



COMMONWEALTH OF AUSTRALIA

# Official Committee Hansard

## SENATE

STANDING COMMITTEE ON EMPLOYMENT, WORKPLACE  
RELATIONS AND EDUCATION

ESTIMATES

**(Budget Estimates)**

TUESDAY, 29 MAY 2007

CANBERRA

BY AUTHORITY OF THE SENATE



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**SENATE STANDING COMMITTEE ON  
EMPLOYMENT, WORKPLACE RELATIONS AND EDUCATION**

**Tuesday, 29 May 2007**

**Members:** Senator Troeth (*Chair*), Senator Marshall (*Deputy Chair*), Senators Barnett, Birmingham, George Campbell, Lightfoot, McEwen and Stott Despoja

**Participating members:** Senators Allison, Bartlett, Bernardi, Boswell, Bob Brown, Carr, Chapman, Crossin, Eggleston, Chris Evans, Faulkner, Ferguson, Fielding, Fifield, Forshaw, Hogg, Humphries, Hutchins, Joyce, Kemp, Ludwig, Lundy, McLucas, Ian Macdonald, McGauran, Milne, Moore, Murray, Nash, Nettle, O'Brien, Parry, Patterson, Payne, Polley, Robert Ray, Sherry, Siewert, Stephens, Sterle, Trood, Watson, Webber, Wong and Wortley

**Senators in attendance:** Senators Barnett, Birmingham, George Campbell, Crossin, Eggleston, Fifield, Lightfoot, Marshall, McEwen, Siewert, Troeth and Wong.

**Committee met at 9.00 am**

**EMPLOYMENT AND WORKPLACE RELATIONS PORTFOLIO**

Consideration resumed from 28 May 2007

**In Attendance**

Senator Abetz, Minister for Fisheries, Forestry and Conservation

**Department of Employment, Workplace Relations**

**Portfolio overview and major corporate issues**

Dr Peter Boxall, Secretary

Ms Malisa Golightly, Deputy Secretary, Employment

Mr Finn Pratt, Deputy Secretary, Workplace Relations

Mr Graham Carters, Deputy Secretary, Workforce Participation

Ms Vanessa Graham, Chief Financial Officer

Ms Michelle Baxter, General Manager, Corporate Group, Human Resources

Ms Meredith Fairweather, Principal Advisor, Communications

Mr Brian Quade, Assistant Secretary, Parliamentary Branch, Corporate

Ms Kristina Hopkins, Assistant Secretary, Human Resources

Dr Aloka Sinha, Assistant Secretary, Business Services Branch

Mr Jeremy O'Sullivan, General Counsel

Mr Bernard O'Donnell, Assistant Secretary, Investigations Branch

Mr Simon Gotzinger, Senior Executive Lawyer, Corporate Legal Branch

Ms Sue Bird, Senior Executive Lawyer, Corporate Legal Branch

Mr Henry Carr, Senior Executive Lawyer, Corporate Legal Branch

Ms Marian Moss, Senior Executive Lawyer, Corporate Legal Branch

Ms Christine Leary, Chief Internal Auditor

Mr John Burston, Chief Information Officer

Ms Tulip Chaudhury, Assistant Secretary, Public Sector Branch

**Outcome 1: Employment**

Ms Susan Monkley, Group Manager, Employment Business Services Group  
Mr Darren Hooper, Assistant Secretary, Employment Services Purchasing Branch  
Ms Joan ten Brummelaar, Assistance Secretary, Centrelink and Stakeholder Management Branch  
Ms Susan Devereux, Assistant Secretary, Contract Management Branch  
Mr Stephen Moore, Group Manager, Employment Systems Group  
Ms Marsha Milliken, Group Manager, Income Support Initiatives Group  
Ms Jo Caldwell, Group Manager, Intensive Support Group  
Ms Alison Morehead, Group Manager, Job Search Support Group  
Mr Tony Waslin, Group Manager, Specialist Services and Income Support Group  
Ms Jennifer Chadwick, Assistant Secretary, Vocational Rehabilitation Taskforce  
Ms Alison Durbin, Assistant Secretary, Disability Employment Services Branch  
Mr Ali Jalayer, Assistant Secretary, Employment Pathways Branch  
Ms Sue Kruse, Assistant Secretary, Income Support Programme Branch  
Ms Debbie Mitchell, Assistant Secretary, Payment Integrity and Assurance Branch

**Outcome 2: Workplace Relations**

Mr John Kovacic, Group Manager, Workplace Relations Policy Group  
Mr Ted Cole, Principal Advisor, Workplace Relations Policy Group  
Ms Sue Sadauskas, Assistant Secretary, Strategic Policy Branch  
Ms Linda Lipp, Assistant Secretary, International Relations Branch  
Mr Stuart Watson, Assistant Secretary, Strategic Coordination Unit  
Mr Malcolm Greening, Assistant Secretary, Wages and Conditions Policy Branch  
Ms Jenet Connell, Group Manager, Workplace Relations Services Group  
Mr Stewart Thomas, Assistant Secretary, Workplace Programmes Branch  
Ms Jo Major, Assistant Secretary, Employee Entitlements Branch  
Ms Ann Smith, Assistant Secretary, Knowledge Management Service  
Ms Natalie James, Chief Counsel, Workplace Relations Legal Group  
Mr David De Silva, Assistant Secretary, Legal Policy Branch  
Mr David Bohn, Assistant Secretary, Legal Policy Branch  
Mr Bob Bennett, Assistant Secretary, Legal Policy Branch  
Mr Peter Cully, Assistant Secretary, Legal Policy Branch  
Ms Elen Perdikogiannis, Assistant Secretary, Legal Policy Branch  
Mr Michael Maynard, Group Manager, Workplace Relations Industries Group  
Ms Sandra Parker, Group Manager, Office of the Australian Safety and Compensation Council  
Ms Melissa Ryan, Assistant Secretary, Commonwealth Safety and Compensation Policy Branch  
Mr Tom Fisher, Federal Safety Commissioner, Office of the Federal Safety Commissioner  
Mr Paul Dwyer, Acting Assistant Secretary, Office of the Federal Safety Commissioner  
Mr Andrew Craig, Director, Outcome 2 Support Unit

