferences?

Senator KIRK—On average.

Ms Daniels—Probably between an hour and half and two hours weekly.

Senator KIRK—So coverage of the issues is quite detailed?

Ms Daniels—Yes, it is quite detailed.

Senator KIRK—What stage is the processing of the 434 individuals on Nauru up to?

Mr McMahan—Processing has been complete for some time. A total of 51 people have been recognised as refugees, two on Manus and the balance on Nauru. All the other people have been found not to be refugees.

Senator KIRK—So the 300-odd balance are not refugees? Do you have that figure?

Mr McMahan—387.

Senator KIRK—Thank you. What arrangements have been made for the resettlement of the 51 who have been found to be refugees?

Mr Hughes—It might be useful if I presented the total resettlement picture. Since 1,500 people went to Nauru and Manus, about 750 have been found to be refugees. So far, through our efforts and those of the UNHCR, resettlement places have been found for 699. That leaves the 51 Mr McMahan mentioned. We are currently pursuing some opportunities for the resettlement of those 51. Overall, we are quite pleased that we have resettled virtually all the people who have been found to be refugees. We are still pursuing some opportunities with some other countries and we hope to have answers in the reasonably near future.

Senator KIRK—In the main, where have those 699 persons been resettled?

Mr Hughes—They have been resettled to a number of countries: Australia, New Zealand, Sweden, Canada, Norway and Denmark.

Senator KIRK—How many have been resettled in Australia?

Mr Hughes—Three hundred and twenty-nine.

Senator KIRK—You said that you were exploring some options in relation to the 51 you are still looking to resettle. Can you expand a bit further on what those options might be?

Mr Hughes—There are still some matters that we are exploring with Norway and the UK.

Senator KIRK—So there is no prospect of those 51 people being resettled in Australia or New Zealand?

Mr Hughes—That is another possibility. There are many possibilities. The ones that we are particularly exploring at the moment are Norway and the UK, but of course—depending on whether those are successful—we will have to consider other options, including Australia.

Senator KIRK—Do the 51 people have any preference as to where they are resettled? Have they indicated any preference?

Mr Hughes—I am not sure of preferences.

Senator KIRK—What is the process for that? Are people asked about their preference as to where they wish to be resettled or is it just a matter that is determined by the department?

Mr Hughes—It is definitely taken into account. Usually, an important part of international resettlement processes is family links. Most countries that have some form of international resettlement program, whether formal or informal, pay a lot of attention to issues such as family links, whether the UNHCR makes a referral to them and whether their program is aimed at particular parts of the world. There are a lot of factors. I think that, to date, family links have played a very big part in determining where people go.

Senator KIRK—Of the 387 who have been found not to be refugees—

Mr McMahan—It is actually 386. I am just working off a different table from other people here. So there is a difference of one.

Senator KIRK—Round figures are okay. Have any of the 380-odd people who remain on Nauru, yet have been assessed as not being refugees, volunteered to return to their own countries?

Mr McMahon—We have had a very significant number of voluntary returns. To date we have had 388 voluntary returns. There are still people on Nauru who have indicated that they would like to return, but the numbers are now more limited. In some cases we have people who have indicated that they would like to return, but the Afghan embassy has not yet given us documentation, partly because of concerns about whether those people are Afghani or actually Pakistani. The pool of people we can readily return now is quite low.

Senator KIRK—What is the size of that pool?

Mr McMahon—It is probably around 30 people or so. But we will be looking for more passport options and we need to deal with some of those who would like to return but have not been recognised as Afghanis.

Ms Daniels—I might just expand on Mr McMahon's comments. Of the Afghanis on Nauru who have been refused, 125 have accepted the reintegration package.

Senator KIRK—There are 125 who remain on Nauru but who have accepted the package. Is that what have said?

Ms Daniels—That is right.

Senator KIRK—What is the timetable for their return then if they have accepted the package?

Ms Daniels—That is in the context of the explanation that Mr McMahon has just given you.

Senator KIRK—Waiting for their passports and the like?

Ms Daniels—Yes.

CHAIR—It being one o'clock, we will adjourn and resume at 2 p.m. As indicated, we will deal with the Migration Agents Registration Authority and then come immediately back to consideration of 1.5.

Proceedings suspended from 1.01 p.m. to 2.02 p.m.

Migration Agents Registration Authority

CHAIR—I welcome Ms Chao and representatives of the Migration Agents Registration Authority.

Ms Chao—I would like to thank you for ensuring that our appearance time is consistent with the notification that we received. It is very much appreciated in light of our part-time roles and business commitments. Before asking any questions, I would like to take the opportunity to advise you of a significant step that the MIA, in its role as the MARA, has taken towards protecting consumers, increasing standards and moving toward self-regulation. The establishment of the migration professional knowledge entry examination—a new common exam for all of those who wish to enter the profession—will start this year.

CHAIR—Thank you very much for that the update, Ms Chao.

Senator SHERRY—I will start with the information that you have just given us. Has there been a public announcement of that or is today the first time that it has been made public?

Ms Chao—No, there has been a public announcement.

Senator SHERRY—Who will be carrying out the knowledge entry exam that you referred to?

Ms Chao—The Australian Council for Educational Research Ltd, ACER, successively tendered to hold that exam.

Senator SHERRY—Is there a time frame by which all agents will have had to have sat and successfully completed the exam?

Ms Chao—At this stage the exam is only for those who wish to enter the profession, not for those who are currently registered.

Senator SHERRY—Are there any training or education modules stipulated as being necessary prior to the sitting of the exam?

Ms Chao—The current sound knowledge providers have been working with the MARA towards the establishment of the exam. It is expected that they will provide the necessary courses for candidates to undertake before sitting the exam.

Senator SHERRY—Do you have any details or outlines of the proposed courses yet?

Mr Mawson—The authority put out a note to all the current course providers approximately 15 months ago, which outlined the competencies that would be required for someone to pass the examination, of what we expected their courses to cover. That covered the issues around the Migration Act, the procedures involved with the act, the requirements of being a migration agent and some business issues. That information was published and a couple of course providers have now come back and have registered as providers for the common examination. That information was distributed to the course providers about 15 months ago. It has also been distributed publicly within our registration packages to all of the applicants for registration to give them guidance as to what they should be looking for in any course that they are doing.

Senator SHERRY—It was mentioned that this is for new agents who will be required to sit and pass the exam and to protect consumers—and that is fine. What about existing registered agents?

Ms Chao—That is an area which the MIA, as a professional association, is examining and developing.

Senator SHERRY—I cannot help but draw an analogy with the financial planners. There are attempts to upgrade the education and training standards in that profession—it is called a profession, but I do not accept that, even though that is what they would like to acknowledge—but one of the difficulties amongst a number is how you go about ensuring adequate minimum education and training standards for existing practitioners. It could be argued that you are providing protection for consumers from agents who will be registered in the future, but what about existing agents? Why shouldn't they, over a suitable transition period, be required to meet the same minimum standards?

Mr Mawson—We are at the final stages of a survey of current agents, course providers and consumers of migration advice in relation to the continuing professional development process that we currently have. The outcome of that work is expected to result in a very standardised, formal guideline to course providers as to how their courses are going to be evaluated, how they are going to be allocated the number of points, because a migration agent must have 10 CPD points every year, and how they are going to be able to determine how many points any course is going to be worth. Once that structure is fully finalised—and we have been working with a structure which has needed some beefing up—we will be going through a process of evaluating all of the current courses that are available for agents to do their continuing professional development, which they have to do every year, and be evaluating those against the results of the survey. We will then be evaluating each of the courses and, I suspect—although I cannot commit for the authority at this point in time—that what will happen is that, over time, the standard of course—the material and the evaluation of the allocation of the points—will slowly be tied to an examination type process during the actual delivery of the activity.

Today, where a course provider does provide an examination, they are granted an extra point for the activity. If it is a two- or three-hour activity, we do not tie our points to the hours but rather by the learning outcomes. If we find that the course provider also has an examination in there and they give us the information in what we call a course profile, they are granted an extra CPD point to encourage people to go to that course. I believe that our overall intent is to bring all the courses into that line. We have had to go and establish a structure because there are 400 or 500 courses, and that makes it a little difficult to suddenly bring them all in at once.

Senator SHERRY—I understand the transition problems. We will, I am sure, be asking questions about the progress and developments at future committees. In the estimate of revenue from migration agent fees, it indicates that the fee income will rise from \$3 million in 2002-03 to \$4 million in 2003-04—an increase of approximately one-third. How much of this expected increase is due to increased registration charges applying from 1 July 2003, and how much is due to an expected increase in the number of registered agents?

Mr Mawson—Our current experience is that we are seeing a growth of agents remaining in the industry of between 13 per cent and 20 per cent every year. In addition to that, in the last two years we have had a significant volume of individuals come into the industry—approximately 700 last year, and I think this year we will see approximately 700 again. At the same time we have also seen a decline in the number of agents who have, after their first-year of registration or thereafter, left the industry, so that is how the industry is growing.

Within the next 12 months, the financial picture, as you would have seen in the material for the application charge act regulations, does have some reliance on initial registration. However, one of the issues has come about because of the introduction of the common examination. Because only two out of the current six course providers are going to provide courses to train people for that examination, we are expecting—and it has somewhat surprised us a bit—that there will be a much lower number of people coming into the industry over the next 12 months. We expect that number to be between 300 and 400. Whilst the portfolio

allowance is a third greater, we may not actually see that because of the impact of the common examination.

Senator SHERRY—You have thrown doubt on your own figures, which I assume you have provided to the department in the preparation of the estimates. It is an issue of concern that you have raised. Was that impact expected at the time the information was provided to the department?

Mr Mawson—We did not have the information that the course providers were not going to run the courses. Our expectation was that we would have a larger number of course providers running the courses. What appears to have happened is that a number of the course providers are adopting a wait and see attitude rather than putting courses forward. They want to understand the complexities of the examination and how people will get through that exam. Because we have set their expectation, it will be a little bit more difficult than in the past. That is our understanding.

We have had discussions with a number of the course providers and that is the feedback we are getting. We might be surprised because the examination, as we have announced, is three times a year. Within the next fiscal year there will be two examinations—in November and March. It may be that the March examination will surprise us all. Fortunately ACER are able to handle any sudden increase in people who wish to come into the profession and do the examination. That is a possibility, but certainly we were not aware that the course providers would not be running the courses, and that has caught us a bit by surprise.

Senator SHERRY—Are the registration fees going up from 1 July?

Mr Mawson—Yes, they are. The registration fees for repeat registration, which is for agents who already have been through the system, are going up by \$100.

Senator SHERRY—From what?

Mr Mawson—From \$950 to \$1,050, and that includes GST.

Senator SHERRY—I hope so.

Mr Mawson—The initial registrations will go from \$1,180 to \$1,760.

Ms Chao—There will be no increase for non-commercial agents.

Senator SHERRY—What is the rate for non-commercial agents at the moment?

Mr Mawson—The rate for non-commercial agents for initial registration is \$160 and for repeat registration it is \$105.

Senator SHERRY—I have received a complaint. You have a migration agents registration information telephone service. I understand that it operates between 12.30 p.m. and 3 p.m. Sydney time and callers can use the number 1902 222099. Is that correct?

Mr Mawson—That is correct.

Senator SHERRY—The complaint is that, when a person rings that number to seek information on the service line, they are charged at the rate of \$4.95 per minute, and it is higher if it is from a mobile. Is that correct?

Mr Mawson—That is correct.

Senator SHERRY—Is the telephone information service a revenue raiser for MARA?

Mr Mawson—No. The purpose of that cost is so the service, hopefully, breaks even. It does not quite do that. The purpose of the service is to assist those individuals who have difficulty understanding legislation relating to becoming a migration agent or who have particular questions that they do not feel have been answered in the registration package material that we supply for free on our web site.

Senator SHERRY—But it is obviously raising revenue.

Mr Mawson—There is a small revenue stream which compensates for the individual answering the telephone and for the service that we use.

Senator SHERRY—What was the approximate amount of income generated by that service last financial year?

Mr Mawson—Last financial year that would have been around \$11,000.

Senator SHERRY—Was that gross, not net, revenue?

Mr Mawson—That is the revenue that the authority receives. That pays for the person answering the phone, for the various training sessions and so on that we have to use for that person, and for the technology behind it. However, Telstra and the service that operates the 1900 number do take fees because of bad debts and things like that.

Senator SHERRY—So the operational costs are essentially the individual you have staffing the line between 12.30 and 3 p.m.?

Mr Mawson—That is correct. However, there are other numbers available. That number is specifically targeted at people applying for initial registration. If you are a migration agent, we have a standard telephone number. Using that number, migration agents can go directly to the staff. If you are a person who wishes to make a complaint about a migration agent, we have another number, and that is a free call—in that it is a standard call from a telephone. The person on the end of that line is able to give some basic advice to a complainant, organises to send out complaint forms to the complainant and possibly directs them to other organisations that might be able to help them in their particular circumstances. That service is very helpful because it also provides us with some information about what a complainant is feeling about their agent, where some agents may be a little assertive in their dealings with a client. Therefore, it is quite a good feedback mechanism.

Senator SHERRY—Is the charge for the service mentioned in any of the material that MARA provides to people?

Mr Mawson—Yes. Anyone who rings our office number is notified by the voice system. It is noted on our web site, it is noted on any communications that we put out to inquiries and it is very clearly stated there that that number is available. We put it out in quite a number of places. It is very clearly identified that that is a service for initial registration.

Senator SHERRY—Do you think having a user-pays telephone information line contributes to perceptions that the secretariat is difficult to contact to clarify requirements and procedures? Do you think it puts anyone off?

Mr Mawson—I think there are some issues, in that some currently registered agents have not always been aware of the telephone line that they have for access to the secretariat. We have made that available through the switchboard as well. They are required to know their registration number as a screening process on that. The difficulty was that we found that, when we were not providing that service, people were simply not bothering to read the material we provided and staff were basically regurgitating the same material. That was the issue. Where we find a question in a particular area that seems to always be asked, we put a lot more effort into making sure the documentation explains it better.

Senator SHERRY—We have just talked about the increase in registration fees. Despite some doubts that you have raised about the projected increase in estimated revenues from \$3 million to \$4 million, do you not think that, against that background, there might be an increased level of complaint about only raising \$11,000—that people would argue that, given that background, this service should be provided free of charge?

Mr Mawson—If you just looked at it in a black and white fashion, where it was bringing in \$11,000, one could easily argue that it was not worth it. What is not obvious is that the service most probably saves around \$50,000 or \$60,000 related to someone sitting on the phone going through the material when it is free. If there were no charge for that service, we would be providing people in the secretariat to answer those calls, and our main focus for our resources is on getting people registered as quickly as possible and processing the ever increasing volume of complaints that is coming in the door.

Senator SHERRY—I appreciate that, but I think against the backdrop of the very significant increase in projected revenue and in your registration fees, you might find some difficulty with that argument.

Mr Mawson—We have been doing an evaluation of the whole process. That evaluation has not been completed at this point in time. We are looking at other ways of handling the inquiries that we receive but, again, that is trying to balance the outgoings and the impact on our operation.

Senator SHERRY—I am sure you would be aware that there was an article in the *Australian* on 16 May entitled ‘Agents act in shadows’. I am not going to go to the individuals—I think there were two of them—who were referred to in the article, but did MARA issue a statement or otherwise formally respond to that article?

Ms Chao—We sent a letter to the editor.

CHAIR—Was it published?

Ms Chao—I do not know. I am told that it takes up to two weeks before they choose to publish it or not. It has not come to my attention that it has been.

Senator SHERRY—Could you provide us with a copy of that letter?

Ms Chao—Certainly.

Senator SHERRY—Given the serious nature of the allegations, I am surprised you chose to just send a letter to the editor and wait for it to be published.

Ms Chao—We have a communications consultant who assists us in the best way of approaching the media, and it was his recommendation in the light of the nature of the article to respond in that way. Certainly, the article does show the initiative on the part of MARA to refuse the registration of an individual whom we found not to be one of integrity. We believe it drew the attention of the media because that individual appealed our decision. We have had discussions with the journalist prior to publication.

Senator SHERRY—Were there any follow-up, further inquiries or criticism in any other areas of the media following publication of the article on 16 May?

Ms Chao—Not that I am aware of.

Mr Mawson—We are aware that there was one radio commentary. I think that occurred on the next business day after that particular article was published. But we have not become aware of any other publication of that material. We have been contacted by the same journalists and we have given them further information for a possible future article.

Senator SHERRY—Did the journalists who wrote the article contact MARA about the article prior to its being published?

Ms Chao—Yes.

Senator SHERRY—So you had an opportunity to at least attempt to state your position?

Ms Chao—Yes. I said a lot more than the last paragraph in the *Australian* newspaper article!

Senator SHERRY—We all share that problem.

CHAIR—However, we have added forums available to us.

Senator SHERRY—Yes. So, on the advice of the communications consultant, you decided not to issue a formal release to the media in general?

Ms Chao—He advised that the letter to the editor at that point was the most effective manner to address it. It is also our understanding that that article is part of a series of articles that that journalist and a number of others will be producing.

Senator SHERRY—I suppose in some respects it is pleasing to see a communications consultant who is actually recommending minimal action as distinct from maximum action. You could have been doing a lot more.

Senator Ellison—Sometimes you advertise it too much when you put out a release, don't you?

Senator SHERRY—Yes; that is the double-edged sword when you respond. We touched on this yesterday in questions to the department, but I turn to the liaison that currently occurs between MARA and DIMIA on the question of agents who have a history of submitting dubious claims. In the article it suggested:

... agents rorting the system can be readily identified.

It quoted an unnamed government source as saying that some agents are:

... submitting applications for protection visas who have only a 3 per cent success rate.