**Outcome 3: Workforce Participation**

Mr Barry Sandison, Group Manager, Working Age Policy Group  
Ms Sharon Rose, Assistant Secretary, Disability and Mature Age Policy Branch

Ms Robyn Shannon, Assistant Secretary, Parent and Youth Policy Branch  
Ms Stephanie Bennett, Assistant Secretary, Employment Policy Branch  
Mr Bob Harvey, Group Manager, Indigenous Employment and Business Group  
Mr Michael Manthorpe, Group Manager, Labour Market Strategies Group  
Mr Ivan Neville, Assistant Secretary, Labour Supply and Skills Branch  
Ms Louise McSorley, Assistant Secretary, Industry Strategies Branch  
Mr Chris Foster, Principal Adviser, Economic and Labour Market Analysis Branch  
Mr Matthew James, Assistant Secretary, Economic and Labour Market Analysis Branch  
Mr Bruce Whittingham, Group Manager, Research and Evaluation Group

**The Workplace Authority (formerly Office of the Employment Advocate)**

Mr Peter McIlwain, Employment Advocate  
Mr Geoffrey Casson, Deputy Employment Advocate  
Mr George Brenan, General Manager, Workplace Advice and Education  
Ms Ann Skarratt, Corporate Director  
Mr David Rushton, Senior Legal Manager  
Ms Ann Smith, General Manager, Knowledge Management Service Team

**Australian Fair Pay Commission**

Ms Jennifer Taylor, Director, Australian Fair Pay Commission Secretariat

**Australian Building and Construction Commission**

The Hon John Lloyd, Commissioner  
Mr Ross Dalgleish, Deputy Commissioner, Legal  
Mr Nigel Hadgkiss, Deputy Commissioner, Operations  
Ms Heather Hausler, Assistant Commissioner, Corporate  
Mr John Casey, Chief Financial Officer

**Comcare**

Ms Barbara Bennett, Chief Executive Officer  
Mr Martin Dolan, Deputy Chief Executive Officer  
Mr Steve Kibble, General Manager, Research and Policy  
Ms Marilyn Chilvers, General Manager; Compliance, Enforcement and Self Insurance  
Ms Nicky Nicolaou, General Manager, Legal Services  
Ms Penny Weir, General Manager, Corporate Services  
Mr James Malizani, General Manager, Financial Management Group  
Mr Matt Goldrick, General Manager, Customer Service Support  
Mr Stewart Ellis, General Manager, Customer Service

**Australian Industrial Registry and Australian Industrial Relations Commission**

Mr Doug Williams, Industrial Registrar  
Mr Terry Nassios, General Manager, Statutory Services Branch  
Mr Dennis Mihelyi, Corporate Services

**Indigenous Business Australia**

Mr Ron Moroney, General Manager  
Mr Craig Dalzell, Deputy General Manager  
Mr Chris Baseler, Acting Assistant General Manager  
Ms Kaely Woods, Assistant General Manager  
Mr Jag Dhingra, Acting Chief Financial Officer

Mr Colin Clements, Assistant General Manager  
Ms Valerie Price-Beck, Assistant General Manager  
Ms Sue McCormick, Assistant General Manager  
Mr Peter O'Neill, Assistant General Manager

**Equal Opportunity for Women in the Workplace Agency**

Ms Anna McPhee, Director

**The Workplace Ombudsman (formerly Office of Workplace Services)**

Mr Nicholas Wilson, Director  
Mr Alfred Bongi, Deputy Director  
Ms Lyn Valentine, Chief Financial Officer  
Ms Naomi Bleeser, Acting General Manager, Corporate  
Ms Sherry Pullen, General Manager, Policy  
Mr Bill Loizides, General Manager, Field Operations  
Leigh Johns, Chief Counsel

**CHAIR (Senator Troeth)**—Good morning. The committee is continuing the examination of the Employment and Workplace Relations portfolio, beginning with the Australian Industrial Registry and the Australian Industrial Relations Commission. Copies of yesterday's opening statement, which sets out the procedural requirements of the estimates process, are available from the secretariat. I remind the department that the committee has fixed Friday, 27 July 2007 as the date for return of answers to questions on notice. Today's proceedings will be suspended for breaks as indicated on the agenda. I remind participants that oral evidence and documents in estimates proceedings are part of the public record. I welcome back Senator Eric Abetz and I welcome for the first time Mr Doug Williams, the Industrial Registrar, and officers and observers to this public hearing. Minister, do you wish to make an opening statement?

**Senator Abetz**—No, I do not.

**CHAIR**—Welcome, Mr Williams and your officers. Senator Campbell has some questions.

**Senator GEORGE CAMPBELL**—In the budget, the AIR's funding for 2007-08 has been cut by \$12 million. Is that based on an assessment by the AIR, or was that a part of the budget decision by the government?

**Mr Williams**—Those changes to the budget for next year reflect the cessation of the one-off funding for Work Choices implementation. They also reflect one-off funding for the move into our new Melbourne building. So, essentially, the ongoing funding is the funding that was determined, as required, for our ongoing operations.

**Senator GEORGE CAMPBELL**—So those were the only two factors that were impacted by the \$12 million cut?

**Mr Williams**—There are always a handful of minor factors, but far and away they are the principal drivers.

**Senator GEORGE CAMPBELL**—What were the minor factors?

**Mr Williams**—I will turn to our Chief Financial Officer if I may.



**Mr Mihelyi**—Essentially, as the registrar has pointed out, they are the two principal ones. On page 157 of the PBS document we outline the variations in a couple of dot points. Essentially, of the \$12 million, \$8 million was to do with the building and close to \$4 million was to do with the one-off Work Choices transitional funding for last year. The other changes were minor changes for parameter adjustments and judicial remuneration increases for the members.

**Senator GEORGE CAMPBELL**—What exactly does that mean?

**Mr Mihelyi**—It meant that, because of the way the funding for Work Choices was set up, in the first two years we had some additional moneys to change the way we were doing things from what we had prior to Work Choices. A lot of that was to do with retention of the number of members—that is, at the time we had 45 members and part of the funding was to maintain 45 members. There was a potential workload adjustment down the track. They projected that our workload would reduce over time. Our funding dropped to reflect that.

**Senator GEORGE CAMPBELL**—So you had 45 members prior to Work Choices and it reduced. What was the break-up of those between commissioners and deputy presidents?

**Mr Mihelyi**—We had 18 presidential members and the others were commissioners.

**Senator GEORGE CAMPBELL**—There were 27 commissioners?

**Mr Mihelyi**—Yes.

**Senator GEORGE CAMPBELL**—What are the current levels?

**Mr Mihelyi**—We have dropped two commissioners. They retired in February this year.

**Senator GEORGE CAMPBELL**—So it is down to 25 and you still have 18 presidential members?

**Mr Williams**—You might care to understand that, in the coming year and a bit, two presidential members are due to retire.

**Senator GEORGE CAMPBELL**—In a year and a bit?

**Mr Williams**—I do not have the exact timing to mind but it is in that order of magnitude.

**Senator GEORGE CAMPBELL**—Do you have any forward projections about when the current 43 will reach retirement point?

**Mr Williams**—I do not have it with me but certainly I have a chart back in the office that has the retirement dates of all members of the commission.

**Senator GEORGE CAMPBELL**—Could you make that available to the committee?

**Mr Williams**—I believe that is a matter of public record and I see no reason why we cannot do that.

**Senator GEORGE CAMPBELL**—Are there any other areas where these funding cuts will impact upon your operations, either internally or for clients of the agency?

**Mr Williams**—I emphasise that I do not see these as funding cuts; I see them as a return to normal operations, given one-offs. In short, I think the answer is that we are funded to do the job that is required of us.

**Senator GEORGE CAMPBELL**—So there is no intention to reduce staff numbers?

**Mr Williams**—Not as a general proposition. In fact, staff numbers in the commission have reduced consequentially in recent years from something in the order of 240 staff to a little under 180 staff. So the running complement we have is, if you like, fit for purpose.

**Senator GEORGE CAMPBELL**—Where are those 180 staff located? Are they all located in capital cities?

**Mr Williams**—Yes, they are.

**Senator GEORGE CAMPBELL**—In six of the capital cities or five of the capital cities?

**Mr Williams**—We have offices in the capitals of every state and territory and there are staff in every one of those offices.

**Senator GEORGE CAMPBELL**—Are there offices in any regional areas or suburbs?

**Mr Williams**—At present, no. What happens with our operations is that members and their associates and staff regularly travel to regional areas to hear matters in the locality, as well as hearing them in our fixed offices in the capital cities. In addition, we have modern videoconferencing equipment in the organisation and many matters these days are heard, with the agreement of the parties, by videoconference. Mixing and matching between the three is proving to be efficient and effective.

**Senator GEORGE CAMPBELL**—Do the members who travel do it when a dispute or situation occurs, or do they pay regular visits, like district court judges do, to regional areas and deal with issues that may be relevant at that point in time?

**Mr Williams**—They do both. With some matters the timing is not critical, so you can time things by agreement with the parties to be coincident in a period. Other things, of course, are less predictable and the commission responds as it needs to.

**Senator GEORGE CAMPBELL**—How do employers and employees in regional areas or the suburbs access the services of the commission and the registry? Do they do that by email or a telephone call?

**Mr Williams**—Yes. Like all Australians, they have a number of ways to engage the organisation. Firstly, of course, if they are in the city as a resident or visiting, they can attend any of our offices. Secondly, there is direct communication with individual members of staff and members by email or telephone. Thirdly, we have a 24-7 website, including a live chat facility, so people can call our national call centre, they can access the website, they can write to us or they can email us. The full panoply of modern communication channels are available, and all of them are being taken up. There has been a good uptake of our national call centre and our website and live chat facility.

**Senator GEORGE CAMPBELL**—Do you have any figures available for, say, the last two financial years on the break-up of the number of cases that were dealt with in your city locations vis-a-vis matters that were heard in the regions or in the suburbs?

**Mr Williams**—I will chance my arm, but I want to check with the General Manager of the Statutory Services Branch, Terry Nassios.

**Mr Nassios**—We do.

**Mr Williams**—Yes. It may well be a considerable data collation exercise to get the figures into a more meaningful form, because we have not had any operational need to collect the data that way but, ultimately, at least in principle, it should be possible to get the data. Terry, do you want to add anything?

**Mr Nassios**—No.

**Senator GEORGE CAMPBELL**—Can you look at the last couple of financial years? I am not interested in it being precise to the latter, but I would like to get a rough idea of whether the break-up is 25 to 75, 80 to 20, or 60 to 40.

**Mr Williams**—If you will allow us, we will take that on notice.

**Senator GEORGE CAMPBELL**—Yes, sure.

**Mr Nassios**—I have had a look at the annual report. Table 8 on page 72 of the registry annual report gives a breakdown of the location of hearings. I think the types of places you are referring to are what we have listed under ‘other places’. It is going to be hard for me to do a breakdown by percentage at the moment. For the year 2005-06, we had 903 ‘other places’ out of a total of the 15, 248 hearings. That includes videoconferences and telephone conferences, which may or may not also be emanating from those other places.

**Mr Williams**—I would emphasise that those are 2005-06 figures. Our ability to effectively use, for example, our videoconferencing facilities has increased by an order of magnitude. To summarise, there were 900-odd physical visits and another 900-odd video conferences, making it 1,800-odd out of 15,000. That proportion is something over 11 per cent or 12 per cent. Over the last year that would have increased, I expect, by at least an order of magnitude.

**Senator GEORGE CAMPBELL**—Do you have a predisposition—I am loath to use the term ‘rule’—to ensure that, where issues are raised regionally outside of the metropolitan areas, the issues are conducted there rather than requiring the parties to come to the capital cities?

**Mr Williams**—The organisation has worked in a very focused way in recent times to live a culture of client focus. There is a strong predisposition to operate in a client focused way and be more engaging of clients and stakeholders—to do just as you say and go out and engage the clients where they are, as far as is practicable.

**Senator GEORGE CAMPBELL**—Perhaps we could see how effectively those numbers can be broken down without breaking the organisation. That would be helpful.

**Mr Williams**—We will do that.

**Senator GEORGE CAMPBELL**—Do you keep any data on the waiting time for matters to be listed and for hearings to be held?