Can MARA review the actions of individual agents where no formal complaint has been lodged by a client or community organisation?

Ms Chao—Yes, we can. We can initiate our own investigations and complaints.

Senator SHERRY—Have you ever done so?

Mr Mawson—Obviously, we are unable to determine the success or failure rates from our particular position. We liaise with the department and have communications with them, and they communicate to us when they believe an agent has particular issues—where they are seeing that sort of behaviour. We then go through an investigation process and seek to determine whether the agent has acted correctly or not. The agent may have been instructed by the client to lodge the application. That is one of the issues we have. The agent has a structure they must go through to demonstrate that. The application may be made in the name of an agent, but the agent may know nothing about it. We have had a number of instances of that occurring, so we have done some investigation in that particular area. Within our complaint load it is one particular facet that we are looking at.

Senator JACINTA COLLINS—You said that people could file in the name of an agent without the agent being aware. How could that occur?

Mr Mawson—We are not quite sure how it occurs but most probably it is using the agent's registration number. We have a number of matters where the agents are claiming that they have never seen or had anything to do with the client, yet it is their number on there. It does not appear to be their signature on the document. Registration numbers are available. Senator Sherry asked about the phone system. We actually have clients of migration agents coming through on the agent line because it is tied to the registration number, and they just type in the agent's registration number and come in. So it is a fairly easy item to find, and it is an easy item to work out where the agent is. Sometimes it is just the address that changes.

We are in a joint exercise with the department at this point in time. I believe you have heard them talk about the IIS system a number of times in this committee. We are in the process of doing an electronic feed to the IIS system and having an arrangement where the agent will only be required to notify MARA of a change of address or business details. That will then automatically feed into the department's system so that there is only one central location for the business address. That way the department does not have a number of addresses for the same agent, which can happen today. It is just a fact of it being a form and there is no other identification needed.

Mr Waters—I would also mention that when an agent advertises in the newspaper there is a requirement on them to quote their migration agent registration number. This is an item that is quite readily available within the community.

Mr Brown—I have had the experience as well where somebody will come in and consult you about a review application. You might give them some advice on what they might or might not do. Then lo and behold, a couple weeks later, you get a letter back from the review authority saying that the application which you have been named as a representative for has been received—and you have never agreed to act in that part, so you then go back and make notification.

Senator SHERRY—Turning to the issue of overseas agents, the Spicer report found that an estimated 2,500 offshore migrant agents regularly lodge applications on behalf of clients at overseas Australian posts, with a proportion of applications lodged by agents varying significantly from country to country. I understand that currently only Australian citizens are entitled to be registered with MARA. Obviously, many of the offshore agents are not currently subject to registration. The report went on and recommended that the act should be amended to extend registration to foreign nationals in order to increase consumer protection. I understand the government accepted this recommendation. Since the release of the Spicer report, has there been formal consultation between MARA and the government about the best way to progress the proposal to extend registration to foreign nationals working overseas?

Ms Chao—Before I answer that question, you mentioned that only Australian citizens could be registered under the current scheme. I would like to add that Australian permanent residents and New Zealand eligible citizens are also able to be registered. In terms of offshore jurisdiction or overseas agents, yes, that is the simple answer to the question. When the MIA was appointed as the MARA in 1998, it has from that date continued to submit the importance of protecting consumers across the board, and that would include offshore registration or registration of overseas individuals. We have had some discussions with the department since the review recommendations, which are ongoing.

Senator SHERRY—That is not telling me a lot, to be perfectly frank. Just before we go further on that, I did not realise that New Zealanders could be registered. Why New Zealanders?

Mr Mawson—When a New Zealander possesses a class 444 visa, they are treated like Australian citizens while they are in Australia. They must actually be in possession of that visa, which means they must be in Australia at the time of the registration.

Ms Chao—That is a government policy issue, I would say.

Senator SHERRY—I was just interested. I was not aware that that was the case.

Mr Waters—New Zealand citizens in this category are, in effect, residents of Australia in the same way as other permanent residents who may not have taken out citizenship.

Senator Ellison—It is reciprocal too: we get the same in New Zealand, I understand.

Senator SHERRY—Going back to your earlier answer, Ms Chao, you were not telling me a lot. The government has accepted the recommendation. You seem to be indicating that it is important for consumer protection.

Ms Chao—Yes.

Senator SHERRY—Is there a time frame? When are we going to see some action?

Ms Chao—We are discussing a timetable at the moment.

Mr Mawson—I will add to Ms Chao's answer. We have talked about the common examination. One of the main reasons we went with ACER was their ability to deliver the examination anywhere in the world. So as part of our process to move towards offshore registration we have certainly made it such that people who are outside Australia will be able to do the same examination process.

Senator SHERRY—You said, Ms Chao, that you were discussing a timetable. Gosh, that is not exactly a lot of progress! Timetables should be easy to work out. I would have thought that the details of the discussions and the outcomes were the most important aspect of this.

Ms Chao—We are expecting to develop arrangements for offshore registration by 30 June 2004.

Senator SHERRY—Developing proposals by 30 June 2004 obviously does not include finalisation of the arrangements, does it? This may require some legislative change.

Ms Chao—I would anticipate that it would require legislative change. That is right.

Senator SHERRY—Presumably there would have to be processes put in place at overseas postings for these people. I assume that is how they would deliver registration—at least to some extent. So it could be a couple of years before this is all up and operational, couldn't it?

Ms Chao—Because it is subject to legislative change I cannot estimate the time period. But we have looked at that June date. I ask for feedback from Bernie Waters at this point because it is a DIMIA issue.

Senator SHERRY—I am going to switch my attention to Mr Waters, and perhaps to Mr Farmer, about this fairly slow timetable.

Ms Chao—We are very pleased that it reached the point of being included in the review recommendations. As an organisation we have been working very hard year after year, submitting the importance of it. Although for some people it may feel like a long timetable, we are pleased to have reached this stage—because at certain points we did not necessarily expect it to reach a review recommendation. So we are very pleased to have it.

Senator SHERRY—I am listening to what you are saying, and listening between what you are saying. I think I can understand your position.

CHAIR—Senator Sherry, did you want to direct a question to Mr Waters?

Senator SHERRY—I think Mr Waters, or Mr Farmer, was going to respond after their consultation.

Mr Waters—The department is working quite actively on the development of options in regard to the registration of overseas agents and how we might best proceed to bring some controls into the area of overseas agents. Part of that has involved discussions with the MARA. We have been in quite detailed discussions but there is a fair way to go. One of the issues for us is exactly how we best link this in to what overseas countries are doing. There are a number of registration arrangements in some countries overseas—for example, China has a registration arrangement, Canada is in the process of bringing one in and the UK and New Zealand have some arrangements. Even places like Korea have registration arrangements. We need to work out the best way of proceeding. Do we link this in to the registration arrangements of other countries? There are clearly some advantages in doing so, although it could mean that we do not have as much consistency if we go too far in that direction.

The other thing that we need to look at, because of the dimension of the issue, is whether we should be looking at doing something almost visa class by visa class. For example, should

we be bringing something in to address a couple of the visas where we have had more complaints about the activity of overseas agents—for example, in the education and student visa—or do we look to bring something in across all our visa classes. We are still working through it but this is quite a major exercise and I do not see this as something that we are going to have a proposal in to the parliament in the short term. There is a lot involved.

Senator SHERRY—I can appreciate some of the difficulties but let us assume you get some sort of idea of what you want by this time next year. Looking at the legislative time frame it could be another year after that before the thing finally shuffles through the parliament. There are a lot of factors there and then, when you put the processes on the ground, it could be longer than a couple of years away.

Mr Farmer—I did not think the minister is minded to proceed at a shuffle, Senator. He has made it clear that he wants us to focus, as Mr Waters has said, on the areas where we can move effectively, especially if there are areas where there is a particular need for action of the sort that Mr Waters pointed out. We are actively working to prepare that advice for the minister. But I do not believe that he is thinking in terms of years.

Senator SHERRY—Is it months?

Mr Farmer—I do not believe he is thinking in terms of years.

Senator SHERRY—That is why I asked ‘months’. I would not have said days or weeks, but rather months. Do you have a ballpark figure?

Mr Farmer—He wants us to prepare advice quickly.

Senator SHERRY—I appreciate the advice can be prepared quickly but I am sure you appreciate the time frame for legislation and then actually implementing the legislation.

Mr Farmer—But it is also getting a system that is actually going to be workable in the interests of both the program and the many clients who use it. I think we are having a heated agreement here. If I read you correctly, you think we should be doing something quickly and the minister thinks we should be doing something quickly. We are getting that message from everyone and we are working to that end.

CHAIR—Speaking of quickly, how are we progressing? I also want to give Senator Bartlett an opportunity to ask questions of the MARA.

Senator SHERRY—Quickly. Does Senator Bartlett have some questions for MARA?

CHAIR—No I invented that; yes he has questions for MARA.

Senator SHERRY—In view of the fact that Senator Bartlett has some questions I will now proceed slowly. No, I have about 10 minutes to go.

CHAIR—Thanks, Senator Sherry.

Senator SHERRY—Coming back to your comments Mr Waters, having to look at the degree of interface standardisation with some of the overseas jurisdictions versus the degree of interface and perhaps standardisation with the requirements for Australian domestically registered providers, isn't there a risk that, if we move too far away from the requirements for Australians, they could be at a disadvantage?

Mr Waters—That is absolutely correct and I do not believe that we would want to move too far away from the arrangements that apply. I guess one of the issues here is that, in terms of interactions, one of the things we have been looking at—this is just an example—is if a person has been struck off a register of migration agents in another country should that be grounds alone for refusing to register them as a migration agent under a proposed overseas scheme. They are the sorts of issues that we need to work through before we put forward a concrete proposal.

Senator SHERRY—The recognition of reciprocal registration where necessary or reciprocal penalties et cetera.

Mr Waters—They are the sorts of issues that we are trying to work through.

Senator SHERRY—But given the experience of international treaties, mutual recognition and a whole range of areas, it is not easy to do, is it?

Mr Waters—No, it is not.

Senator SHERRY—It is very slow.

Mr Waters—It is a question of just how far do we go, given the minister wants fast action.

Senator SHERRY—Yes, we want fast action; everyone wants fast action. Does MARA support the proposal that DIMIA posts overseas should not deal with unregistered agents?

Ms Chao—Yes.

Senator SHERRY—Does MARA accept that it would not be possible to make it a crime under Australian law for an overseas national to operate without registration, provided they did that outside Australia?

Ms Chao—We understand the jurisdiction problem.

Senator SHERRY—Does MARA believe that any change should be introduced in stages? For example, it could be done by visa category.

Ms Chao—It depends on what those stages are. A simple avenue that we have raised was the possibility of changes to the act to limit communication between unregistered agents and the overseas posts. So communication would be limited to the applicant, family members and those who are registered migration agents.

Senator SHERRY—The Spicer report raised a number of issues in this area in respect of consultation between the department and MARA, and we have touched on some of them. What is MARA's views about the categories of people eligible to act as agents—for example, lawyers, travel agents, accountants, et cetera?

Ms Chao—We would expect that anyone who wishes to enter the profession meet a minimum entry level standard of competence and integrity, regardless—

Senator SHERRY—In saying that, lawyers would not automatically qualify, would they?

Ms Chao—Those with law degrees would not.

Senator SHERRY—They would presumably have to have some sort of relevant—

Ms Chao—Practising certificate.

Senator SHERRY—In the industry?

Mr Mawson—Currently, we are looking at the skills of a person who has a practising certificate as a legal professional in Australia. Those individuals are required to have certain skills: running an office, knowledge of laws—not just migration laws—et cetera.

Currently the legislation allows anyone with a law degree to come in without going through the examination process. Our complaints processing highlights that there are some issues in that area. People who simply have law degrees compared to people who do not have law degrees or who have practising certificates as lawyers—there are a number of categories that we are looking at—have a higher rate of complaint against them.

We are also doing some work in identifying, particularly in some recent cases we have had, where the lawyers who have practising certificates—and the figures are not solid at this point—appear to have a higher rate of sanction from the MARA in that the matters complained of are of a more serious nature than for those without the practising certificates. We are trying to base an approach on the behaviour we have seen over the last five years and we are doing a lot of mining of our data at this point in time.

Senator SHERRY—It reminds me a little of the debate at the moment: should an accountant be automatically treated as a financial planner—there are no professional qualifications for financial planners, although there obviously are for accountants—and automatically have certification for planner status?

Mr Mawson—There have been some indications that whilst a person with a practising certificate certainly understands the law, there are some issues around procedures that sometimes they do not have a familiarity with and those procedures can cause some minor problems. But I do not think that we have enough information to give a clear-cut answer at this point in time.

Senator SHERRY—We have discussed the education requirements. What about the issues relating to the fee to be imposed on overseas nationals?

Mr Mawson—At this point we have had no views discussed either way with the department or ourselves. Obviously the issue of fees is an important one: to be able to manage and implement the additional resources, although of course you get critical mass applying as well. But I think that is a matter where we still have a bit of work to do.

Mr Brown—The criteria need to be worked out before we start trying to determine our fee.

Senator SHERRY—I understand that. That seems to be an important issue. Again, I do not think you would want to be disadvantaged by any fee structure. Do agents from overseas who practise in this area tend to work in a number of different jurisdictions, or do they tend just to be Australian only? Is there a mixture?

Mr Mawson—I would like to ask Mr Waters to respond to that question.

Mr Waters—The situation for agents overseas varies a fair bit. It depends on where they are located. Within Europe, some of the agents operate and deal with applicants in a number of different countries. But the vast majority of overseas agents tend to specialise in the country in which they live and that they are a national of, although there are quite a number of

Australians overseas who work in this area. Again, they generally focus on the country in which they live.

Senator SHERRY—So Australia only—or perhaps New Zealand—and that is about it?

Mr Waters—I am sorry; I was thinking in terms of where the clients came from. Some agents—and it is again quite a mix—will direct people to Canada, Australia or New Zealand, as they feel they best qualify. But most people—I am not saying that it is a large majority; it is likely to be a majority—would be focused on Australia and the country in which they live. So agent X overseas may direct people to Australia and probably would not know much about the Canadian scene. Some do, and would direct people to Canada, for example.

Senator SHERRY—Because it is easier to get into Canada?

Mr Waters—They direct people to Canada if it is easier to get into Canada—particularly if a person would not qualify in one jurisdiction but would qualify in another.

Senator SHERRY—So people actually shop around?

Mr Waters—That is right.

Senator BARTLETT—What is the remaining term of the current board?

Ms Chao—The board consists of those members who are elected on a national basis and those who are elected on a state basis. The current nationally elected board members have until November 2004, unless there is a resignation or a death. On a state level, the state presidents will be coming up for election in October this year and they will be elected for a period of two years.

Senator BARTLETT—So you have a fair haul still to go in the chair?

Ms Chao—I do, indeed.

Senator BARTLETT—It should be just around the time of the federal election.

CHAIR—You must have a crystal ball!

Senator BARTLETT—I just know that the Prime Minister is a man of commonsense. The issue of concerns that get raised with MARA about actions of agents is obviously a key part of your work and people's perceptions of your work. Without making you do a lot of work chasing up precise figures, could I ask you to give me an indication of where those complaints come from? How many come from the department, how many from the public and how many from your own detective work?

Ms Chao—I have the figures here. In relation to this financial year, although we still have one more month to go, new complaints received from the department are currently at 167; complaints from courts or tribunals, five; complaints referred by a parliamentarian, one; complaints referred by other migration agents, nine; complaints referred by individuals, 13; complaints direct from individual complainants, 237; and MARA-initiated complaints, 31.

Senator BARTLETT—The five complaints from courts or tribunals surprises me a bit. I thought there would have been more than that. Given that there is a line of rhetoric that appears from time to time about unscrupulous agents forcing people to go to courts when they do not have a hope in hell of getting through, I would have thought that there would have

been more than that. Is that just because that line of rhetoric is not as solid as it might be or is it just the culture of courts and tribunals and that they are not aware of the role that MARA plays? I am not sure whether you are able to do much more than pass an opinion on this.

Mr Waters—A number of referrals which may initiate out of the Refugee Review Tribunal and the Migration Review Tribunal can in fact come via the department and show up in those statistics.

Senator BARTLETT—So the department assesses the court cases and makes that referral?

Mr Waters—An example might be a tribunal member noting a problem with a particular case and referring it back to the department for action. We would then look at it in relation to other cases and perhaps refer a complaint.

Ms Chao—I want to add that, similar to the point made by Mr Bernie Waters, some of the complaints within the 31 I referred to that were initiated by the MARA came from our monitoring of court cases. Furthermore, we are working very closely with the RRT and the MRT to assist them to streamline the referral to us of any complaints they might have about agents and to provide information to their tribunal members to better understand our role and what to look out for, so to speak.

Mr Brown—There is a lot of rhetoric which does not always get substantiated or followed through with referrals. For example, in the *Australian* report we saw suggestions of referrals but our records do not indicate that we have had such referrals. There is a lot of rhetoric in this area.

Senator BARTLETT—There was only one complaint coming directly from an MP. Given that some MPs deal with a lot of migration cases—and without suggesting that you create more work for yourselves—do you think you need to do a bit more promotion amongst MPs about the role you can play and the fact that you are there to be besieged with complaints?

Ms Chao—Yes.

Mr Brown—We have done some work in that area. For example, we have been involved in departmental information sessions for parliamentary secretaries where we have always stressed that point. Whenever we have direct dealings with members—and we have gone out of our way to initiate dealings with a number of members—we have always promoted that concept: if they are aware of matters, we would welcome them coming to our attention.

Mr Waters—The department and the government have issued an information kit on migration agents, which has been distributed to all MPs offices to assist their staff understand their role and how to deal with migration agents. That has been very well received.

Senator BARTLETT—You have had feedback from MPs offices and staff saying that this is fabulous?

Mr Waters—Exactly.

Senator BARTLETT—Can you give us the names! Mr Waters, what mechanism does the department have for raising or passing on concerns to the MARA? Is it just as they arrive, or do you have a monthly report or weekly chat?

Mr Waters—We do it on a case-by-case basis and review progress with the MARA through regular meetings.

Senator BARTLETT—Not too long ago we had the removal of the sunset clause, which basically means that this current system will be operating for the foreseeable future. Mr Waters—or Mr Farmer or the minister, just so you do not feel left out—do you have a view on just how things are progressing with this system of oversight and whether the department is happy with it?

Mr Waters—The department is clearly supportive of the arrangements and wants to see them continue and will support the MARA in its efforts to address the migration advice industry.

Senator BARTLETT—I do not want you to say that everything is perfect, but broadly speaking are you happy with how things are progressing?

Mr Waters—We are sufficiently happy with it to be entering into a new deed of agreement at the current time.

Senator BARTLETT—I cannot argue with that. Some regulations were introduced earlier this year regarding a code of conduct—I think that is the right description of it—for agents. Are you aware of those?

Mr Waters—Yes, a number of changes were made to the migration regulation, dealing with a code of conduct.

Senator BARTLETT—Are more changes planned?

Mr Waters—The *Review of Statutory Self-Regulation of the Migration Advice Industry* report recommended a range of changes. The government has indicated support for those recommendations, and we are preparing those currently.

Senator BARTLETT—Do you have a rough idea of when they might be gazetted or introduced?

Mr Waters—It is a bit hard to be terribly exact.

Senator BARTLETT—Would it be months not years, or weeks not months?

Mr Waters—My expectation would be that it would occur at about the time of the spring sittings.

Senator BARTLETT—Were any concerns expressed to you about the workability of the first group of regulations that went through—I think they have gone through; they have certainly been tabled? I know they are only a first stage.

Mr Waters—The first group are a very straightforward group that should be very workable. That said, we had discussions with quite a number of bodies in their preparation, including the MARA and the MIA and other migration agents. I would not pretend that everyone was always happy with every element of it but overall there was support for the changes made.

Senator BARTLETT—Have you finished all your consultations before the next bunch come through? Are you just finalising drafting, or are consultations still ongoing?

Mr Waters—There is ongoing consultation, but we have certainly progressed that consultation to a point where we are confident of support.

Senator BARTLETT—Support of what?

Mr Waters—Support of the proposed changes.

Senator BARTLETT—From whom?

Mr Waters—From the industry as a whole; in particular from the MIA. My colleagues here might like to add their views rather than have me verbal them.

Senator BARTLETT—Do you want to express supreme confidence before you have seen these things? I am wondering about the outcome of the confidence of the Senate being assured as well. Is there any component of the consultations that might be worthwhile conducting prior to the changes being locked in?

Ms Chao—I certainly agree with Mr Bernie Waters that we have had consultations and that there is general support from the MIA, acting in its role as the MARA, for the thrust of the amendments. There are some issues around the amendments that were passed and have commenced since 1 March; however, we are continuing to have discussions.

Senator BARTLETT—That is all part of the ongoing constructive interaction about the next round of changes?

Ms Chao—Yes.

Senator BARTLETT—The Senate very helpfully allowed the first range of changes to stand, so I am sure we will take a constructive attitude to the second lot. How is the development of the process of accreditation and skills development going? You might have touched on this with Senator Sherry—I might not have caught every word. This seems to be an area that is continuing to be improved and refined, and I am interested to hear that you are well in advance of the financial planning industry in having some decent processes and qualifications in place.

Ms Chao—Thank you. I mentioned when we commenced that we were very pleased to announce recently the new entry level exam, which will be a common exam to be sat by all who want to enter the profession.

Mr Mawson—The common exam, as we refer to it, is the first of a number of steps in the entry level process. The first examination will be held in November in Sydney and Melbourne. After that, it will be held in March, July and November of each year. As we have mentioned, it can be held anywhere in the world. This exam focuses on knowledge of the act, the regulations et cetera.

We have then to develop the next stage, which is around some other skills that the authorities have determined a migration agent requires. That will take about 18 months to get to a point at which we are able to advise or work with the department in understanding how that would fit in with any regulatory changes that are necessary to ensure that people who came into the industry have the knowledge and the skills.

There are a number of alternatives to that. One could do an examination process; one could do something like a supervised practice; and one could also bring forward knowledge from

other professions. We are looking at lining up a sequence of elevations in the skills necessary to become a migration agent to ensure that the clients get the best service possible—moving from what was an industry to a profession and making it much more professional.

Senator BARTLETT—That sounds like a significant advance. Do you have plans for bigger and greater things beyond that, or will you see how this one goes?

Mr Mawson—There are a number of things. We are building an education architecture, which is what the common exam has been based on, which will also flow over time into continuing professional development. Once we have all the foundations of the architecture set out, we will continue to work to bring the professionalism and knowledge of people within the industry forward. Bringing the knowledge of the users of those services up at the same time is also one of our goals in the long term.

Ms Chao—I just wanted to take the opportunity to express our continuing position of and concern about any new legislation—that is, it be designed to ensure that it protects the consumer, which was why this whole scheme was put into place in the first place, and not be distracted by side or other issues.

CHAIR—It is not exactly in our hands, Ms Chao.

Senator BARTLETT—As a legislative body perusing matters, I am sure that we can take the interests of the consumer into account.

CHAIR—We will certainly take an interest if it comes our way, but we do not start it. Thank you very much. I thank the officers of the MARA, Ms Chao, Mr Brown and Mr Mawson, for assisting the committee this afternoon.

[3.11 p.m.]

CHAIR—We will move back to consideration of matters under output 1.5—Offshore asylum seeker management.

Senator BARTLETT—Firstly, I want to ask about some basics. I know you touched on a few of these yesterday, as we were doing detention et cetera. The number of people now remaining on Manus Island is very small, isn't it?

Mr Farmer—Three. We went through some of the numbers before with Senator Kirk.

Senator BARTLETT—I did not realise we had started on that before lunch.

CHAIR—We covered some of these areas in the last 15 minutes.

Senator BARTLETT—Feel free to repeat that statement every time I ask something that has already been asked. Could you tell me—even though you probably already have—whether there are any Iranians amongst those on Nauru?

Mr McMahon—There are two Iranians. One has just recently returned home. There are two left.

Senator BARTLETT—Are they both rejectees, for want of a better word?

Ms Daniels—Yes, they are.

Senator BARTLETT—Does this MOU impact on them in any way, or are they separate?

Mr McMahan—The MOU does not apply to offshore.

Senator BARTLETT—You could bring them onshore and then it would, I suppose.

Mr McMahan—We have no plans to. We have had a very successful return rate with Iranians out of Nauru, as we have with many other nationalities.

Senator BARTLETT—Were the current circumstances of the management facility in Nauru touched on before lunch at all?

Mr McMahan—No, we have not had that. I assume you are referring to the disturbance in State House. Is that the question?

Senator BARTLETT—Yes, in part.

Mr McMahan—I can report now that essentially the IOM is running the centres. There are no longer any security issues. I think the residents over time had been able to demonstrate that they no longer posed a threat to IOM staff.

Senator BARTLETT—What is the visitation situation there? If people want to visit people at the centre, do they get permission from IOM or do they need to ask for certain people?

Mr McMahan—Are you saying people from Australia or some other country wanting to go to Nauru?

Senator BARTLETT—Not so much wanting to get into Nauru but wanting to visit people in the centres.

Mr McMahan—It is entirely a question for the Nauruan government. It basically has visa control. It would generally want to satisfy itself of the bona fides of the person or whatever.

Senator BARTLETT—Assuming they were allowed into the country and someone wanted to meet with a relative or whomever, that is then a question of whether IOM lets them in?

Mr McMahan—Yes, it would be a question of whether IOM would let them in. I would be very surprised if IOM would not allow a visiting relative to see someone within the centre. It generally has a fairly open policy in respect of running the centre. You may know that a great number of people leave the centre daily not only because a lot of kids attend the school but also because they have activities outside the centre. I saw an estimate of about 120 people leaving the centres a day to go on swimming or shopping trips. They do have a bit of a capacity to earn money within the centres where they are doing work, and that also creates some goodwill with the local community because they are buying stuff.

Senator BARTLETT—Are there any minors—under 18s?

Mr McMahan—We gave the number of 11 last night. We had a recheck on it overnight to double-check it because people are going from minors to adults, and the number is now nine. They are all male. They range in age between 13 and 17.

Senator BARTLETT—I have been told—and I would appreciate you confirming it or otherwise—that underage people are not allowed to accept a voluntary return package to Afghanistan. They basically have to wait until they turn 18. Is that correct?

Mr McMahon—No, that is not correct. We would return someone if they chose to return. The other option is holding them on Nauru, which obviously is not a very desirable option. Some of the minors have accepted the package and we will be doing everything we can to ensure their safe return.

Ms Daniels—Six of those nine have accepted the reintegration package.

Mr McMahon—I made the point last night, too, and I will just remake it now, that they may be unaccompanied minors in terms of definition but in general most of them have attached to a family group. It could be the uncle's family or something like that.

Senator BARTLETT—Are there any people left on Nauru who have relatives here in Australia who have been recognised as refugees and have a temporary protection visa?

Mr McMahon—Mr Hughes will answer that.

Mr Hughes—Yes, there are a number. I think nine adults accompanied by 14 children.

Senator BARTLETT—Have all those people failed to be recognised as refugees?

Mr Hughes—That is correct.

Senator BARTLETT—Is there any specific consideration of what to do with those people? When you say relatives, that is immediate family, spouse, father or whatever?

Mr Hughes—If we look at the situation of their spouses in Australia, I think that the temporary protection visas are coming up for further consideration in the near term, so the issue will be whether we find that the people are owed continuing protection and are eligible for permanent visas. If that happens, they would have the ability to sponsor relatives overseas if they obtained a permanent protection visa. If they do not, they would face the same issue as the rest of the family in the offshore processing centres.

Senator BARTLETT—I presume that, if there are nine adults with 14 dependants, there are nine spouses in Australia.

Mr Hughes—Yes.

Senator BARTLETT—Are they all in a situation where, when they reapply, they would be able to get permanent visas or are some on a continual temporary visa?

Mr Hughes—I cannot tell you individually what the circumstances of the people are, but my understanding is that most of them would come up for consideration about now or in the next few months.

Senator BARTLETT—So there is a reasonable prospect that they would be able to get a permanent visa if they were successful.

Mr Hughes—If they were successful, yes.

Senator BARTLETT—Do all of those nine come up for reapplication within the next few months or, say, within the rest of this calendar year? I presume it would be rather more difficult to convince the people on Nauru to return if they have still got a spouse on a temporary visa in Australia. From what you were saying before, are you going to see what happens with the TPV reapplication before worrying too much about what to do with the people still on Nauru? Do all those nine here in Australia come up for reapplication this year?

Mr Hughes—I do not have the exact figures. They should all get a decision this year.

Senator BARTLETT—I am assuming from looking at the budget papers that there is an anticipation, firstly, that you are not looking at the likelihood of new people being put into Nauru and, secondly, that the current people will be gone within the next 12 months. Is that a reasonable expectation?

Mr McMahan—It really depends on boat arrivals. We have assumed, for the purposes of the budget, that there will be 1,000 boat arrivals for the year—

Senator BARTLETT—Do you mean 1,000 people on boats or 1,000 boats?

Mr McMahan—Unauthorised boat arrivals. That is just our working assumption. As you know, we have not had a boat arrival since December 2001, so it is very hard to make an estimate when you have no boats. We will continue to work down the population. We have had a very good return rate. We hope the return rate starts to pick up. We have had a success rate with resettlement and we hope to continue that success rate. It is just a question of seeing in 12 months time how many people we have left not only on Nauru but on Manus. Were there to be unauthorised boat arrivals we would have to consider how we would place such boat arrivals between the two centres.

Senator BARTLETT—Is it your expectation or intent—forgetting about new arrivals—that the current people on Nauru and Manus would be gone within 12 months?

Mr McMahan—That would be not so much an expectation; we would very much like that to happen. There are real prospects that that could happen.

Senator BARTLETT—I know you told us this before lunch, but how many are still on Nauru?

Mr McMahan—There are 434.

Senator BARTLETT—How many have been recognised?

Mr McMahan—Forty-nine.

Senator BARTLETT—Are you still trying to find other countries to accept them?

Mr McMahan—Yes.

Senator BARTLETT—Are there good prospects of success in the near future?

Mr McMahan—There was some discussion before lunch, but Mr Hughes may want to answer that.

Mr Hughes—Yes, we did go into that in some detail.

Senator BARTLETT—I can read it in *Hansard* if you think you have said it well enough already.

Mr Hughes—I do think so.

CHAIR—It was said very well. I was here.

Senator BARTLETT—That is all I have.

CHAIR—Thank you very much. We will move back to Senator Kirk, still on output 1.5.

Senator KIRK—I was at the point where I was asking about the number of voluntary returns from Nauru. I have 388 written down here. Does that sound correct?

Mr McMahon—In fact, it was 389. I am not going to give you any more data because they have got a different sheet, which is one different on every number.

Senator KIRK—Do you have a breakdown as to where those persons were returned?

Ms Daniels—Of those 389, there have been 353 Afghans, eight Turks, four Sri Lankans, six Pakistanis, 15 Iranians, two Iraqis—who went to Iran—and one Bangladeshi.

Senator KIRK—What financial assistance, if any, was given to these persons who returned to these countries?

Ms Daniels—A total of 373 of those returned with assistance through the government's reintegration package of \$2,000 per person and a maximum of \$10,000 per family. All of the remainder have received some level of support from IOM in the way that it would normally support returns that they are facilitating from their centres.

Senator KIRK—What is the nature of the IOM support?

Ms Daniels—It has varied. Probably the majority have received \$1,000 per person.

Mr McMahon—Earlier on they were providing about \$200 per person.

Senator KIRK—That is not in addition to the \$2,000 from the Australian government?

Ms Daniels—That is an alternative.

Senator KIRK—Senator Bartlett probably has covered this issue that I was going ask: how many of the people remaining on Nauru have family members in Australia? Did you answer that?

Mr McMahon—Yes.

Senator KIRK—Was it nine adults and 14 children?

Ms Daniels—Yes.

Senator KIRK—Those nine adults on Nauru have spouses in Australia?

Ms Daniels—That is the case. Mr Hughes might like to elaborate on that.

Mr Hughes—The question is: do the nine have spouses in Australia on temporary protection visas?

Senator KIRK—Yes. Is it a spousal relationship?

Mr Hughes—Yes, that is correct.

Senator KIRK—Most of them are females with males in Australia or is there a breakdown?

Mr Hughes—No, I think they are all women with husbands in Australia.

Senator KIRK—What are the plans for reuniting those families? Was that covered in Senator Bartlett's answer?

Mr Hughes—Yes.

Senator KIRK—As I understand it, the processing standard of the UNHCR is that if one of the parents is granted refugee status then the whole family is granted status. My understanding is that UNHCR standards were being applied on Nauru, so I wondered why families were not being reunited?

Mr Illingworth—The processing arrangements which were developed by the Australian government for Nauru match very closely the processes adopted by the UNHCR for conducting refugee status determinations. Essentially, the field process that the UNHCR uses was one that we customised for our own purposes. We worked very closely with the UNHCR in developing those processes, down to the point of consulting and exchanging draft letters for various stages of notification of progress so that there was consistency right down to the wording of letters.

But that is a separate issue from the standard that is applied. The standard applied by the Australian government in its process is that we are applying the refugees convention. We make our refugee status determination in accordance with that convention. The approach that you are referring to is, I suppose, a preferred practice with which the UNHCR feels comfortable. It is based on a concept called ‘derivative status’. Arguably, according to that status, if one person is a refugee then somehow the other family members are refugees as well. That is not actually supported by the refugees convention. Under the refugees convention there is one way to be a refugee: to meet the test that you are outside the country of persecution and you fear persecution on convention grounds. So on that there is a slight difference in the outcomes. But that does not mean that in our process, for example, if a person had a fear of persecution on convention grounds that we would not find them to be a refugee. In this particular case the case officers have decided that there was no fear of persecution. The interest then is purely one of family reunion.

Senator KIRK—With the interest being family reunion, I understood from what you have said that primarily the fathers who are in Australia are on TPVs that are about to expire, that it is a matter of reconsidering those applications and determining whether or not the protection is permanent, and that a decision will then be made about family reunion. Have I got the picture there?

Mr Illingworth—Under Australian legislation, that would be the course that would pan out. These people in Australia would have an opportunity—which, from memory, they have all taken—to make further applications for protection. When those applications are resolved there is scope to obtain permanent residence if they have a continuing need for protection. There is scope under the legislation for that to happen. If that happens they would have the same family reunion rights as any other permanent resident. But at the moment they have the same family reunion rights as every other temporary resident.

Senator KIRK—Are you able to say the likely time frame of that consideration of these subsequent applications?

Mr Illingworth—In answer to a question 20 minutes or so ago we indicated that we expect that those decisions would be known this year, at least in the first instance.

Senator KIRK—So the families will potentially be separated from their fathers over the next six months—for that continuing period?

Mr Farmer—I think that is correct. They would be apart.

Senator KIRK—So in their case it is really just a matter of waiting. Turning to the Nauru centre, is it the case that there have been outbreaks of dengue fever in the camps?

Mr McMahon—There was dengue fever on the island; in fact, it was at about the same time that there was dengue fever in Queensland. The population within the centre was no more affected than the population on the balance of the island. The people were not necessarily diagnosed as having dengue fever but the conclusion was that they probably had it. In other words, after a certain point they were not testing anywhere on the island; they were simply treating the symptoms, which can be like a bad flu. I am not sure whether ‘outbreak’ is the right word, but, as I indicated, there was dengue fever in Nauru at about the same time as in Queensland.