**Mr Williams**—Yes, we do.

**Senator GEORGE CAMPBELL**—What is the average period?

**Mr Williams**—I cannot give you a single average. If you refer to our annual report, you will see the multiplicity of matters and their essential heterogeneity. They are quite different matters. If I picked a single average, even a median, it would be pretty meaningless. The nature of matters means that some of them are quite complex and are inherently long-dated in

resolution. Others are resolved almost immediately. We have never had a call to calculate an average, but we do have some information. I am not sure whether Mr Nassios has it with us, but we certainly do have information about average process times at different stages in the process for the broad categories of matter.

**Senator GEORGE CAMPBELL**—I can understand that you would get a wide variation in the time from when a matter is commenced to when it is completed, depending on the issues, but what I am looking at is the average period from when a matter is notified to you until a hearing commences.

**Mr Williams**—I understand. I would say again that it is highly variable, because some matters require a lot of work-up by the parties and the organisation before they can be heard and other matters can be brought on very quickly. A straightforward unfair dismissal matter can be dealt with quickly in the lead-up, the conciliation of the matter and the resolution of it. Other matters can take days, weeks or months to deal with in each stage of the process.

**Mr Nassios**—There is a table in the president's annual report which does refer to certain case flow measures.

**Mr Williams**—It is on page 53.

**Mr Nassios**—In terms of certain proceedings, there is a measure of the days from lodgement to the first hearing in three different types of matters: dispute notifications, award variations and orders relating to industrial relations.

**Mr Williams**—Perhaps we could read out some of those figures to you to give you an immediate feel for it.

**Senator GEORGE CAMPBELL**—Sure.

**Mr Nassios**—In these figures we give the 85th percentile—85 per cent of cases and below. In 2005-06 it was 21 days for dispute notifications, 47 days for award variations and three days for orders relating to industrial action.

**Mr Williams**—Hence the dimension of a range, given the type of matter.

**Senator GEORGE CAMPBELL**—Are those the three categories that you identify things within? Are there any other categories?

**Mr Nassios**—In terms of the first hearing all I have is this page. I certainly know that we would have the period from lodgement to first hearing in an unfair dismissal matter, for example. It is not in here, so I would have to get that at some other time.

**Senator GEORGE CAMPBELL**—Could you do that? I am interested in looking at the number of disputes dealt with by the commission over the last two financial years.

**Mr Williams**—That is a different question, I think.

**Senator GEORGE CAMPBELL**—You read out three categories into which I understood you classified matters before you. One was award variations, another was dispute resolution and the third one was—

**Mr Nassios**—Industrial action.

**Senator GEORGE CAMPBELL**—Yes, industrial action. Is that how you classify, or do you have other classifications of disputes?

**Mr Nassios**—We would certainly have termination matters as a separate category.

**Senator GEORGE CAMPBELL**—As a separate category?

**Mr Nassios**—Definitely.

**Senator GEORGE CAMPBELL**—I am looking at the number of cases you handled over the past two financial years. If you are able to break them into those categories, so much the better. If you can give me only a consolidated figure, that will do for my purposes.

**Mr Williams**—We are happy to do that. I note in passing that our latest annual report for the bulk of that period will have much of that information throughout its content. I do not have the exact page numbers to hand at the moment. We will also look at how that can be updated since the annual report.

**Senator GEORGE CAMPBELL**—Thank you. When you travel to regional areas or suburban areas, what facilities do you use for hearing disputes?

**Mr Williams**—It varies, depending on the locale. There may be conference-type facilities, there may be a magistrate's court locally, there may be a suitable hotel or there may be a town hall. We just mix and match depending on the matter to be heard and the locale. As far as I am aware, it has not presented an issue for the organisation or for the parties.

**Senator GEORGE CAMPBELL**—I think that when I was around the game in Whyalla we used to use a local school gymnasium for disputes.

**Mr Williams**—Indeed. Why not, if it works?

**Senator GEORGE CAMPBELL**—Do you have arrangements with certain providers for the use of these venues or do you just do it on an as needs basis?

**Mr Williams**—Again, yes and no. There are locales that you tend to return to regularly because they are major regional centres and, by number, there will be more matters arising there. But there are other areas that happen incidentally and you make a local arrangement as you need to.

**Senator GEORGE CAMPBELL**—So it is basically on an ad hoc basis?

**Mr Williams**—Both on an ad hoc basis and as a reasonably regularised process.

**Senator GEORGE CAMPBELL**—I presume that if you were somewhere like Weipa or Gove you would have facilities provided by the company. Are there company town arrangements? Is that the sort of thing you would do?

**Mr Williams**—My guess is that, reflecting the commission's commitment to independence and perceptions of independence wherever possible, we would look for locales that are seen to pass, and indeed would pass, the perception test of clear independence. That might not always be possible. I actually do not know firsthand right now.

**Mr Nassios**—It depends on what you mean by 'venue'. Clearly there will be site visits by the commission to an employer's premises. I do not know where they would conduct the matter if it were in Weipa but, as you say, it may be on an employer's premises.

**Senator GEORGE CAMPBELL**—I am just using that as an example. At places like Weipa and Gove I do not think you have much choice other than to use facilities provided by the company. They are basically company towns.

**Mr Williams**—That may well be the case. It would be the exception, and the commission would operate on the basis of ensuring that the parties were comfortable to use such a facility.

**Senator GEORGE CAMPBELL**—Sure. Can you provide us with a breakdown of the total cost of videoconferencing?

**Mr Williams**—I do not believe so. Our video equipment is relatively newly installed. There has been considerable settling in effort which will not reflect ongoing use of the facilities. We certainly know what we have spent on installing videoconferencing equipment, but at this stage it is relatively new and it would be hard to confidently disaggregate or disentangle it in terms of initial purchase, installation, debugging and settling down the processes for using the equipment so that it is used efficiently and effectively.

**Senator GEORGE CAMPBELL**—You cannot at this stage give us a comparative cost between doing a videoconference, say to Orange, and having an on-site hearing? You cannot give us what the relative costs would be?

**Mr Williams**—I can give you a strong proxy. For example, in the past year, where we have had videoconferencing facilities available to us, in terms of the broad order of magnitude, the cost of travel for members and associates is now about half what it was a year ago. I am not necessarily saying that the total explanation for that is the savings from videoconferencing, but it is a very major driver of it.