Senator KIRK—How many cases of dengue fever were identified amongst the detainees?

Ms Daniels—There were some 20 residents who had the symptoms that Mr McMahon has outlined, but those symptoms, as Mr McMahon said, were not actually confirmed to be dengue fever, but were assumed to have been dengue fever.

Senator KIRK—On what date did this occur?

Ms Daniels—These were during April, in the main. Certainly since the beginning of this month no more cases in either the Nauruan population, as I understand it, or in the centres have been reported to the hospital in Nauru.

Senator KIRK—You say that none of the cases was confirmed. From that I take it that tests were not concluded on these individuals as to whether or not there was dengue fever. What was the reason for that?

Mr McMahon—When the first few cases came up on the island, they wanted to establish what it was in order to take remedial action—in other words, spraying and those sorts of things—on the island. But once the actual cases became evident, the Nauruan health authorities did not persist with it. I think the critical thing from a health point of view is that, in respect of the treatment, the doctors did not regard it as important that it be established.

Senator KIRK—How were these individuals treated who had dengue fever in the centres?

Ms Daniels—I do not have the precise details. There is no specific treatment for dengue fever apart from managing high fever and symptoms. If you require those specific details for those cases I would have to take that on notice.

Senator KIRK—I am interested to know whether or not any of them were hospitalised.

Ms Daniels—Some of them were hospitalised but I cannot say that for the entire 20.

Senator KIRK—Perhaps you could take that on notice. Were those who were not hospitalised just treated by the medical staff at the centre?

Ms Daniels—Yes. My notes indicate that they recovered and were taken back to the centres, but I would want to have that confirmed.

Senator KIRK—Have there been any other outbreaks of sickness, disease or any other illnesses at the centre?

Ms Daniels—In terms of outbreak, no, not that I am aware of, and I think that I would be aware of it.

Senator KIRK—No widespread concerns like dengue fever?

Ms Daniels—No. In general, it is a quite healthy population.

Senator KIRK—Earlier you mentioned the types of medical staff based at the centre. Could you give us a further breakdown of numbers and the types of skills those persons have?

Mr McMahan—One is a psychologist, another is a psychiatrist and the other five are medical doctors who have a mix of skills. IOM tries to build a complementary team. The individual skills might change significantly over time. For example, for Manus they look for doctors who might have had experience in tropical diseases, malaria obviously being one of them. There is a mix of skills.

Senator KIRK—Given that there has just been dengue fever on Nauru, are there doctors there who know something about that affliction?

Mr McMahan—We would have to take that on notice. While dengue fever can cause complications, I do not think the general treatment of it is particularly complex.

Senator KIRK—In general terms, there are seven doctors at the centre?

Mr McMahan—One is a psychologist. There is a team that deals with any mental health issues and another that deals with general medical issues. We basically have a tiered approach in respect of medical treatment. The first tier is the IOM doctors, the second tier are the national or local hospitals and the third tier is the return of people to Australia for medical treatment.

Senator KIRK—Are there any nurses in the centre?

Mr McMahan—I believe there are, but I do not have the number.

Ms Daniels—I do not know the number. We would have to take that on notice.

Senator KIRK—Finally, I have some questions following on from Senator Bartlett's questions in relation to the 'self-management' issue, shall we call it. You have assured us that now that IOM is back running the centres there are no security issues and no threats to IOM staff. What has happened to the APS officers who were there? Have they returned? Are they still guarding the centre? What is the supposition there in relation to the APS?

Mr McMahan—APS continues in its role. In general, that is outside the centre rather than inside. It can go in. It certainly is ready and willing to assist the Nauruan police if any issues arise. I would not say that there were no security issues but I think that there was at one stage among IOM staff an elevated concern about their safety. That resulted from specific actions and threats. Over time, through a lot of dialogue, they were able to get a lot more assurances about the conduct of a number of the residents—and it was only a number.

Senator KIRK—Have things virtually returned to normal?

Mr McMahan—Yes, I think you could say that.

Senator KIRK—At the last round of estimates there were some questions about the preparation of food and the delivery of fresh food and supplies to the gate. I assume that that is no longer occurring and that things have returned to how they were prior to this crisis?

Mr McMahan—Last time around, we tried to explain that the issue of food was never all that significant. Supply of fresh food was very rapidly restored. They always had a sufficient quantity of food. They always had water. For a period of time, there was an issue about fresh fruits and so on, but that was partly because of concerns about their behaviour in terms of its delivery. The arrangement now is that they are delivered cooked meals.

Senator KIRK—Has it returned to how it was prior to this incident occurring?

Mr McMahan—That is a change in arrangements, but it has been done to better manage the food rather than because of the nature of the centre.

Senator KIRK—Do the detainees no longer prepare food for themselves?

Mr McMahan—Not in the state house.

Senator KIRK—But they do in—

Ms Daniels—They do assist. The kitchen operates in Topside. From Topside, as Mr McMahan said, the food is provided, pre-cooked in hot packs, to Statehouse.

Senator KIRK—That is all the questions I have on Nauru.

Senator SCULLION—You were talking about dengue fever. As I understand it, the *Aedes aegyptii* mosquito is the vector. What did you do to try to keep the numbers of the vector down? You talked about spraying.

Mr McMahan—On Manus Island, mosquitos were a big issue because of the nature of the mosquito and the rate at which they breed. We had very extensive measures in place for Manus. On Nauru, there is a different mosquito type—the vector is different and not nearly as dangerous. In general, the issue of water is not a particular issue. Nauru has a relatively dry climate and consequently you do not normally get a high concentration of mosquitos. At the time, they went through a rainy period and the mosquito population built up. Immediately that that became an issue, they started measures such as ‘fogging’ around the camp as they were taking measures more broadly on Nauru.

Senator SCULLION—I suppose this is a technical point, but I think you will find that it is not a matter of how dangerous the mosquito is but of how dangerous the disease it is carrying is. Dengue fever is just dengue fever, but perhaps that is a bit technical. Did you issue personal insect repellent and those sorts of things? Did they have access to all of those—

Ms Daniels—Yes, they did.

Senator SCULLION—So there were five doctors and two specialists—one psychiatrist and one psychologist?

Mr McMahan—Yes. The ratio of doctors in Australia to general population is about one to 800. We have got down to as low as one to 80 at some of the centres.

Senator SCULLION—Without doing the figures, I knew it was somewhere around that. Is there any particular reason? It is just an astronomical number of doctors per person out there.

Mr McMahan—As in many other situations where people do not have a lot to do, they self-focus on issues. It is quite clear that the level of servicing within the centre is very considerably greater than in the local community. Nevertheless, in the circumstances we just took the view that it was better to overprovide than to underprovide.

Senator SCULLION—Indeed; duty of care. One of the other statements piqued my curiosity: with this exodus from the facilities on a daily basis, to go on excursions, swimming and shopping, are they self-funded from funds they already had? How do they come across the funds to go shopping, to help the local community?

Mr McMahan—Of course, the swimming is simply arranged. IOM has a system in which people who contribute to the running of the centre—working in kitchens and things like that—can earn themselves points. Some of those points get translated into gifts, but they also took the view that some of it should be in the form of cash. It was in part a conscious effort to make sure that there was some positive interaction between the centre and the community. In other words, the shopkeepers could open their doors and people could walk in and spend a bit of money and create a bit of goodwill.

CHAIR—If there are no further questions on 1.5, I thank those officers for their assistance. We will move now to outcome 2, A society which values Australian citizenship, appreciates cultural diversity and enables migrants to participate equitably.

[3.47 p.m.]

Senator Ellison—Madam Chair, I now take it that we only have outcome 2 to deal with, and that we will sit straight through it regardless of how long it takes?

CHAIR—Yes; that is certainly my intention.

Senator SHERRY—I have some questions in respect of:

... the further development and implementation of the directions proposed in the government's response to the Settlement Services Review ...

That is a quote from page 98 of the PBS. Has the government yet made any decisions about changes to settlement service program arrangements; if so, what are the details?

Mr Vardos—The settlement services review report was released by Minister Hardgrave on Tuesday. It contains 60-odd recommendations, I think. The government has endorsed the recommendations and the minister is now going to launch into a program of discussions with the community on the implementation of the recommendations. The recommendations have yet to be implemented, but that is the next phase of the process.

Senator SHERRY—Can you give me the changes to the settlement service program arrangements that will result?

Ms Bryant—The key changes in the settlement services review are outlined in a fact sheet released by the minister on Tuesday. They include continuing to focus on individual migrants in the settlement services target group—that is, permanent residents who have arrived in the

previous five years as humanitarian entrants or as family stream migrants with low English proficiency. The DIMIA settlement planning role focused more strategically on services of particular relevance to those in the settlement services target group, and its objectives more directly reflect the directions under the migration and humanitarian program that we have a stronger regional needs based planning system supported by improved data analysis and consultation.

And then there is a series of specific changes to individual programs. In the case of the integrated humanitarian settlement strategy, the key areas highlighted for attention are improving coordination and case management within the IHSS itself and with other settlement services and mainstream services; increasing support for accommodation and for establishing a household; increasing support for humanitarian entrants whose proposers have difficulty providing an appropriate level of support; and reinvigorating the role of volunteers.

In the case of the community settlement services scheme, the key changes are to look at building on the stronger needs based planning framework, which I have already alluded to—that will inform future advertising for CSSS grants; that consideration be given to a separate grants program for longer-term resident communities; that funding better reflect the cost of delivering work programs and that we look at broadening eligibility for CSSS funding to encourage innovation and flexibility, particularly in the case of rural service delivery.

In the case of migrant resource centres, key recommendations are to achieve a greater focus on outputs and outcomes; to have a transition over two or three years to a combined MRC and CSSS grants program but at the same time maintaining recognition of the role of the MRCs as a valuable community resource; to strengthen the performance of management committees; and, as part of these arrangements, give migrant resource centres access to multiple-year funding.

With the adult migrant English program, the key area for change is to identify the small number of clients who may not have further options for tuition beyond the AMEP and to consider options such as extending the five-year time frame for that subgroup or to look at varying the targeting of the special preparatory program to achieve additional assistance for that group.

For the translating and interpreting service, the key changes are: a stronger promotion of telephone interpreting; subsidies for the accreditation of translators and interpreters from new and emerging communities; and stronger promotion of the service to both clients and service providers; and some enhancements to performance and accountability. I think, at a gallop, they are probably the key areas of change identified in the review report.

Senator SHERRY—I appreciate you galloped.

Mr Vardos—I would like to table a copy of the full report and the executive summary.

CHAIR—Thank you very much, Mr Vardos.

Mr Vardos—It is also available on the Web.

Senator SHERRY—In your response, you have partly touched on some of these matters, but the implications of the direction proposed for each of the existing settlement service funding programs—

Ms Bryant—Senator, could you clarify the question?

Senator SHERRY—What will be the direction of the existing services funding program for each settlement service? There is obviously going to be some significant change.

Ms Bryant—In the immediate short term, there is no change to the funding for MRCs or CSSS organisations. The minister recently announced the grants for MRCs in the last fortnight or so for the coming 12 months, and they are on the same basis as in the past. With the CSSS organisations, the funding round was advertised in February, I believe, and closed in March. Those grants would normally be announced around August or September.

Senator SHERRY—Is there no change there?

Ms Bryant—Again, there is no change to the method of assessment or the basis on which grants have been given. Clearly, things will change over time—over a two- to three-year period—but our intention is to consult with the sector about how we proceed with implementation. The directions have been endorsed by the government but the how to and the detail of the way we go about it are certainly open to discussion with the sector.

In terms of IHSS, at present the funding is under existing contracts which we are proposing to extend for a further period until June 2004. In some cases, contract variations will be offered to provide some additional funding to address immediate pressure points identified in the review. The funding for those programs is identified at page 94 of the PBS under ‘additional departmental funding to meet costs under the Integrated Humanitarian Settlement Services’.

Senator SHERRY—I was shortly going to go to the IHSS in a little more detail.

Ms Bryant—The quantum there is subject to ultimate price negotiations and the prices tendered by providers in response to what we specified that we wished to purchase. The AMEP contracts have been recently let and there is no proposed change to those funding arrangements.

Senator SHERRY—What is the length of time for those contracts?

Mr Doherty—The contracts are for five years, commencing on 1 July 2003.

Senator SHERRY—So, whatever changes flow from the issues that Ms Bryant just outlined, they will not be affected?

Mr Doherty—The contracts will not be affected.

Senator SHERRY—But they are not signed yet, are they?

Mr Doherty—Some are signed.

Mr Vardos—We are currently going through the process of concluding contracts across the country and, as Mr Doherty said, some have already been signed. It is just a question of time. They will all be done by 30 June.

Senator SHERRY—Again, Ms Bryant, you touched on this: in terms of the process for informing fund agencies of the government’s response, and the work to implement the changes, is it too early yet to indicate what you have in mind?

Ms Bryant—The minister has written to all organisations and individuals that made a submission to the review or attended the consultations, or who are recipients of our funding, and has provided them with a copy of the executive summary and recommendations. The full report is accessible on DIMIA's web site. We have communicated the findings and directions to the sector. We have informed them that our initial step will be to provide briefing sessions in each state and territory in June. We would envisage at this stage that they would be conducted by the department, and would essentially consist of a PowerPoint presentation of the content of the review. This would facilitate the sector's understanding of the overall package and equip them to participate in the consultations which will be undertaken by the minister in July in all states and territories.

In addition to that, in coming months we envisage that in consultation with the sector we will identify a number of working groups and subsequent processes that we need to establish to pursue implementation of particular issues. An example might be the preparation of service standards. We would envisage establishing a working group of funded providers and seeking their input to the development of those standards and so on; we would be pursuing it in a working group type format. I think that would be the case with many of the implementation details.

Under IHSS we would envisage, again, working groups to pursue issues but then a further process in the form of an exposure draft of a request for tender on which we would receive some comment before issuing a final request for tender for services beyond June 2004. So the process would vary a little depending on the specific issue we are talking about, but that is the type of process we have in mind.

Senator SHERRY—The budget fact sheet that was issued by the minister says:

IHSS is expected to assist in excess of 9,500 clients in 2003-04, at an estimated cost of \$30-\$40 million, depending on final client numbers ...

The PBS does not provide information on the budget allocation but includes a reference to providing assistance to the 7,885 offshore humanitarian program entrants. I think that is on page 105. What is the initial budget allocation for the IHSS for 2003-04 as agreed with the Department of Finance and Administration?

Mr Vardos—The amount of money we are getting for IHSS is within the \$94 million that was mentioned yesterday as part of the department's funding for the next financial year.

Senator SHERRY—Yes, but what is it?

Mr Vardos—The final allocation is yet to be determined. As you can appreciate, it is a demand driven program so the final outcome really depends on the number of clients. We work on a unit cost per client. If we get 9,500 to 10,000 settlers within the program, that will cost \$30 million to \$40 million. If we get fewer, it will be less than that.

Senator SHERRY—What is the unit cost?

Ms Bryant—That is subject to change. Currently it is \$2,612.08, as I think we explored at the last estimates. We do envisage some variation to the price for some service elements within the IHSS to address pressure points identified in the review. But the increase to the unit

price will be subject to the prices service providers tender to us when we tell them that we wish to purchase particular additional services.

Senator SHERRY—You must have some better idea than that. It is a considerable amount of money. I appreciate some of the difficulties with a demand driven service, but we have very little to work on here in the budget estimates.

Ms Bryant—As at 30 April this year, funding for the 2002-03 year to date is \$19.645 million. Our estimate towards the end of the current financial year will be between \$24 million and \$25 million for the full year outcome for IHSS. Therefore the price next year of \$30 million to \$40 million represents our estimate of a possible range of increase which will be driven by both client numbers and unit price.

Senator SHERRY—Why is there no reference to this sort of detail in the budget statements?

Ms Bryant—I would probably have to defer to other colleagues on this, but the broad reasoning would be that this is departmental expenses rather than an administered appropriation and departmental expenses are not normally disaggregated in that way.

Senator SHERRY—I was going to get to that issue. What about DIMIA overheads in this area?

Mr Vardos—In terms of departmental overheads, the principal cost would be obviously staffing costs both in central office and in all of our state and territory offices. That is where the services are delivered, so that is where the monitoring happens. I do not have at my disposal that figure but it is easy enough to get and give you an indication of the salary component of administering IHSS.

Senator SHERRY—Do you have a figure projected over the estimates period?

Mr Vardos—Yes, we should be able to give you a projected figure over the estimates period.

Ms Bryant—We can take that on notice.

Senator SHERRY—Good. Is the grants to service providers a more variable category?

Mr Vardos—Under IHSS?

Senator SHERRY—Yes.

Mr Vardos—They are not grants; it is a contractual arrangement. It will go out to tender, they will bid a price, and then we will go into a negotiating phase and that will determine the price. As Ms Bryant said, that will effectively determine, at the end of the day, the unit price that we have to deal with when the new contracts conclude.

Senator SHERRY—You must have some more detailed idea based on past experience about what is likely to emerge.

Mr Vardos—Senator, you are asking us to guess at what the market will throw up through the tender process.

Senator SHERRY—No, I am not asking you to guess. I am asking you to make an informed decision based on past experience. I am pretty sure the finance department would be asking you similar questions.

Mr Vardos—We have actually only been out to tender once under IHSS, so we do not have a long track record to monitor the progression.

Senator SHERRY—I understand that, but you have still got some basis on which to make an estimate. I feel sure that the finance department would have pressed you on this issue.

Mr Vardos—Unfortunately the colleague that did the negotiations with the department of finance is not here, so I cannot give you a first-hand account of how the negotiations went.

Ms Bryant—We have a current unit price, which you are aware of. We have an indicative list of items that we would envisage including in the package of services we wish to have delivered. We have estimated a price for that which drives that figure of \$30 million to \$40 million that we have spoken of. It is an estimate, and it is clearly subject to confirmation in the light of the prices put to us by the sector. I am being careful not to articulate what our estimate of that price is because clearly we are going to get prejudiced tendering arrangements.

Senator SHERRY—Are we going to come back to commercial-in-confidence? I thought we were building up to that.

Ms Bryant—It would prejudice the tendering, I suspect.

Mr Vardos—It is not commercial-in-confidence in the sense of what is in a contract, but if we give ballpark figures of what we think it might cost then that sends a signal to the market at where they should pitch their bids and that would prejudice the Commonwealth's negotiating position.

Senator SHERRY—When will this process be completed?

Ms Bryant—When will the negotiations occur?

Senator SHERRY—Yes.

Ms Bryant—We are currently seeking to extend the existing contracts to 30 June 2004, all those which would expire before that date. That is an initial step. Then in June, prior to the start of the financial year, once they have accepted the contract extension, we will be writing to all the affected providers and telling them what revised package of services we would be seeking to have on offer and then seeking their pricing response. We would basically envisage it being concluded by the start of the financial year.

Senator SHERRY—I think you mentioned the figure of the expected clients the allocation is based on.

Mr Vardos—We are projecting something like 9,500 clients for the next financial year. It could go as high as 10,000; it could be less. It really depends on international circumstances, which is the principal driver. We are projecting about 9,500. I think the outcome for this year is projected to be about that level.

Ms Bryant—I have the client numbers. To date this year between 1 July 2002 and 30 April 2003, IHSS has assisted 7,521 people. We do envisage that in the next couple of months that

figure will be between 9,000 and 9,500 this year. Assuming the offshore situation remains as it presently appears, we would envisage a similar picture next year.

Senator SHERRY—What is the source of the figure of 7,885 on page 105?

Ms Bryant—That figure is basically the final outcome for 2001-02. It was the projected figure for 2002-03 which, I might point out, we have not yet reached. At the time the budget documents were prepared we were estimating that we would still be approximately close to that 2001-02 final outcome, but our current estimate is that it will be somewhat higher. It is 7,521 to 30 April.

Senator SHERRY—How much higher? What is your estimate?

Ms Bryant—Up to 9,000—between 9,000 and 9,500.

Senator SHERRY—Right.

Mr Vardos—There is traditionally a pattern of heightened activity in terms of arrivals towards the end of the financial year. That is why we are predicting that we will have hit the 9,000 or 9,500 outcome by 30 June.

Ms Bryant—We did not vary the figure earlier because the performance is always affected by external environments, such as our activities at posts and whether they can be maintained at those levels. At the time these estimates were prepared, there was the possibility of disruption to arrivals, for example, from the Middle East and regions which are part of the humanitarian intake. So it was not thought we should increase them as a conservative estimate.

Senator SHERRY—None of the IHSS is delivered by the department directly, is it?

Mr Vardos—No. It is contracted out, but our staff are responsible for contract management or supervision and performance monitoring.

Senator SHERRY—That is not unusual, and yet it is treated as a departmental appropriation. It is not separately identified.

Ms Bryant—That is correct.

Senator SHERRY—If we look at funding for migration settlement programs that involves grants to non-government agencies or the states or territories, they are generally treated as administered appropriations in the budget papers. That is true, isn't it?

Ms Bryant—I think it is variable but, yes, some of the funding certainly is administered appropriation, specifically the migrant community services funding for MRCs. CSSS and also AEMP are both administered appropriations.

Senator SHERRY—What about Living in Harmony?

Ms Bryant—Yes, Living in Harmony is.

Senator SHERRY—CSSS?

Ms Bryant—Yes. It is part of the migrant community services grants. Page 96 of the PBS gives an indication for output 2.1 of the quantum of departmental funding—departmental appropriations in aggregate covering IHSS and all the other things, such as staffing for all the other programs et cetera, that are attributable to settlement services.

Senator SHERRY—I notice that the department's reclassified offshore detention centres in outcome 1 are administered appropriations on the basis that DIMIA funds rather than operates them. Why shouldn't the same principle apply to the IHSS?

Mr Vardos—These are questions that our chief financial officer should perhaps be answering because they go to the basis of our funding arrangements with Finance. We are not competent to take them.

Senator SHERRY—Is he not here?

Ms Bryant—She is not here, actually.

Mr Hackett—There is a difference between what is administered and what is departmental. It is described in our document. I do not have a page reference offhand. Essentially, those programs or items that are under the control of the secretary of the department are departmental. Those that we administer on behalf of government, for which we have no control, the government decides the level and standard of service administered.

Senator SHERRY—I am not satisfied with that explanation. That is the only one I am going to get, I think.

CHAIR—Senator Sherry, to try and assist in that process, if there is more information that you want to seek and you want to put questions on notice, I am sure that we can facilitate responses through that process from Ms Gray or whoever else is appropriate in the department; Ms Gray being the CFO.

Ms Bryant—We would certainly be prepared to do that.

Senator SHERRY—Okay. In July 2002, DIMIA called tenders for the conduct of a comprehensive evaluation of the IHSS along with the Commonwealth funded torture and trauma support services. The tenderer was Urbis, Keys and Young, who I think started work in September 2002. It was you, Ms Bryant, who said the evaluation was due to be completed in mid-April. I think I got that from our last estimates hearing. What is the current status of the evaluation?

Ms Bryant—The evaluation has been completed. The minister announced at the time of releasing the settlement services review that the IHSS evaluation would also be released. It has been put up on our web site and if it is not up there this afternoon, it will be up there tomorrow. So it is within 24 hours of being publicly accessible on the web site. It may even be there now.

Senator SHERRY—That is timely. I cannot ask any questions about it, or about the detail of it.

Ms Bryant—On Tuesday the minister did indicate he would make it available by the end of the week. I am hopeful it is there this afternoon.

Senator SHERRY—You want to be careful: you might tempt us to try and have the estimates sit over until Friday so we can look at this document and ask you about it. I hope it is just a coincidence of timing we are dealing with here.

Ms Bryant—I am sure you will have interests in that as well.

Senator SHERRY—Yes. According to the PBS, the next tender round for the provision of the IHSS is in early 2004. We have had some discussions about this. Just looking at the question, I think we have dealt with those issues already. Did you mention the timetable for the letting of the new contracts? I am just trying to refresh my memory.

Ms Bryant—I think what I said was that we would envisage initial consultation with the sector followed by the release of an exposure draft of a request for tender in the second half of this calendar year and then a formal request for tender would be released in the first half of 2004 with a view to having contracts in place from July 2004.

Senator SHERRY—Are they to be three- or five-year contracts?

Ms Bryant—I think in the main they would be three-year contracts.

Senator SHERRY—How do you differentiate between what should be three and what should be five?

Ms Bryant—In the main, our contracts generally reflect forward estimates periods, so we aim to stay within them with three years. In the past our IHSS contracts have predominantly been for two years, though the one that we signed most recently in response to the feedback from the market is a three-year contract. That is our feedback to date from the sector, that three years is what they are seeking currently. So that is what I am envisaging into the future.

Senator SHERRY—Why are they seeking three? Is it because it is more than two?

Mr Vardos—The first batch of contracts were for two years because it was a new program and it was new both to the sector and to us in running that type of relationship. So it was a bit of ‘see how it goes’. There is now more confidence about the way we would implement contracts in this program, and it gives greater certainty over a three-year period, more stability. With two-year contracts, you had barely concluded the contract and got into the cycle before you started thinking about the next tender round.

Ms Bryant—I probably should be more accurate. There are a number of existing three-year contracts.

Senator SHERRY—There are?

Ms Bryant—Yes.

Senator SHERRY—So on what basis would they be five years?

Mr Vardos—If you are linking it back to the AMEP, which has the only other five-year contracts, I would have to defer to Mr Doherty for the history of that because it predates my experience with that program.

Mr Doherty—The reason for five-year contracts for the AMEP arose from the fact that our feedback from the community and the education sector when we started to consider tendering in the mid-nineties was that you needed a five-year period to make the arrangements for property leases, for staffing and for other investment. So that length of time was required to give you the ability to make the most appropriate arrangements for delivery of the service.

Senator SHERRY—It sounds like a good argument for a five-year parliamentary term.

CHAIR—Let us not go there, Senator Sherry.

Senator SHERRY—The PBS figure for grants for migrant community services, which is on page 96, includes two separate programs—the migrant resource centres and the Community Settlement Services Scheme—but no breakdown is provided of the figures. I notice that Minister Hardgrave’s budget fact sheet says that the allocation includes \$18.2 million for CSSS, \$8.7 million for MRCs and \$200,000 for training. Is there any estimate for DIMIA running costs? That is not provided.

Mr Vardos—We will have those figures but I do not have them with me. We can provide them.

Ms Bryant—A subset of those figures are identified under ‘2.1, Departmental appropriations’ on page 96 but we would have to get you the disaggregated breakdown.

Senator SHERRY—Good. Can you confirm those earlier figures that I mentioned—the \$18.2 million, the \$8.7 million and the \$200,000? Those figures are based on Minister Hardgrave’s budget fact sheet.

Ms Bryant—I can confirm that the budget estimate in total is \$27.13 million. A total of \$7.8 million has been awarded in core funding for MRCs and MSAs for 2003-04. In the recent decisions made by the minister, a further \$0.9 million has been quarantined pending decisions about MRCs with performance or operational issues. There are three that have been given six-month funding, so the balance of the full-year funding is being held pending further decisions. The full funding that would have applied to the inner western region MRC in Melbourne is also being held pending decisions about future service provision. That would take that to the total of \$8.7 million that we spoke about. The balance obviously goes to CSSS.

Senator SHERRY—Why has the MRC budget fallen from \$9.5 million in 2002-03?

Ms Bryant—There are two reasons for that. One is that some additional funding was available in 2002-03, in the last budget. The precise figure was \$258,446. That was one-off funding in 2002-03; it is not available in 2003-04. The sector was advised at the time of the initial funding allocation in 2002 that it was of a one-off nature. That is part of the fall. The other aspect is the closure of the Inner West centre in Sydney and the Northern Suburbs centre in Melbourne and the move to funding the Alice Springs centre on a CSSS grant. Given those events, the funding has in effect shifted to grants on the CSSS side of things, often to alternative service providers.

Senator SHERRY—What are the details of the allocation for training of community organisations referred to in the minister’s budget fact sheet?

Ms Bryant—I think you mentioned a figure of \$200,000 for the training allocation. Are you asking me what that has been expended on?

Senator SHERRY—Yes.

Ms Bryant—We have prepared a national training strategy for MRCs and CSSS organisations. It consists of a number of training modules that can be delivered as either self-paced learning or classroom style learning. It has been distributed to all centres during the course of this year, and training sessions have been offered by our various state offices and so on.

Senator SHERRY—Is that what the bulk of the \$200,000 is for?

Ms Bryant—Yes. That allocation has been used up in the preparation and distribution of these training modules and the alternative forms which allow centres to do self-paced learning or have DIMIA deliver the training. There are separate modules on the roles and responsibilities of management committees and training for them in funding arrangements et cetera. I could get you the details of each of the modules and so on, if that would be of interest.

Senator SHERRY—That would be appreciated. Who is providing the training?

Ms Bryant—It is provided through our state offices, which have held a number of training sessions attended by funded organisations through the course of the year, but it is also available in a form for use as a self-paced learning package by, for example, regional centres which may have greater difficulty accessing the DIMIA provided sessions.

Senator SHERRY—How are you selecting for training?

Ms Bryant—We are not so much selecting as offering it to all of our funded organisations.

Senator SHERRY—Do you have any idea of the anticipated take-up of the offer?

Ms Bryant—We have some idea of the number of organisations each quarter which have attended training to date. I could get you those figures on notice.

Senator SHERRY—Do you have the figures for the running costs of the MRC and CSSS programs in 2003-04?

Ms Bryant—No, I do not have those with me. Again, I would have to take that on notice.

Senator SHERRY—Was all of the additional CSSS funding that was provided in the 2002-03 budget and the 2002-03 additional estimates expended?

Ms Bryant—Yes, I believe it was.

Senator SHERRY—Are you sure? Perhaps our analysis is wrong. We thought some of it appeared to have been carried over.

Ms Bryant—My recollection is that that funding was of the order of \$766,000 in the additional estimates budget documentation. That related to full-year funding for an identified number of established communities. By the end of the funding period, it is my understanding that will have been fully expended, unless there is a confusion here with the funding period. For CSSS, of course, at the moment funding runs from 1 October to 30 September. So for any given grant year it crosses two financial years, and nine months always falls in one year and three months is reflected in the following financial year.

Senator SHERRY—That might be the reason.

Ms Bryant—So about \$600,000-odd of the sum allocated as a full grant year amount applies in one financial year and the balance in the other financial year.

Senator SHERRY—Is there \$1.3 million extra for the CSSS in 2003-04 but nothing in subsequent years?

Ms Bryant—That may be a correct figure. On page 93 there is additional funding allocated of \$0.9 million as a measure to maintain funding, again, to established communities. I believe

the balance will be annual indexation of the grant amount. So I would assess your figure to be probably correct. The indexation is generally ongoing, but the \$0.9 million is an amount that is available only in 2003-04 at this stage. Essentially, that is because the settlement services review does recommend that consideration be given to an alternate means of funding established communities in the future.

Mr Vardos—Can I just add to that in case you pick up an inconsistency around that 0.9. On page 93, it is \$900,000. That is the actual amount. It is referred to again at the bottom of page 97 as \$1 million. That is a rounding—\$1 million is actually \$900,000. So there is no inconsistency between the two figures.

Senator SHERRY—I have encountered that before in another estimates. Does DIMIA have an agreed definition of established ethnic communities for the purposes of the settlement services?

Mr Vardos—I do not think you will find a very specific and precise definition, but the established communities are generally taken to be those that arrived in Australia in the immediate postwar era—the Greeks, the Italians, the Maltese and the East Europeans. When we refer to established communities, it is that group of migrants that we refer to in the main.

Senator SHERRY—What does DIMIA believe in terms of this definition when it canvasses future options for established communities?

Mr Vardos—That is the cohort that we are thinking of in that context—the immediate post World War II arrivals that have been here 50 or 60 years.

Senator SHERRY—So there is an evolution from established community?

Mr Vardos—I guess the terminology of the business is ‘established community’, ‘recently arrived’ and ‘new and emerging’. You might have the Greeks and the Italians as the established and at the other end of the spectrum the newly arrived would be Eritreans, Sudanese and Rwandans—those that have come out recently as a consequence of international situations in Africa and other locations.

Ms Bryant—In the settlement services review report itself, there is a table on page 96 which lists birthplace groups with 50 per cent or more of their arrivals over 30 years ago. There is an indication of the types of countries that fall into that grouping. They are characterised in general by communities whose members are now predominantly ageing and their service needs are at the aged care end of the service spectrum, rather than the immediate post arrival orientation and connection to the community end of the spectrum.

Senator SHERRY—That is quite an interesting set of figures. If DIMIA were to withdraw support from currently recognised established communities, does it expect other Commonwealth agencies, states or territories to fill in a resulting gap in funding?

Mr Vardos—There are no plans to withdraw the support. An issue has been around for some time about access to mainstream services by the established communities and others, but the short answer to your question is that there is no intention at the present time to withdraw services from our settlement services basket of activities in the broad from any element in the migrant community.

Senator SHERRY—No communities at all?

Ms Bryant—Another table you may find of interest is on page 214, also in the review report. As Mr Vardos says, there is no intention to withdraw funding from the established communities. The minister announced that the government has established a high-level task force. It was part of his media releases in launching the review report. One of the tasks for that high-level task force will be to particularly consider the recommendation that consideration be given to a separate program. That clearly could be located in DIMIA or elsewhere with decisions yet to be taken by government on the appropriate approach in the future. But pending that there is no proposition at all to withdraw funding and, indeed, it has been allocated for 2003-04.

Senator SHERRY—Are you aware of any budget increases through other Commonwealth agencies that have been provided to increase support to established communities?

Ms Bryant—There may be but I am not aware of any at this stage. I would expect, given that funding is being maintained through DIMIA in 2003-04, that any increase in funding to other agencies would most likely occur from 2004-05 onwards and may not yet be apparent or may not yet be the subject of a decision.

Ms Godwin—I will inject another issue into this. One of the issues around the established communities is not just the individual grant funding that we are talking about but, as Mr Vardos said, access to services in a broader access and equity environment. There clearly have been a lot of measures developed in a number of agencies which go to improving access. There may not be grants funding per se, but there are a number of initiatives. Ms Bryant pointed to the fact that for the established communities a lot of the needs are tending towards the aged care end of the spectrum. Certainly if you look at some of the initiatives taken in the health and ageing portfolio to do with access to services, specialist arrangements in the HACC—home and community care—area and so forth, there has been quite a lot of emphasis on the needs of this particular client group. It is one of those things where there may well have been a number of initiatives that are not reflected as grants or earmarked funding per se, but are initiatives that go to the needs of these particular communities.

Senator SHERRY—Earlier you mentioned the defunding of some of the MRCs: was that a full list?

Mr Vardos—The most recent that I have in front of me are the Inner West MRC, Ashfield, Sydney, which closed in June 2002; the Alice Springs MRC, Northern Territory, closed in January 2003 but has re-emerged in another guise—

Senator SHERRY—Can I stop you there? Re-emerged in what guise?