**Senator GEORGE CAMPBELL**—You may not be able to provide the information at this stage, but which is the most cost-effective way of doing it? Is it face-to-face hearings—I know that a number of people have to travel—or is it much cheaper to do it by videoconferencing? I know that videoconferencing is not necessarily cheap.

**Mr Williams**—It is certainly much cheaper to do it by videoconferencing, and the proxy measure I gave you is strongly indicative of that. Whether it is effective depends on the needs and wishes of the parties, as well as the nature of the matter. We have processes that allow members to determine, in consultation with the parties, the most effective way to do it in each and every case, and that is how it happens.

**Senator GEORGE CAMPBELL**—If there was a dispute in, say, Orange and you conducted a videoconference for that, would that require someone to go there and physically set up the videoconferencing facility?

**Mr Williams**—There would certainly need to be arrangements for some local operator who can establish the link at the end.

**Senator GEORGE CAMPBELL**—So you would use local people to do that, as opposed to having someone from the AIRC go out and set it up?

**Mr Williams**—How that is done in each and every case, I do not know. I have not actually sat in on one at the other end.

**Mr Nassios**—I am not aware that registry personnel would go to, for example, Orange. It would have to be a local provider, whomever that may be. It may very well be the local education institution, because they tend to have videoconferencing facilities.

**Senator GEORGE CAMPBELL**—But are there situations or areas where you would require someone to go from the AIRC to set it up?

**Mr Nassios**—I am not aware of any areas in which we would do that.

**Mr Williams**—Indeed, that would be odd, because part of the payback for investing in videoconferencing is to obviate the need for the travel.

**Senator GEORGE CAMPBELL**—I understand that, and that is what I am trying to establish. So far your experience has been that there have been locals with the skills and capacity to do that?

**Mr Williams**—Precisely so.

**Senator GEORGE CAMPBELL**—How many callers have you had to your information line since it was established?

**Mr Williams**—The national call centre has been operating for about a year. On average we take about 400 calls a week into that call centre.

**Senator GEORGE CAMPBELL**—Has that been constant since the commencement of Work Choices?

**Mr Williams**—It has a bit of a sawtooth character but, running to the substance of your question, it has been pretty consistent at those sorts of levels.

**Senator GEORGE CAMPBELL**—Do you keep a record of the location of callers to your infoline?

**Mr Williams**—No, we do not. Let me be a little more specific about that. We have information on the capital city from which a call originates, but we do not have a more specific location than that.

**Senator GEORGE CAMPBELL**—Do you also have that information for regional towns and cities?

**Mr Williams**—I am absolutely certain that we do, but we do not collect or assess any statistics at that level of disaggregation. I am not even sure if we have the capacity to do that with the technology we are using at the moment.

**Mr Nassios**—Our system is very basic at the moment. The service that we have comprises a small number of staff that are based in five different cities of Australia—Perth, Adelaide, Melbourne, Sydney and Brisbane. Those are all our staff. Our system really only allows us to measure which of those regions actually answers the phone call. It is designed in such a way that, if a Queensland caller rings, it will go to a Queensland service, but, in the case of an overflow, it will go to another area. In that case, we would only measure the fact that it was answered in another area.

**Senator GEORGE CAMPBELL**—So it is possible that you could get calls at your Queensland registry that are from northern New South Wales, for example?

**Mr Nassios**—Yes, that is correct.

**Senator GEORGE CAMPBELL**—You would not know whether they came from within Queensland or from outside of it?

**Mr Nassios**—Correct.

**Senator GEORGE CAMPBELL**—Which centre takes the most calls?

**Mr Nassios**—Melbourne.

**Senator GEORGE CAMPBELL**—Do you keep a record of the number of people who access your website—how many hits you get on your website?

**Mr Nassios**—I would say that we would, but I certainly would not know what the figure is.

**Senator GEORGE CAMPBELL**—Could you take that on notice and provide us with that detail. You could also tell us which parts of your website are used the most.

**Mr Nassios**—Yes.

**Mr Williams**—What I suspect is that, as is often the case with websites, we can find out the number of hits on the website but it might be rather more problematic for us to find out the nature of the entity that is entering the website.

**Senator GEORGE CAMPBELL**—I understand that. I know that some websites are specifically set up so that they know which particular areas are accessed, but that depends on the way in which the website has been established. You may not be able to do that.

**Mr Williams**—It is not just that we cannot or do not want to. Again, reflecting the statutory independence of the organisation, it is important that people feel like that they are able to engage us and maintain their anonymity, if that is what they wish to do. If they do not wish to do that, then they have the option of identifying themselves.

**Senator MARSHALL**—I think you have misunderstood the question. I think Senator Campbell is asking which parts of the website are accessed, as opposed to who is accessing them.

**Mr Williams**—Yes, that was the second part of the question. I guess I was running with the first part of the question initially. Indeed, in terms of the second part of the question, we may record not only hits to the website but also what parts of the website are accessed. I am a bit of a technophobe, so I cannot tell you how our website has been set up. But we can take that question on notice.

**Senator MARSHALL**—You are among friends around here!

**Mr Williams**—I thought I would be!

**Senator GEORGE CAMPBELL**—Speak for yourself! Mr Williams, can you tell us under what circumstances the AIRC conducts dispute resolution functions under the Workplace Relations Act?

**Mr Williams**—I am not sure I understand what your question is running to.

**Senator GEORGE CAMPBELL**—Under the Workplace Relations Act, what circumstances have to be in existence for the AIRC to conduct dispute resolution functions?



**Mr Nassios**—Predominantly, part XIII of the act deals with the commission's dispute resolution powers and functions. There are three particular avenues within that part. One is what is referred to as the alternative dispute resolution process. That process, in some respects, could be seen to be akin to the previous section 99 type of process whereby parties to a dispute will lodge an application with the commission and the commission has certain powers to deal with the dispute if both parties agree to the commission doing so. There is also a section there which allows the commission to be involved in the facilitation of enterprise bargaining negotiations. Again, that is by agreement of the parties. The third avenue is the dispute resolution process under a workplace agreement—or the old certified agreements. Again, that is akin to the old section 170LW. Those, in very broad terms, are the three particular powers that the commission has.