Mr Vardos—The MRC reconstituted as the Multicultural Community Services of Central Australia Inc. but it is funded through a CSSS grant rather than through core funding of an MRC. It is a different arrangement; it is more specifically outcome or activity focused that we are funding rather than providing core funding to operate an MRC.

Ms Bryant—And it relates more directly to the level of service need in Central Australia.

Mr Vardos—There was one more: Northern Metropolitan MRC Melbourne closed February 2003.

Senator SHERRY—The source of my confusion was that I had Ashfield and Glenroy, and my ignorance of Melbourne and Sydney suburban geography let me astray.

Mr Vardos—I sympathise, Senator; I have the same problem.

Senator SHERRY—I come from Tasmania, you see. Are there to be replacement settlement services in these areas?

Ms Bryant—Services are in place for those areas. For Inner West Ashfield the alternative service delivery arrangements are provided by a combination of Anglicare in Sydney, Auburn MRC, the Chinese-Australian Services Society and May Murray Neighbourhood Centre. They have been in place since July 2002.

Senator SHERRY—Are they all in Ashfield?

Ms Bryant—They are servicing the Ashfield catchment area.

Senator SHERRY—Do you know where from?

Ms Bryant—Auburn MRC I think would be located in Auburn. I would have to get you the street addresses of the others, but we provided that to you on notice after the last estimates, if my memory serves me correctly.

Senator SHERRY—I think you did, and forgive me if I have not read them all. I rely to some extent on staff delegation on these matters. Not just all of them in your area; it is all of them across a number of estimates committees.

Mr Vardos—I think we can say with certainty that the catchment area that that clients come from goes beyond the immediate Ashfield area.

Senator SHERRY—But I think you would appreciate that if a centre finishes in a particular suburb and then it is serviced from a number of other perhaps contiguous suburbs—

Ms Bryant—In response to the question on notice after last estimates we said that Anglicare was located in Marrickville and Ashfield; the Auburn MRC had premises in Burwood; and the Chinese-Australian Services Society was located in Ashfield. For the Northern Metropolitan MRC in Melbourne, which closed in February, alternate service delivery arrangements are provided via the North-east and North-west MRCs and they have been in place since February. The North-east MRC is located in Preston and the North-west MRC is located in St Albans and they provide outreach services to the area previously covered by the Northern Metropolitan MRC.

Mr Vardos—The only other MRC I did not include on that list was the Inner West MRC Footscray, in Melbourne, which I think closed on 20 May.

Senator SHERRY—Just before we get to that, what about Botany and Liverpool?

Ms Bryant—At this stage they have both been offered funding for six months. Liverpool have been offered that funding because of concerns about the ability of the management committee to effectively guide and manage the centre. The MRC has been fully apprised of the department's concerns. It did elect a new, more broadly representative management committee and a new chairperson in March, and they have appointed a new interim coordinator. We are hopeful that those changes will lead to improvements in their overall performance and are optimistic that, if they continue to improve over the next six months, the

funding which has been set aside for the second six months of the financial year will flow. We are working with them closely.

Senator SHERRY—It sounds as if you have read them the riot act, saying, ‘Get your act into gear. You’ve got six months or else.’

Ms Bryant—We are saying, ‘You need to improve your performance, because you’ve got a problem.’ In the case of Botany the issues are different. They are not so much about the performance of the organisation; they are based on declining client need in the area. In the five years from July 1997 to June 2002 there were only 1,938 settlement target group arrivals, of whom 411 were humanitarian entrants. Those are the lowest potential client numbers for Sydney metropolitan MRCs, excluding Macarthur, which is more urban fringe and regional New South Wales. So it is a case of how we relate the level of funding more appropriately to the level of client need that currently exists in that area. Again, we will be reviewing that, as we did in the case of Alice Springs, over the coming months to arrive at an appropriate outcome.

Senator SHERRY—Are there any others on six-monthly funding at the moment?

Ms Bryant—There is Northern Suburbs MRC—many of them have similar names in different cities—in Perth, Western Australia. The concerns there are a bit similar to those at Liverpool; they are about the ability of the management committee to function. There have been quite significant problems there in the past year.

Senator SHERRY—What do you mean by significant problems?

Ms Bryant—The management committee and the coordinator have been in quite serious conflict about the day-to-day management of the centre; the ability of the management committee to direct operations appropriately to ensure that services continue to be effectively delivered—

Senator SHERRY—That is not an unfamiliar problem with committees.

Ms Bryant—It is not a totally unfamiliar problem. The settlement services review highlights the need for enhancements to the functioning of management committees. They are generally staffed by volunteer members and often the emphasis is on the committee being representative of the ethnic communities that it serves, but a number of them currently have an insufficient mix of broader expertise such as financial management skills that are clearly necessary. The Inner Western experience has highlighted that. So I think there is a need for some broadening of the composition of management committees to get a blend of appropriate skills.

Senator SHERRY—When you were giving me information earlier about the replacement servicing, you did not indicate whether it was an interim or a permanent arrangement. I did not ask that. Are you able to indicate that?

Ms Bryant—In general, they could be categorised as interim arrangements. We have undertaken in each case to conduct a more wide-ranging needs analysis in the area. We would expect, then, longer term funding to be continued to be provided through the CSSS grants program in all these instances. It is conceivable that the mix of actual service providers could change over time, so in that sense these could be regarded as interim.

Senator SHERRY—In that sense?

Ms Bryant—If you got a better provider or one who, in their grant application, appeared to put forward a proposal that might better meet the needs that we had identified, it may be that some of that funding shifts to an alternative provider. It may also be that it does not shift but, over time, that is always a possibility.

Senator SHERRY—From what you are describing it sounds a bit more like it is on the permanent end of the spectrum rather than the interim end of the spectrum.

Ms Bryant—It depends how you define permanent and interim.

Senator SHERRY—Of course.

Ms Bryant—There will be ongoing service provision and it will be in the form of a mix of grants, we would envisage.

Senator SHERRY—I understand the minister has determined the core funding for individual MRCs for 2003-04. How many centres were approved by the minister and what was the total amount of funding committed?

Ms Bryant—I think we have already touched on that. The total funding was \$7.8 million with, as I advised you earlier, \$0.9 million quarantined pending further decisions.

Senator SHERRY—Sorry, that is right.

Ms Bryant—I believe there are now, excluding Inner Western in Melbourne, 30 other centres funded.

Senator SHERRY—For those that were funded for the six months, aside from the issues that you have mentioned, effectively you have outlined performance criteria for them.

Ms Bryant—Yes.

Senator SHERRY—Has that been conveyed to them in writing as well as presumably direct face-to-face meetings?

Ms Bryant—It is my understanding that, in each case, our state office has both written to and met with them and outlined in some detail the performance concerns that the department holds.

Senator SHERRY—Can you provide us with a schedule showing a level of funding provided to all centres in 2002-03 and the corresponding figure for 2003-04?

Ms Bryant—Yes. I have it with me but we will do it in a more appropriate table for you.

Senator SHERRY—Thanks.

Mr Vardos—There is one point that I need to make just by way of clarification. It may seem pedantic but it is an important point. MRCs are not DIMIA organisations, so we do not actually close them. If they are dependent on DIMIA funding then, of course, withdrawal of our funding will lead to their closure. However, if they have a diversified source of funding from state departments and other sources, they can continue to operate even if we have withdrawn our funding.

Senator SHERRY—If they get the funding from other areas.

Mr Vardos—If they have alternative sources of funding. We are not opening and closing MRCs—more particularly, closing MRCs by withdrawing our funding.

Senator SHERRY—If they are dependent on your funding substantially; it is a pretty significant impact.

Mr Vardos—It is, but a lot of them have diversified their funding and DIMIA is not the exclusive source of funding for them.

Senator SHERRY—Could you give us that list today? Is that possible?

Ms Bryant—Yes. I have the figures with me.

Senator SHERRY—Or tomorrow or in the next couple of days.

Ms Bryant—Yes. Certainly I can give them to you tomorrow and we could probably handwrite a copy or something out of—

Senator SHERRY—It has not been my experience on this committee, but another area has been particularly difficult, handing up material two or three months after I had anticipated getting it.

CHAIR—Indeed, Senator Sherry.

Ms Bryant—On pages 224 and 225 of the settlement services review report you will see an outline of the extent of non-DIMIA funding each MRC is in receipt of. In many cases it is more than 100 per cent of the DIMIA funding.

Senator SHERRY—The PBS estimates for the AMEP contract payments for 2003-04 a figure of \$114 million, compared to \$99.522 million. No figure is given for relevant DIMIA running costs. What is the figure, and what is the explanation for the significant increase in the contract payments?

Mr Doherty—The estimate for next year is derived from the contract rates that were negotiated as a result of this tender. Child care is now included in the AMEP estimate. We have brought child care across from the Department of Family and Community Services so that the child-care arrangements can be better administered by the service provider. The other change will be the number of clients expected in 2003-04. Those are the things that are driving the changed estimate.

Senator SHERRY—Do you know what the amount of child-care funding was prior to the transfer?

Mr Doherty—I do not have the full information here but it was about \$5 million.

Senator SHERRY—Has a similar figure been transferred over?

Mr Doherty—Yes, it has.

Senator SHERRY—That is obviously a substantial part of it, but what has been driving the other increase?

Mr Doherty—The other increase would be in the tender outcome prices. We are dealing with a new set of tender prices which reflect what tenderers believe the costs will be over the next five years, but you are also starting from a base whereby some of the tender prices in

2002-03 would have been struck up to five years ago. Effectively, you potentially have a 10-year span of tender prices.

Senator SHERRY—There is no increase from year to year provided within the tender—the figure in year 1 is the figure in year 5?

Mr Doherty—That is right.

Senator SHERRY—What are the DIMIA running costs?

Mr Doherty—The DIMIA running costs would sit at 2.1.4. I do not have that level of information but we could provide it on notice. It is the cost of staff running 22 contracts.

Senator SHERRY—Could you give that to us on notice. Can you confirm that the budget estimate of \$114.345 million for the AMEP which is given in the PBS is the total of contract payments to states, territories and private providers?

Mr Doherty—Those payments form part of that \$114.5 million. There are also some additional costs associated with the research centre. We have an AMEP research centre based at Macquarie University in Sydney and in partnership with La Trobe University in Melbourne. So there is that amount of money in there. There is also some money for promotion of the AMEP and other small projects in there.

Senator SHERRY—We were talking about the increase in the budget estimate. What about increased client numbers?

Mr Doherty—The client numbers are in the table on page 104—tuition to 38,800 clients.

Senator SHERRY—What is the historical figure?

Mr Doherty—It has varied. It is probably at its highest level for about five years. It has gone as low as about 33,000 but it is heading back up. It has been as high as 40,000 over the past decade. It is getting back towards the higher end of that level of clients.

Senator SHERRY—Why is that?

Mr Doherty—It is a combination of the nature of source countries, humanitarian entrants and those in the non-humanitarian migration programs.

Mr Vardos—And the size of the migration program.

Mr Doherty—Yes, and the overall size.

Senator SHERRY—Are the payments to the service providers under the contracts a per capita payment?

Mr Doherty—No. Under the new contractual arrangements, it is based on the hours the client is offered in the program.

Senator SHERRY—So the contract price is the hourly price?

Mr Doherty—Yes.

Senator SHERRY—I assume there are guidelines, parameters or controls in respect of class sizes.

Mr Doherty—We do not impose that sort of requirement in the contracts.

Senator SHERRY—Not at all?

Mr Doherty—No. We leave that to the service providers.

Senator SHERRY—I note you used the word ‘impose’ there. I would have thought quality control. There must be some limits.

Mr Doherty—We have an arrangement where we have the national ELICOS accreditation scheme. It manages a contract which checks on the quality of the service provision. It would address a range of issues associated with the educational delivery of the program.

Senator SHERRY—I think you mentioned this earlier. All contracts will be completed by July?

Mr Doherty—All will be signed by 1 July.

Senator SHERRY—You also touched on the AMEP research centre. What is the nature of the functions it is currently contracted to provide?

Mr Doherty—It provides teacher professional development and research into teaching of English to adults.

Senator SHERRY—What is the amount that they would be provided with in 2003-04?

Mr Doherty—They would be provided with a base level funding in the order of about \$1.2 million. The universities of the research centre are required to provide a matching level of funding, dollar for dollar, on that.

Senator SHERRY—In money, in kind or both?

Mr Doherty—In kind; in infrastructure. In addition to that, we provide in the order of about \$300,000 for research projects.

Senator SHERRY—Is that just in 2003-04?

Mr Doherty—That has been consistent for a number of years now.

Senator SHERRY—Does that mean that the research projects have run over more than one year, they could be two or three years?

Mr Doherty—Yes, they have.

Senator SHERRY—Who is conducting the evaluation?

Mr Doherty—We are yet to determine who will conduct that evaluation.

Senator SHERRY—Do you have a time line on it?

Mr Doherty—It is this year at this stage.

Senator SHERRY—Is there nothing better than this year?

Mr Doherty—This calendar year.

Senator SHERRY—You pared it back from a year. I was thinking in terms of the financial year, although that could be an increase, I am thinking we are in the next financial year.

Mr Doherty—We have an obligation to complete it within the fourth year of the contract and we are in the fourth year now.

Senator SHERRY—So the evaluation is carried out. Who ultimately makes the decision? Is that one for the minister?

Mr Doherty—Essentially, yes.

Senator SHERRY—The TIS service, looking again at page 96, is predicted to fall from \$11.294 million in 2002-03 to \$9.672 million, but the income from customers is predicted to be \$13 million, much the same as in 2002-03. Why is the departmental appropriation to fall? It is a cut of about 14 per cent, but the revenue is not predicted to fall by a similar amount.

Mr Doherty—The difference represents the fact that we are spending about \$1.5 million in 2002-03 on a new telephone system. That is basically the variation.

Senator SHERRY—Basically? Is there nothing else of significance?

Mr Doherty—No.

Senator SHERRY—There has been no change to the cost recovery element?

Mr Doherty—We have been gradually increasing user charges over a number of years now. The next increase will be on 1 July. I cannot quite recall whether they have increased during 2002-03, but I can provide that information on notice if that would be helpful.

Senator SHERRY—Thank you. Is that level of increase CPI indexed or is some other formula used?

Mr Doherty—It is not CPI indexed. We have been gradually bringing our user charges up to full cost recovery over about a three-year period. We have been bringing those charges up gradually so as to give our customers the opportunity to adjust their arrangements so that they can cope with the increase.

Senator SHERRY—Is there some sort of percentage schedule over time to full cost recovery?

Mr Doherty—Yes, there is.

Senator SHERRY—You may have given that to us; I cannot recall.

Mr Doherty—I do not recall having given it to you but, again, we can provide that on notice.

Senator SHERRY—Has there been any cutback in the fee-free services?

Mr Doherty—No. The budget of \$6.6 million for fee-free services has been consistent. We have been finding, though, that the fee-free service has been under quite some pressure and we have been working with our fee-free service providers to move gradually towards telephone interpreting and away from on-site interpreting—but very gradually.

Senator SHERRY—How do you mean it has been under pressure?

Mr Doherty—Just demand.

Senator SHERRY—I understand there is a demand. What is driving the demand?

Mr Doherty—We are finding with our call centre—and it is a common phenomenon with call centres—that the workload grows by about 10 per cent per annum. Basically, what is happening is that as our workload is growing so our demand for the fee-free service. This

year, for example, we are anticipating in the order of a 17 per cent increase in the number of incoming telephone calls. That is what we are experiencing now. That is flowing back into demand for fee-free telephone interpreting.

Senator SHERRY—What is driving that demand in this particular area? You made a reference generally to call centres.

Mr Doherty—It is a bit hard to pin down, but gradually over the last three or four years with TIS, as reported in this committee, we have been improving its business operation. We now have very high performance standards. For example, we are answering 90 per cent of all incoming calls within 30 seconds and providing a telephone interpreter in a major community language within three minutes in 90 per cent of cases. That in itself is drawing more demand for the free service.

Senator SHERRY—Has the range of different languages increased?

Mr Doherty—The top 10 languages have not changed significantly in the last few years, but certainly we are experiencing higher levels of demand in new and emerging languages, particularly clients out of the Horn of Africa.

Senator SHERRY—In relation to the issues that we have just been touching on, has there been any review or reassessment of these fee-free interpreting arrangements?

Mr Doherty—There has been continuing internal review of the fee-free interpreting arrangements. It has been driven by the need to deal with the burgeoning demand. We have been looking at a range of ways of providing the service more equitably by moving clients towards the telephone interpreting rather than the onsite interpreting. That has been the nature of the review arrangements, but basically internal management stuff.

Senator SHERRY—It is not a formal review; it is in the nature of an ongoing monitoring, by the sound of it. There might be the odd change as a result, but there has been no formal review as such—that is, setting up a review to make a whole range of recommendations.

Mr Doherty—There has been no external review.

Senator SHERRY—There has not even been an internal review with a committee charged to oversight and investigate?

Mr Doherty—No, not of that nature. The review has been driven by my branch in consultation with the TIS national office in Melbourne, which delivers the service.

Mr Vardos—As Mr Doherty has suggested, the TIS service has been subject to constant performance improvement over time. For example, one of the issues we have identified as part of our monitoring is that the Doctors Priority Line has an increasing take-up rate with a preference for on-site rather than telephone interpreting. But we can provide three blocks of telephone interpreting over the same period of time as one block of on-site interpreting, so we have identified that as an area where we have to put some energy into shifting users from on-site to telephone interpreting, tripling our capacity in the process if we can achieve it.

Senator SHERRY—You have pre-empted my next question, which is about where the demand is coming from and where the demand shifts are occurring. You have mentioned

doctors; I was going to ask about that specifically. Are there any other observations you can make about demand shift?

Mr Vardos—I will defer to Mr Doherty on that. We have gone to some trouble to promote the existence of the Doctors Priority Line, and as a consequence of that there has been greater awareness and usage.

Mr Farmer—You are talking about a review of TIS. Your impression is correct up to a point, but the internal process of putting TIS closer to a commercial footing, looking at its operations and improving their delivery has, I think, been pretty fundamental in the last five years, and that process has been driven by the department working to our ministers. It has, for example, led to very significant changes in the way we run the program. It has led to changes in the way we try to encourage or discourage some user patterns.

We have mentioned the on-site versus telephone delivery pattern. Another quite significant change is the move to charging differentially for translations for commercial customers. Although this had been done for some time, it was not in many cases serving a settlement purpose. We were providing a service that could be equally well provided elsewhere in the community and we thought that there were greater settlement needs than that. The process we have been driving in the last five years has changed the feel of TIS from an operation that was doing things that it had been doing—and not doing badly—for quite a while to an operation that is now very much more clearly focused on its real customer needs and delivering the product much better. It has been quite a continuous process and, I believe, one of the success stories in the development of settlement services.

Senator SHERRY—You mentioned commercial use. How do you define that?

Mr Doherty—Commercial use refers to organisations that purchase our services. For example, police, hospitals, solicitors and insurance companies are the types of clients we would call commercial users.

Ms Bryant—The settlement services review did provide an opportunity for the community sector to comment on TIS, and the issues they raised are reflected in chapter 12 of the settlement services review report.

Senator SHERRY—Does that commercial use include medical practitioners as well?

Mr Doherty—We provide medical practitioners with free services under the fee free banner.

Senator SHERRY—Yes, but not lawyers.

Mr Doherty—No.

Senator SHERRY—Financial planners?

Mr Doherty—No. The closest we get to lawyers would be community legal aid centres.

Senator SHERRY—They are on the free list.

Mr Doherty—Yes.

Senator SHERRY—Can you indicate if there are any further specific changes that the department has for implementation in this area?

Mr Doherty—The only continuing work at this time is work on better management of the fee-free service, as I have indicated. That is the only ongoing reform agenda that is currently under way.

Senator SHERRY—Is it true to say that the approach, from what you have been saying to me, is to make greater use of telephone rather than on-site interpreting—that there is a long-term phase-down of one and much more emphasis on the telephone interpreting?

Mr Doherty—We are certainly encouraging organisations in receipt of the fee-free service to make a gradual transition. We have no intention of a complete replacement. We just want to bring a better balance between telephone and on-site.

Senator SHERRY—Is that driven in part by reductions in the overall TIS budget?

Mr Doherty—No. It is about managing the increasing demand for the free service.

Senator SHERRY—Could you give me some historical figures on the usage?

Mr Doherty—Yes, I can. I will give them to you on notice.

Senator SHERRY—Thank you. So it is not intended that there will be savings to the budget from this service over the coming years?

Mr Doherty—Do you mean in the fee-free area or overall?

Senator SHERRY—Both the fee-free area and overall.

Mr Doherty—The changes to the fee-free service are about managing the growing demand and our need to further promote the Doctors Priority Line. In respect of the whole of TIS, there is no particular agenda to bring savings to the budget at this time.

Mr Vardos—One of the most significant achievements in terms of more efficient operation was the consolidation of TIS operations into one location in Melbourne, which happened in April last year. That returned a saving. We are looking for more improved ways of conducting our business, but that was such a significant chunk of work that we are probably running out of major savings options. We are always looking at ways to improve the quality of our service and to do it on a more efficient basis.

Senator SHERRY—The Melbourne replaced centre—

Mr Vardos—I think Perth and Sydney were the ones that we closed.

Mr Doherty—It was Sydney, which was an operational centre; Perth, which was an operational centre; Melbourne, which was a smaller operational centre; and Canberra. Effectively, we created a business unit in Melbourne that brought all of those operations into one location.

Senator SHERRY—You say that it was consolidation. It could be termed centralisation, couldn't it?

Mr Doherty—We believe it was consolidation because—

Senator SHERRY—But centralisation as well; it is centralising the service.

Mr Doherty—It certainly brings it to one point.

CHAIR—Mr Doherty does not have to repeat what you say, Senator Sherry.

Senator SHERRY—Centralisation is a very touchy issue, from a Tasmanian perspective.

Mr Farmer—It has been consolidated much closer to Tasmania than it was before.

Senator SHERRY—We fly over it. You are still on the mainland, Mr Farmer.

CHAIR—Are we not just the North Island, Senator?

Senator SHERRY—No, the mainland. The argument about new technologies et cetera is that you should be able to locate these centralised and consolidated services anywhere in the country. That is the theory but it does not seem to be working too well in Tassie's favour at the moment.

Mr Farmer—Thank you for that opening, Senator. The Department of Immigration and Multicultural and Indigenous Affairs is in the process of transferring some of its operations from around the world to Hobart. It is small numbers at the moment and I would be misleading the committee if I said that—with a glint in my eye—we would have large numbers in it, but we are developing some capacities in Hobart for doing our business. For example, electronic applications for several visa categories around the world are now being handled out of our office in Hobart.

Senator SHERRY—Good. But you said Hobart; I am in Devonport.

CHAIR—Mr Farmer, some people are never satisfied.

Senator SHERRY—It is all right, Mr Farmer. When you get outside Hobart it is a bit like Melbourne and Sydney.

CHAIR—Actually it is not, with respect.

Mr Farmer—Hobart is the real enemy, is it?

Senator SHERRY—Thanks for that, Mr Farmer.

Mr Farmer—I tried.

Senator SHERRY—With the entire department moving down to Devonport—

CHAIR—I thought it was an exceptional endeavour, Mr Farmer. In relation to the program—while we are on this brief moment of fatigue-induced hysteria—are we still on outcome 2.2, Senator Sherry?

Senator SHERRY—You timed it beautifully because I have just finished my questions on that and I have nothing more in outcomes 2.2.1, 2.2.2 or 2.2.3. We were going to move onto outcome 2.3—Australian citizenship.

CHAIR—That is excellent. Thank you very much to the officers who have assisted so far in outcomes 2.1 and 2.2. We will move onto outcome 2.3—Australian citizenship.

[5.29 p.m.]

Senator KIRK—My first questions are in relation to citizenship ceremonies. Does the department's web site indicate that the official handbook for citizenship ceremonies is not available in electronic form because it is being redrafted?

Mr Doherty—The handbook, which is this one I have here—which, if you have not got one, you are most welcome to—

Senator KIRK—Thank you.

Mr Doherty—is being redrafted. It is a 1998 version; we have just about completed the process of redrafting it. It is now with the Australian Local Government Association for them to take the views of their members and to bring those back to the department. Ultimately, there will be the launch of a new ceremonies code, which replaces the handbook a little bit later this year.

Senator KIRK—What prompted the department to begin redrafting the handbook?

Mr Doherty—It is a 1998 version, and citizenship law and policy have moved on.

Senator KIRK—So it is really an updating process?

Mr Doherty—It is an updating process and it is also a reflection of our experience in managing ceremonies over the last five years and noting where some judicious adjustments might be necessary.

Mr Vardos—It also reflects the fact that we have a minister dedicated to citizenship. He was not the minister when the code was first put out.

Senator KIRK—When did the redrafting process commence?

Mr Doherty—About the beginning of 2001. I could give you a more precise answer to that on notice.

Senator KIRK—That would be helpful. And it is continuing, so some two years later the redrafting is still taking place. Is that correct?

Mr Doherty—The redrafting is fundamentally over. It is out for consultation with the Australian Local Government Association.

Senator KIRK—What is on the web site? If I were to go to the web site to find out some information about this, would I find any reference to it at all? There is nothing in electronic form?

Mr Doherty—It is not there in its entirety, as far as I am aware, but I would have to take it on notice as to exactly what is on the web site in respect of the handbook itself. There is a lot of material on the web site associated with the promotion of Australian citizenship that we have undertaken over the last two years and a wealth of material about citizenship and ceremonies.

Mr Vardos—The information on the web is really targeted to the prospective clients, the applicants, to help them through the process. The handbook is something that those conducting the ceremonies would find most useful. We have a lot of information available to help prospective applicants.

Senator KIRK—If someone who may be conducting a ceremony were to make inquiries on the web site, what information would they be able to find in relation to that?

Mr Vardos—I will answer that in a different way. Anybody who is conducting a ceremony would be supported by DIMIA—by our state offices, primarily, and by central office as well. Whether it is a parliamentarian who has been delegated to conduct a ceremony or a local

government council that has probably done it a million times, they would be supported by the relevant DIMIA regional office.

Senator KIRK—And they would be given a copy of the current handbook?

Mr Vardos—Yes. The document we have tabled is the current one. I would be surprised if there is a council in this country that does not have one already.

Senator KIRK—If it has taken two years to make the changes, is it fair to say that the changes to the new handbook are significant?

Mr Doherty—I would not call them significant.

Senator KIRK—Are they substantial?

Mr Doherty—No, I do not believe so. I can give you an indication of some of them if that would be helpful.

Senator KIRK—Yes, some guidance would be helpful.

Mr Farmer—It is true to say that they are trained in an environment where consultation is, necessarily and appropriately, pretty thorough and complex, because we are dealing with different levels of government and lots of individual people and entities.

Senator KIRK—I will come to consultation, but it would be helpful if you could give me an outline of some of the changes.

Mr Doherty—The most important change is the change from a handbook for local government, which the current one is, to a ceremonies code for local government and community organisations conducting ceremonies. That is the most fundamental change. The draft code specifies that the Minister for Citizenship and Multicultural Affairs must be invited to all citizenship ceremonies and says that, when the Minister for Citizenship and Multicultural Affairs and/or the Minister for Immigration and Multicultural and Indigenous Affairs are in attendance, either of those ministers will become the presiding officer at the ceremony.

A range of other issues are covered. There is a role for community organisations. We have made some changes to which official guests should be invited. We have upgraded the material in the handbook on incorporating Indigenous elements. The government in recent years has introduced affirmation ceremonies for Australian citizens to affirm their loyalty to Australia, and that is in there. There are some amendments to guidelines on dealing with children; under the changes to legislative arrangements last year, children got their own certificates. That is a flavour of the sorts of changes. There are more, but those are more or less the key ones.

Mr Vardos—One of our overarching objectives is to give greater guidance and try to achieve a greater degree of consistency in the dignity of the ceremonies. They are conducted all over the country, from the Gulf country to the Pilbara to Tasmania. We are trying to provide more assistance to those conducting them to achieve a certain consistency of approach.

Senator KIRK—That is desirable. From what you have outlined, there do not seem to be terribly many changes. Is it fair to say that most of this two-year process has been taken up in

consulting with bodies that may be affected, or did this drafting process take almost two years to complete?

Mr Doherty—It did take almost two years to complete. There has not been a wide ranging public consultative process in that redrafting.

Senator KIRK—Who has been consulted in the redrafting? You mentioned the ALGA. What other bodies or groups have been consulted?

Mr Doherty—Apart from the ALGA, we would have talked to the Australian Electoral Commission, we would have consulted within the department and we would have taken the views of other key people involved in citizenship ceremonies. We used our connections with councils at different places and times to talk about changes.

Mr Vardos—A two-year time frame does look like a long time, but there is a fairly fundamental explanation for that. This project has had to be stopped and started over a period of time as other priorities have trickled to the surface. There has not been a little team of people working consistently for two years to produce it; it has been prepared by people who have had to deal with citizenship legislation issues and with the annual promotional campaign. So this project has been part of a larger body of work.

Senator KIRK—Do you have a list of the groups and bodies who were consulted in relation to the redrafting? You listed quite a few.

Mr Doherty—I could take that on notice.

Senator KIRK—Were the states and territories consulted?

Mr Doherty—Our offices in the states and territories were consulted.

Senator KIRK—What about the governments of the states and territories?

Mr Doherty—No. The citizenship ceremonies generally rest with local government rather than with state, although state governments and territory governments do get involved on occasion.

Senator KIRK—At the beginning when you were outlining the changes that had been made, you said that the primary change of focus is that it is now not so much a handbook for local government but more a ceremonies code. From that I wondered whether or not it is fair to say that the purpose of this handbook is a shift to lessen the emphasis on local government as the primary body for conducting these citizenship ceremonies and to broaden the groups who are eligible to conduct ceremonies. If that is the case, what prompted this change in direction away from local government?

Mr Doherty—I would not characterise it that way. I think what has been happening in recent years, particularly following significant promotion campaigns for Australian citizenship in 2001 and 2002, is that the community generally is more aware of Australian citizenship. Indeed, it has been one of the core planks of the promotion to raise the awareness of the community. In doing that, we have got organisations showing very strong interest in being involved. For example, Lions, Rotary, surf lifesaving clubs and the scouts all want to be involved in ceremonies. This coming Saturday, Premier Beattie is the presiding officer at a major citizenship ceremony to celebrate Queensland Day. That is another example of a

widening interest. Even with that widening interest, local government will continue to do in the order of 98 per cent of all ceremonies. Local government is central to the delivery of citizenship ceremonies. It is just that the community is taking a wider interest.

Senator KIRK—You mentioned Lions, Rotary and the scouts. Under the revised handbook for ceremonies or the ceremonies code, would these groups be eligible to conduct ceremonies from what you are saying?

Mr Doherty—Yes, they would.

Mr Vardos—The delegation to confer citizenship is for the minister of the day to grant, and it can be effectively granted to any body or organisation that the minister deems to be an appropriate body or person to conduct a citizenship ceremony.

Senator KIRK—That the minister can delegate to any person is provided for under the citizenship act?

Mr Doherty—Yes. Section 15 of the act gives him the power to delegate.

Senator KIRK—Does the handbook have any legal status in terms of the citizenship act?

Mr Doherty—No. It is referred to in the act but it does not have any status beyond that.

Senator KIRK—It is a guideline as to practice.

Mr Doherty—It is really a set of administrative guidelines.

Senator KIRK—Finally, did you say when the redrafted handbook is likely to be finalised?

Mr Doherty—We are hoping that, subject to the minister's agreement to the final, it will be finalised and launched in the second half of this year.

Senator KIRK—Early second half or late second half?

Mr Doherty—I think it is a function of the material that comes back from the Australian Local Government Association and how significant are the changes that are being asked for, and then it depends on printing deadlines and the minister's ability to launch it.

Senator KIRK—What deadline did you give the ALGA for its comments?

Mr Doherty—I will have to take it on notice. By way of trying to be helpful, it is very soon.

Mr Vardos—The association itself is consulting with a select group of councils, I think four or five, as part of their consultation process as well. So they have to get the comments back from their members and they will then feed them to us. But Mr Doherty is right; we are expecting a response fairly soon.

Senator KIRK—Were any DIMIA officers present at the citizenship ceremony held at Burwood City Council chambers on Australia Day this year?

Mr Doherty—My understanding is that we were there.

Senator KIRK—How many officers were present?

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

Senator KIRK—So at least one was present? I want to establish that.

Mr Doherty—I understand that someone was there.

Senator KIRK—Are you aware of whether or not the Leader of the New South Wales Opposition, Mr John Brogden, was listed on the program for the ceremony as being the personal representative of the Minister for Citizenship and Multicultural Affairs, Mr Hardgrave?

Mr Doherty—I am not aware of that. I do not have that material with me.

Senator KIRK—Could you take that on notice? Would there be someone in your department who is aware of that?

Mr Doherty—The minister's office will be aware of that.

Mr Vardos—Given the number of ceremonies that happen around the country every year it would be a matter of luck if we were able to answer detailed questions about a particular ceremony, so it may well be that we will need to take all of the questions in relation to this particular ceremony on notice.

Senator KIRK—We will see how we go. I will ask the questions and, if you think you need to take them on notice, so be it. Do you know the purpose of Mr Brogden's attendance? You may not be able to answer this. Was he there as the representative of the minister, or was he there in order to assist in some way Councillor Joe Tannous, who I believe was also present at the ceremony?

Mr Doherty—I am not aware that Mr Brogden was there, but Councillor Tannous certainly was. My information says that Councillor Tannous represented the minister at that ceremony.

Senator KIRK—Mr Brogden was or was not present?

Mr Doherty—I do not know.

Mr Vardos—We will take it on notice.

Senator KIRK—Do you know whether or not any of Councillor Tannous's election material was circulated at the ceremony? I understand that he was standing for the state seat of Strathfield at the New South Wales state election.

Mr Doherty—Councillor Tannous was there and he did distribute some material after the ceremony, when it was completed. My advice is that he was handing out Chinese New Year cards to people at the ceremony; in fact he had been circulating Chinese New Year cards throughout the Burwood area.

CHAIR—As a councillor, he was probably communicating with his electorate, Senator Kirk. It is important, apparently.

Senator KIRK—Yes, I know—I have been a councillor. I guess my question was more in line with the nature of the election material he was handing out. The question is whether or not it related to his role as a councillor or to his election to the state parliament. That is the question to which I would like an answer.

Mr Doherty—The material I have here suggests tht they were Chinese New Year cards. I do not have an example here, or a translation.

Senator KIRK—But, as Mr Vardos indicated, questions that you cannot respond to now, you will take on notice.

Mr Doherty—I can indeed.

Senator KIRK—That would be helpful.

Mr Doherty—Perhaps I can clarify an answer I gave you a minute ago. Looking closely at my material, Mr Brogden was listed on the program as Mr Hardgrave's representative. He gave a briefing paper which included a message from Mr Hardgrave.

Senator KIRK—Following this incident, I wonder if you are aware as to whether or not the Burwood City Council resolved to censure Councillor Tannous for his actions in this regard?

CHAIR—I am sorry, Senator. What was that question?

Senator KIRK—I asked Mr Doherty if he had any knowledge about whether or not subsequently, following this event, the Burwood City Council took any steps to censure Councillor Tannous for his actions at the Australia Day ceremony we have been discussing.