**Senator GEORGE CAMPBELL**—How have they changed since the introduction of Work Choices?

**Mr Nassios**—The major change is in the first one—the alternative dispute resolution process. That process now requires the agreement of both parties to choose the commission to be the dispute settling provider, and the parties then also have the capacity to decide what sort of powers the commission has in that type of dispute process. It may be that the parties will not agree to the commission arbitrating the matter, for example.

**Senator GEORGE CAMPBELL**—So it really requires the parties to agree on the extent to which they allow the AIRC to act as an independent arbiter or mediator in that dispute?

**Mr Nassios**—Correct.

**Senator MARSHALL**—Do you know how many agreements use the AIRC as part of their own dispute settlement procedures?

**Mr Nassios**—No.

**Mr Williams**—We would have no way of knowing. In the event of a dispute arising that would trigger such a clause in an agreement, we would find out; but, in the absence of that, we would have no way of knowing, given the way that agreements are continuously being made or unmade.

**Senator MARSHALL**—Even in collective agreements? They are published documents. Have you done a search of them to find out whether you are listed as the final arbiter or to assist in the process?

**Mr Nassios**—Certainly not for every agreement. The department has a workplace agreements database. I must admit that I do not know whether that database would contain that sort of information, but it may do. From our own perspective, we did a small sample ourselves to try to work out the very question that you are asking. Again, I have to say that I do not recall what the results of that particular sample were, but it was a very small sample.

**Mr Williams**—What I can say is that our capacity at present is such that we are managing the demands on us quite comfortably. If you look at the pattern of disputes, you will see that there is no expectation of there being a spike or a rising trend. So we have no reason to believe that, within our current capacity, we cannot handle what arises. So there has been no

prior need to expend resources on the matter, and we are not really set up to do that kind of investigative work.

**Senator MARSHALL**—I want to come back to the question that Senator Campbell asked about what power you have in assisting in resolving or arbitrating disputes; you said that both parties have to agree. Is the existence of a clause in a certified agreement which uses the AIRC in its dispute resolution procedure enough to trigger that? If you do not keep a register and you have not consented to those issues in the first place, does it still require both parties to formally consent to that process happening regardless of what the certified agreement might say? Or is the certified agreement in some way binding on that?

**Mr Nassios**—In simple terms the answer to your question is that we would apply the agreement in that case, whatever the procedure in the agreement is. I should make it clear that, when I spoke earlier about the agreement of the parties, that is predominantly in that one aspect of a part 13 section 699 matter. In terms of the agreement dispute settling process, it is what is in the agreement. So to the extent that the agreement says that the commission has the power to arbitrate, then I guess the agreement indicates that the parties have already agreed that that is the power of the commission. Obviously, I have not explained that well.

**Senator MARSHALL**—No, it is just that I am wondering what would happen—and, unless it has happened, this is hypothetical—if both parties were before the commission and one party said, ‘We do not agree with you arbitrating, even though the certified agreement says so.’ I am wondering whether, under the powers that you described to Senator Campbell, the parties before you at the time have to agree regardless of what the certified agreement says, or whether the certified agreement overrules that and there is no choice.

**Mr Williams**—I would agree that it is a very hypothetical question, and I cannot think of a circumstance where it has arisen. As to where your question is, for the moment, running, I guess I would characterise the primary change that we are describing now as being that the organisation’s mandate in this area is now contestable; it is no longer a statutory responsibility. In that regard, it will always require that the parties want to do it.

**Senator GEORGE CAMPBELL**—Is the commission proactive in looking for work in the areas of mediation and arbitration? Do you advertise your capacity to the protagonists generally—industry associations, unions, employees and employers around the country? Do you tell them that you have the facility to assist them if they want to use it?

**Mr Williams**—The short answer to that is yes. The expanded answer to that is: yes, and there are a number of things that the organisation is actively doing to that end.

**Senator GEORGE CAMPBELL**—Can you describe those?

**Mr Williams**—I am happy to describe them in general terms. First and foremost, members of the commission and staff have extensive networks with the parties that you are talking about. They are constantly engaging them—and professional societies like industrial relations societies and so on. So there is various and regular engagement both person to person and via seminars and presentations at those sorts of organisations. Second, we have produced materials such as fact sheets, alternative dispute resolution CDs and tapes, and they are generally available. Third, all the contemporaneous material on the commission’s services, particularly its new contestable services, is on the website. Fourth, members of the

commission are conducting user groups and user briefings—and they are active in that; in fact, some of them are being held this week—and that is ongoing. I am sure that I have forgotten some other things, but that gives you the flavour of it. The commission and the registry are not only active, but I think it would be fair to say that they have been considerably more active in recent times than they had been in the past—that is, providing a service in a contestable market has spawned a more proactive approach.

**Senator GEORGE CAMPBELL**—How do you get out to the industrial parks around the fringe of capital cities and into regional areas—where some of those other organisations may not reach—to let employees and employers know that you have the facility to assist them in dealing with any conflict in the workplace?

**Mr Williams**—The website, our email service and our hard-copy mail has reach everywhere in the country. Second, you engage people through other agents. For example, if we make presentations to employee or employer bodies, they in turn have their own networks, new bulletins, electronic newsletters and so on. So you can and do get the message out.

**Senator GEORGE CAMPBELL**—So it has a cascading effect?

**Mr Williams**—Correct.

**Senator GEORGE CAMPBELL**—Do you charge for that service?

**Mr Williams**—There is no charge.

**Senator GEORGE CAMPBELL**—So a free service is still provided?

**Mr Williams**—Correct. It is part of our competitive advantage. That was tongue in cheek. The principal part of our competitive advantage is our brand, our reputation for independence and the depth of expertise and competence in the organisation amongst both members and staff. That is not a paid advertorial; that is, very seriously, our competitive advantage. Even though we provide the service contestably, we are still the first port of call for alternative dispute resolution.

**Senator GEORGE CAMPBELL**—Prior to Work Choices being introduced, you conducted annual wage reviews and published up-to-date wage rates as part of your award review and variation functions, didn't you?

**Mr Williams**—Not me personally, but the commission did.

**Senator GEORGE CAMPBELL**—Do you have an assessment of the cost of conducting award variations to adjust award wage rates and the subsequent publication of those rates?

**Mr Williams**—I recall from a previous estimates hearing relatively recently that was a question on notice which was answered, and I do not have that with me now.