Mr Vardos—We will take that on notice to give you as accurate a picture of the events of the day as possible.

CHAIR—I should not imagine it was a matter with which the department was associated.

Mr Doherty—Yes. The material I have indicates that it appeared to have been resolved when they turned out to be Chinese New Year cards. I don't have material to say that it went on beyond that.

CHAIR—Thank you for clarifying that, Mr Doherty.

Senator KIRK—Perhaps you could answer as to whether or not the Burwood City Council registered any protest at all with Minister Hardgrave, following this event.

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

Senator KIRK—Again, following this event, has the department taken any steps to ensure that perhaps the citizenship ceremony, held in this way, is not clouded by the events which occurred on this day?

CHAIR—I am not sure that the officer is required to answer a question relating to the perception you are putting to him. However, if there is a factual matter the officer is able to take on notice, then of course he should do that—a factual matter, I would emphasise.

Mr Doherty—Absolutely. I suppose a lot of it turns on whether or not the minister received any sort of protest from the Burwood City Council. I would have thought that, if such a protest were received, then there would be action taken in relation to that. I guess that is my interest—if and when a protest was received from the city council, whether or not any action was taken by the department.

Mr Farmer—We will take that on notice.

CHAIR—Thank you, Mr Farmer.

Senator KIRK—We will now move on to outcome 2.3.2—Promotion of the value of Australian citizenship.

[5.53 p.m.]

Senator KIRK—Does the department have a specific target for the number of grants of Australian citizenship in 2003-04?

Mr Doherty—The target is outlined in the portfolio budget statement at page 107.

Senator KIRK—I now move on to output 2.4—Appreciation of cultural diversity on page 96 of the PBS.

[5.54 p.m.]

Senator KIRK—I notice there is a figure of \$13 million listed on appreciation of cultural diversity. Could you provide a specific breakdown of the expected expenditure of that \$13 million?

Mr Vardos—We will take it on notice and give you a detailed breakdown. We could only give you general indications at this point.

Senator KIRK—That would be helpful. I understand that on budget day the minister released an eight-page booklet entitled *Multicultural Australia—United in Diversity*, updating the 1999 *A New Agenda for Multicultural Australia*, on strategic directions for 2003-06. Is that correct?

Dr Nguyen-Hoan—Yes.

Senator KIRK—How many copies of that booklet were produced by the department?

Dr Nguyen-Hoan—From memory it was about 5,000, but I cannot be sure. I will need to check.

Senator KIRK—It is fine to take it on notice. What was the cost involved in producing those 5,000 booklets?

Dr Nguyen-Hoan—I would need to take that on notice as well.

Senator KIRK—Approximately?

Dr Nguyen-Hoan—It could be \$5,000.

Senator KIRK—It would be helpful if you could take it on notice. Who was this booklet sent to?

Dr Nguyen-Hoan—So far we have sent it to various community groups and state and territory government agencies which may have an interest in this, to FECCA and a number of other organisations and maybe to some of our Living in Harmony and Harmony Day friends and partners.

Senator KIRK—Have all 5,000 been distributed?

Dr Nguyen-Hoan—Not yet.

Senator KIRK—Is it the intention to distribute all 5,000?

Dr Nguyen-Hoan—Apart from the initial distribution, the intention would be for the booklet to be used in the next few years.

Senator KIRK—How many have been distributed so far?

Dr Nguyen-Hoan—I cannot remember; I will have to take it on notice.

Mr Vardos—When the initial batch of 5,000 is used up we will do reprints to meet demand. There is no specific figure that we are aiming to print.

Senator KIRK—Who wrote the booklet—was it the department, or was it the Council for Multicultural Australia?

Dr Nguyen-Hoan—It was the department.

Mr Vardos—We did of course go through an approval process. We did the drafting, but it is a ministerially approved document.

Senator KIRK—Was there some sort of consultation process in place during the course of the production of the booklet?

Dr Nguyen-Hoan—It was mainly an internally process, but this is really part of the process of assessment of the 1999 New Agenda for Multicultural Australia. We consulted with a number of community groups and organisations and in that process we tried to understand how the implementation of the new agenda has gone in the last three years. A few issues came out. For example, the public understanding of multiculturalism seems to be still very vague, so the focus of this document is to try to clarify that in language people can understand.

Senator KIRK—Do you have a list of the organisations that were consulted during the development of the document?

Mr Vardos—We will be able to provide a list on notice.

Senator KIRK—Does the department consider that the principles of multiculturalism detailed on page 6 of the new booklet differ in any material sense from those outlined on page 6 of the 1999 publication?

Mr Vardos—The fundamentals of the policy remain the same; there is no change. We did take the opportunity to use what may be simpler language to articulate the core objectives of the policy, but the fundamentals are unchanged.

Senator KIRK—If, as you say, the fundamentals remain unchanged, why is a significant proportion of the document devoted to reformulating those principles? Is it just a matter of language?

Mr Vardos—It is essentially a restatement of government policy. It is a refresh in much more user friendly language, in a sense.

Dr Nguyen-Hoan—The titles of the principals are simplified but the explanations which follow are the same. For example, responsibilities of all used to be civic duty, and we felt that was maybe a bit harder for people to understand, so we say straight out it is about responsibilities of all. Similarly respect for each person used to be cultural respect, but, as I said, the explanations which we outline there are the same.

Senator KIRK—In changing this language did you employ a plain English language consultant or was this all done from within the department?

Dr Nguyen-Hoan—It came out of the consultation as I explained, from the letters to the ministers and also from some other sources. People seem to say that the intention of the fundamentals of the policy seems to be sound, including the principles we outline there, but if we can simplify the language further then people can relate to the policy much better. So it is really about trying to have a greater public understanding of multiculturalism, and that also applies internally as well as to the Council for Multicultural Australia and other similar organisations.

Mr Vardos—I will add that the driver behind that is to emphasise the principle that multicultural policy is for all Australians rather than the perception that it is just for the migrant element of the population.

Ms KING—You have described the consultation process in the formulation of this document and you said that you would provide us with a copy of those groups.

Dr Nguyen-Hoan—Yes.

Senator KIRK—I do not think you mentioned how long the consultation process took.

Dr Nguyen-Hoan—I think around six months. We started around August of last year until earlier this year.

Mr Vardos—And then there was a drafting process which followed, but that was the consultation period.

Senator KIRK—I might move on to page 95 of the PBS. Here there is a mention of \$1.1 million a year to continue implementation of the government's new agenda for multicultural Australia—just what we have been discussing. Can you tell me what proportion of the funding is earmarked for the cost of supporting the operations of the Council for Multicultural Australia, the CMA?

Dr Nguyen-Hoan—Based on our experience of the last three years, it would be around \$300,000 to \$400,000 per year, excluding staffing costs, to support the council. The amount of money is normally used for sitting fees, travel, accommodation, the publication of newsletters and similar things.

Senator KIRK—So you are saying that is based on previous years' figures, that \$300,000 to \$400,000?

Dr Nguyen-Hoan—Yes.

Mr Vardos—That is based on the size of the current council, 17 members.

Dr Nguyen-Hoan—At the moment we have got 18 members.

Senator KIRK—You are not looking to change that number?

Mr Farmer—Not tonight.

Mr Vardos—It is a matter for government consideration.

Senator KIRK—He said the number and I thought if it is going to increase—

Mr Vardos—It is an unknown; it is a matter for government consideration and that consideration has not been completed yet.

Senator KIRK—When is the consideration process likely to be completed?

Mr Vardos—If not by the end of the financial year then early into the next financial year.

Senator KIRK—You mentioned some of the things that the money is earmarked for, travel and the like. How much is earmarked for the production of publicity material?

Dr Nguyen-Hoan—We do not earmark it per se; it depends on how many newsletters the council may produce and what kind of other publication the council may put out. For example, it had a mid-term report and it will have a final report, which should be finalised in the next few weeks. The budget is based on the activities of the council.

Senator KIRK—How much of the \$1.1 million is earmarked for the glossy document that we were discussing earlier, the *United in Diversity* eight-page book?

Dr Nguyen-Hoan—That booklet is not the one for the council. It is the departmental booklet.

Senator KIRK—I understand that, but my understanding was that this \$1.1 million was to encompass both the council's money as well as the production of the booklet. Is that correct or is that a separate budget?

Mr Vardos—That money kicks in from 1 July. The funds there are for activities over the next three financial years.

Senator KIRK—I understand, but you mentioned that there might be reprints of the book. I thought perhaps money might be earmarked for that.

Mr Vardos—There is no specific budget. Again it depends on what the demand is. Obviously we have to manage our funds carefully so we are not left in the lurch towards the end of the financial year, but there is no specific amount as such earmarked for the production of that policy document.

Senator KIRK—Where does the balance go, then? Is that just earmarked for other DIMIA running costs?

Dr Nguyen-Hoan—It is for staffing and mainly to support the council. It would be for projects under our productive diversity program and we are planning to produce a booklet or a manual on access and equity. And maybe there are similar projects that we would undertake to implement our multicultural policy.

Senator KIRK—When are you looking to produce the access and equity booklet?

Dr Nguyen-Hoan—Hopefully within the next financial year.

Senator KIRK—Has any work commenced on that yet?

Dr Nguyen-Hoan—We have just started.

Senator KIRK—The next item I want to look at is the Living in Harmony grants on page 96 of the PBS. The PBS states that \$1.469 million in 2003-04 has been set aside. Can you tell the committee what are DIMIA's expected running costs for the Living in Harmony initiative in the next financial year?

Mr Vardos—We will take that one on notice, along with all the similar questions of that nature.

Senator KIRK—Are the running costs included in the departmental appropriations for appreciation of cultural diversity in the PBS?

Dr Nguyen-Hoan—It would be. Out of the \$3.5 million for Living in Harmony, \$1.5 million is set aside for administering items for Living in Harmony grants and the rest would be departmental.

Senator KIRK—So the \$2 million would be for running costs of the program?

Dr Nguyen-Hoan—That is right.

Senator KIRK—What does that include?

Dr Nguyen-Hoan—It would include staffing for the whole Living in Harmony section, some money set aside for partnership projects and the running of Harmony Day, and of course the administration of the Living in Harmony initiative.

Mr Vardos—In relation to Harmony Day, that includes all of the products that go with it: the wrap, the badges et cetera.

Senator KIRK—What is the approximate cost of that?

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

Senator KIRK—Please do; that would be interesting. Finally I have some general questions about DIMIA's role in fostering community harmony generally. On page 101 we are told that the department will:

Identify issues affecting community relations and ensure that the *Living in Harmony* initiative promotes community harmony and addresses racism.

We are also told that there is an attempt by DIMIA to 'proactively encourage community harmony'. My interest here is exactly what the department is doing beyond just identifying issues affecting community relations as set out in the second dot point on page 101. Apart from producing the booklets et cetera that we have been discussing this evening, what is it doing to actively combat racism and religious and cultural prejudice in the country?

Dr Nguyen-Hoan—We collect a lot of information on issues arising from community relations through our central office as well as from state and territory offices. The information can come from our consultation with other government departments and agencies and thousands of community organisations, groups and individuals around Australia. We also look at the results of academic and other surveys, published material and media monitoring.

Since September 11, there have been a lot of issues that we have been aware of. We look at how the Living in Harmony initiative has fared in the last few years, what kind of gaps we can identify and what kind of new projects we can look at in order to address any problems that may arise. I think that you should also note that we receive a lot of applications from community groups for our Living in Harmony grants. For example, last year we received 464 applications. The groups themselves also identify issues at the local level that they want a solution to. Through all those things, we would be able to have some sort of assessment of where Australia is at in terms of community harmony. That will be an ongoing process. We

will continue to see where the gaps are and what kinds of issues Australia needs to be aware of in order to address them, not only through our Living in Harmony initiative but also through our implementation of the multicultural policy through the booklet that you referred to.

Mr Vardos—One of the emerging issues that has driven the focus for the next grants round—and Dr Nguyen-Hoan will chime in, I am sure—is religious diversity and the need to get people to focus on that as an issue and for proposed projects that deal with any issues in the community where religious vilification might be an issue. As an issue emerges, we can deal with it by making it a focus of our activities. The most obvious is to run a grants program through Living in Harmony but it also can involve ministerial or prime ministerial statements, speeches or press conferences to deal with whatever the issue of the day is. In many cases, the communities are looking for that sort of high level support, and they value it.

Senator KIRK—When was the last time that the Prime Minister released such a statement?

Mr Vardos—He attended the annual dinner of the Australian Federation of Islamic Councils in Sydney earlier this year. He gave a major delivery on that occasion.

Senator KIRK—What date was that?

Dr Nguyen-Hoan—It was in April, in Sydney.

Senator KIRK—And before that?

Mr Vardos—Off the top of my head—

Mr Farmer—We do not keep track of all of the Prime Minister's engagements. By their very nature, many of those would involve contact with a wide range of community organisations. We are really not in a position to answer that question.

Senator KIRK—You talk about identifying issues and identifying gaps and giving out grants to people to complete projects and the like, but what is DIMIA doing in a proactive way out there in the community to ensure that the sorts of issues that we face, such as racism and religious and cultural prejudice, are being addressed? What are the direct positive actions that DIMIA has taken?

Dr Nguyen-Hoan—As Mr Vardos said, we have tackled it at a number of different levels. There are prime ministerial and ministerial consultation and speaking engagements as well as through our department. This is not just through our central office but more particularly at the state and territory offices, which engage with a number of community groups every day. From there they are able to articulate our policy and the intention that we want to promote community harmony in Australia through our Living in Harmony grants and our engagement with the grantees and our partners. We work through the Council for Multicultural Australia as they have a number of networks, and we also work with the inter-departmental committee on multicultural affairs to engage them in their own promotion of community harmony.

Mr Vardos—A practical example is the Citizen 2030 project, which involves Mr Hardgrave engaging with school students at year 10 and year 11 levels. We are about to launch into the next version of that project in 2003-04, but last year he met with representatives of 44 schools—850 students in all—ranging from Broome to Rockhampton to

Broken Hill to Kalgoorlie, where he entered into a dialogue with the students on issues of multiculturalism, community harmony, valuing diversity, and the value of citizenship—all very topical issues in this area. That was last year, and come June or July this year we will be starting that project again for the next financial year.

Dr Nguyen-Hoan—To take the example of Harmony Day 2003, we have got about 650 or so events organised by community groups alone, and so you can see that all over Australia people celebrate Harmony Day on their own. It is not from the prompting of the government but genuinely people are seeing the need to really engage with one another.

Mr Vardos—I have some statistics: between 2000 and 2003 the press coverage of Harmony Day increased by 731 per cent, radio coverage or radio grabs of the event increased by 123 per cent and television references increased by 198 per cent. So across the media there was a 237 per cent increase in recognition of the event.

Senator KIRK—That is positive. You mentioned that the minister went to 44 schools last year. What sort of material is distributed to the students?

Mr Vardos—We provide fact sheets on the migration program, fact sheets that outline what the issues of diversity are and what it really means, what the value of diversity is and how that can benefit Australia. We showed a video which showed school students talking about these issues, and that was the lead item to lead into the discussion. It is a variety of material. Citizenship promotion material, for example, was a centrepiece of last year's Citizen 2030 project.

Senator KIRK—In addition to the minister, are there officers who do these sorts of school visits?

Mr Vardos—We are always available. Our network of state colleagues are the ones that get out there more frequently than we do. At the moment I coincidentally have an invitation to attend a youth forum in Parramatta in a couple of months time. I cannot give you a specific timetable but the short answer is yes, we do get invitations and we do go out there and spread the word.

Senator KIRK—So upon invitation you would attend; you do not put yourself out there, as it were, write to the schools and offer to visit them and to give them this sort of information?

Mr Vardos—Our public affairs people are not here but we have school kits that we distribute and we can safely say that with a particular kit called *Citizenship* we covered every high school in the country on a proactive basis.

Senator KIRK—They are all the questions I have in output 2.

CHAIR—That brings us inexorably to the end of the process, Senator Kirk, unless Senator Scullion wishes to leap in with a question at this point.

Senator SCULLION—Not at this time.

Mr Farmer—We would really like to carry on till 6.30.

CHAIR—Mr Farmer, how about we go and you stay and talk to each other. Senator Kirk, thank you very much. In closing this hearing of budget portfolio estimates for the Department

of Immigration and Indigenous and Multicultural Affairs, Mr Farmer, I would like to thank you and all of your officers—we have seen a very comprehensive range of your officers over the last day or so, and evening—for your assistance in this process. As is always the case, you have taken a large number of questions on notice and I appreciate the volume of that. We have, as I indicated, set a return date of 4 July 2003. On some of them, though, your officers did indicate that they would respond in a much faster fashion. Senators would appreciate your assistance with that.

I thank my colleagues for ensuring that the process has run as smoothly as can be hoped for in such matters. I thank the minister for his assistance and, of course, the secretariat who have been not only managing budget estimates but also organising the tabling of a significant legislative committee report.

Mr Farmer—I have just one footnote on the questions on notice: there were a couple of times when we indicated that the nature, volume, scope and so on of the question did raise a question of (a) whether we could provide an answer to all or part of the question, and (b) if so, how long that might take. I think the minister entered that caveat of the possible need for a longer time to answer most. We have now, as you know, tabled those four outstanding questions. I am very sorry that we did have those in beforehand. As you know, we have normally tried to stick scrupulously to your timetables. In this case there were some questions where it just took a great deal of effort to collate the information. We will certainly try to do our best with this current lot.

CHAIR—Thank you. I appreciate that undertaking, as do, I am sure, members of the committee. I also thank Hansard, the sound and vision people and also the attendants, who have looked after this room very well in the last past few days. I declare this session of portfolio budget estimates closed.

Committee adjourned at 6.22 p.m.