**Senator GEORGE CAMPBELL**—Have you answered it previously?

**Mr Williams**—That is my recall—that it was a question on notice. I cannot recall which senator it was from; it might have been from Senator Wong or it could have been from Senator Marshall.

**Senator GEORGE CAMPBELL**—I am looking for 2005-06, but if you have already answered it on notice—

**Mr Williams**—We will take it on notice.

**Senator GEORGE CAMPBELL**—If you have answered it on notice, don't worry about it, but you might just draw our attention to what the number was. In relation to the callers on your information line, do you know how many or what percentage of those calls relate to information in respect of wage rates or award wage rates?

**Mr Williams**—The preponderance of calls relate to unfair dismissal matters rather than to wage rates. Just to give you a feel for it, the broad make-up as I have it is that about half the calls relate to unfair or unlawful termination and about a quarter of the calls relate to the general category of entitlements including wages. Just to complete the 100 per cent, around 15 per cent relate to awards, agreements and disputes and we have a nine per cent 'other' category. That nine per cent 'other' category can include a preponderance of matters that do not just relate to our mandate because, to some extent, the national call centre operates as a first-stop shop for workplace relations matters in other agencies, federal and state, so there is some capacity for our call centre operators to refer people to the appropriate federal and state agencies.

**Senator GEORGE CAMPBELL**—Do you know how many of these callers have been referred to other agencies?

**Mr Williams**—Not with precision, because our primary purpose is to provide guidance in relation to our mandate not other people's mandates, but I can hazard a guess in terms of orders of magnitude that probably a significant share of that nine per cent of incoming calls will be referrals to other agencies.

**Senator GEORGE CAMPBELL**—Any agencies in particular?

**Mr Williams**—I do not know, but I do know that the manager of our call centre is quite active in maintaining relationships with other federal and state agencies, including the Workplace Ombudsman or the workplace authority, DEWR itself, organisations such as state industrial relations commissions and also the quasi-private organisations working in the workplace relations area. We get calls that are more appropriately referred to all of those and the manager of our call centre has active relationships with a wide panoply of those sorts of organisations. We not only know broadly what their mandate is and whether it is appropriate to refer a call to them, but we generally have information about the most appropriate number and contact point in those organisations. We do not try to be a one-stop shop; we do try though to be a first-stop shop so that callers feel like that first call has created some value for them rather than, 'Sorry, we can't help you, back to square one.'

**Senator GEORGE CAMPBELL**—Will the announced changes to the functions of the OEA and the Office of Workplace Services change your practice in any way?

**Mr Williams**—Not materially.

**Senator GEORGE CAMPBELL**—Can you tell us how many claims have been received by you for unlawful dismissal since 27 March 2006?

**Mr Williams**—Mr Nassios has those figures.

**Mr Nassios**—Perhaps I could, in terms of termination of employment, give you several categories, which would make it simpler because of the particular grounds that individuals are lodging applications under.

**Senator GEORGE CAMPBELL**—Yes.

**Mr Nassios**—In respect of what we describe as the ‘harsh, unjust and unreasonably unfair dismissal applications’, since 27 March last year until 30 April this year—2,422 claims. In terms of ‘unlawful alone’, 1,006 and we then have a combination of unlawful and unfair dismissal grounds in the one application, and we have 2,110 of those.

**Senator GEORGE CAMPBELL**—That is 5½ thousand, roughly.

**Mr Nassios**—Yes.

**Senator GEORGE CAMPBELL**—What is the current average time for these claims to be listed for call-over?

**Mr Nassios**—I do not have that information with me. I will have to take that on notice.

**Senator GEORGE CAMPBELL**—You will not have this either, so could you take it on notice as well—those to be listed for mediation?

**Mr Nassios**—I had better clarify the question as I am not sure what exactly you are asking there.

**Senator GEORGE CAMPBELL**—I wanted the average times for the claims to be listed for call-over, the average time for them to be listed for mediation and the average time for them to be listed for hearing.

**Mr Williams**—So what you want are the steps in the process?

**Senator GEORGE CAMPBELL**—Yes.

**Mr Nassios**—It may not be possible to break them down exactly into those categories but I could certainly break them down to indicate from the lodgement to the first hearing, whatever that first hearing would be.

**Senator GEORGE CAMPBELL**—If you can give me the other figures, I would appreciate it.

**Mr Williams**—I think that will overlap with the second question we have already taken on notice—the first stage of that process from application to hearing.

**Senator GEORGE CAMPBELL**—Yes. Have you ever conducted a survey of the applicants or respondents about their experiences with unfair or unlawful dismissal claims?

**Mr Williams**—No.

**Mr Nassios**—No.

**Senator GEORGE CAMPBELL**—So you have never looked post these matters to see whether they were satisfactorily dealt with or whether the experience was good, bad or indifferent, or where the problem areas might have been in processing them?

**Mr Nassios**—No.

**Mr Williams**—I think that reflects the character of the year where we have had to absorb the Work Choices changes, turn that into processes and actually provide the service in the marketplace. I think also it would not be self-serving to observe that the immediacy of the character of these sorts of matters means that all the way through the members, the associates and the registry staff involved in resolving the matters have a clear understanding of the degree of satisfaction with how it is being handled because of the immediacy of engagement. I think we have a pretty good feel, to date, in our operations of the adequacy of our performance.

**Senator GEORGE CAMPBELL**—Are you able to give us, since 1996, the number of employees the commission had in 1996, the number of deputy presidents, the number of commissioners, the number of court cases, the number of cases dealt with and the funding, compared to the last financial year?

**Mr Williams**—That would certainly be possible. I would observe though that every piece of that information would have been in our successive annual reports.

**Senator GEORGE CAMPBELL**—Is it a difficult task to give us a consolidated figure?

**Mr Williams**—It will be time consuming but I see no reason why we can't do it.

**Senator Abetz**—How many years do you want it for?

**Senator GEORGE CAMPBELL**—I only want it for 1996 and for the current financial year.

**Mr Williams**—Just a comparative?

**Senator GEORGE CAMPBELL**—Yes.

**Senator Abetz**—Between 1996 and 2006, just those two years?

**Senator GEORGE CAMPBELL**—Yes, the last full financial year.

**Mr Williams**—That would be a very straightforward exercise. It is just a matter of putting two annual reports side by side.

**Senator GEORGE CAMPBELL**—I was not looking for every year, just the—

**Mr Williams**—We can put two annual reports side by side

**Senator Abetz**—It is all hypothetical because the Labor Party wants to abolish the AIRC, as I understand it, but there you go.

**Senator GEORGE CAMPBELL**—We want to see, first of all, how much of it you have neutered over the 10-year period.

**Senator Abetz**—There you go.

**Mr Williams**—That 10-year period has been a considerable period of change in the Australian economy and in workplace relations, so I would caution you against drawing your analysis of the raw figures for 1996 against the raw figures for, say, 2005-06 out of context.

**Senator Abetz**—It is a worthy caution, but, I dare say, a wasted caution. We will see what Senator Campbell does with the information. The good news is that after 10 or 11 years of the

Howard government, we have got the lowest rate of industrial disputation since records were kept. Undoubtedly, that will not be part of Senator Campbell's analysis.

**Senator GEORGE CAMPBELL**—It is not because of anything you have done in the industrial relations sphere, Minister. It was what the Labor government did in the eighties.

**CHAIR**—Order!

**Senator Abetz**—Like the building—

**Senator GEORGE CAMPBELL**—That is a political point.

**Senator Abetz**—You've got to be joking!

**CHAIR**—Order! Minister! Senator Campbell!

**Senator MARSHALL**—I want to come back to the \$12 million adjustment to your funding. Does that actually result in staff reductions? I know you explained and I appreciate that the reduction is because of some specific functions—the building relocation as well as Work Choices implementation.

**Mr Williams**—The short answer is no. The expanded answer is that I would characterise the aggregate number of staff and their deployment by locale and function as being at a steady operational mass in each of those functional and geographic areas.

**Senator MARSHALL**—Is the reduction in funding all for non-wage costs?

**Mr Williams**—Yes. As Mr Mihelyi, the chief financial officer, explained earlier, there are three major components of that, the two principal drivers of which are the one-off situation of a 25 year remaking of our Melbourne premises together with the one-off situation of transitional arrangements to implement Work Choices processes.

**Senator MARSHALL**—Thank you. I wanted to clarify that.

**CHAIR**—Thank you very much for appearing before us today.

[9.58 am]

#### **Australian Fair Pay Commission**

**Senator MARSHALL**—Can you outline to the committee what you intend to do with regard to junior wages.

**Ms Taylor**—Certainly, Senator. In its last decision the commission gave an indication that it would conduct a review of junior, trainee and apprentice wages towards the end of this year. The commission is still considering that matter. The chairman has indicated in a couple of public forums that they may look at that review as part of the rationalisation of the pay and classification scales exercise because some of the issues of juniors may also be part of it. The commission has made a decision about it. In their mid-year decision I expect them to give some clarity about the timetable for the review of junior wages.

**Senator MARSHALL**—Will juniors have a special minimum wage decision prior to the APCS being done?

**Ms Taylor**—In the last decision the commission talked about the flow-on, if you like, of their decision into the junior wage rates. Depending on what the commission determines they

will do with the review of junior wages in their next midyear decision, I would expect that to flow on as well. They will then make a determination about whether they make a special federal minimum wage for juniors, as they have the power to do. I cannot speak on what the commission will or will not do, but I would expect that after the review of juniors—or if they roll that into the review of the rationalisation of pay and classification scales—they would look at that issue at that time.

**Senator MARSHALL**—Have you commissioned any independent research on the employment of juniors?

**Ms Taylor**—Yes. I can give you some details on that. We have some research that we have commissioned into the economic and social circumstances of Australian young people aged 15 to 20. That is currently being conducted by a consortium called CLMR, which are Curtin University of Technology, Murdoch University, the University of Western Australia and the University of Canberra.

**Senator MARSHALL**—What are the matters that they have been asked to research and report on?

**Ms Taylor**—They are conducting information about the employment, education and household characteristics of young people. It is, I guess, a very broad picture that is looking at young people who are in or out of the workforce, the households they come, what their levels of employment are and what their employment experiences have been.

**Senator MARSHALL**—When are they expected to finalise that report?

**Ms Taylor**—That report should be finalised by the end of June.

**Senator MARSHALL**—Is the commission waiting on that report before they make any decision about reviewing wages in the junior area?

**Ms Taylor**—They have not specifically indicated that but that report will inform their thinking about how they progress, I would think. Once again, I cannot tell you whether it will or will not. The commission have yet to receive that and make a determination, but they would take that into account.

**Senator MARSHALL**—How much was that consultancy?

**Ms Taylor**—That consultancy was \$52,585.50.

**Senator MARSHALL**—Has the brief been prescriptive in its consultation process? Has the commission specified that certain groups or organisations must be consulted as part of that research?

**Ms Taylor**—No. With respect to the tender brief that went out, we tend not to prescribe. We set parameters, wait and see what the tenderers recommend and then make that assessment based on their expert knowledge of what they would suggest.

**Senator MARSHALL**—In a more general sense in terms of research and consultations, can you tell me what research the AFPC has commissioned since the last wage decision?

**Ms Taylor**—Yes. In addition to the economic and social circumstances of Australian young people, there was a request for tender for a strategy to monitor the impact of the commission's



decisions. There were two successful tenders for that: the National Institute of Labour Studies and Access Economics. That is currently in progress and should be completed by mid-June.

**Senator MARSHALL**—When you say that there were two successful tenderers, are they running parallel projects or are they working together on one project?

**Ms Taylor**—They are looking at different aspects, I suppose, or a different view. When the commission put out the brief for monitoring, we sought a lot of information from the tenderers about the best way to monitor the impacts because the research that we had done so far, in looking at the existing literature, indicated that there was no set formula for monitoring impacts of decisions. The tenders that we received indicated two complementary streams. One focused more on macroeconomic indicators and the other focused more on the household level. We thought they were complementary. They were both valuable in adding to the body of knowledge and really needed to be seen together. While there is some overlap—because one is looking not just at the macro, but going down into some of the household data—they are complementary and present a rounded picture.

**Senator MARSHALL**—When do you expect that research to be finalised?

**Ms Taylor**—We hope that will be finalised by mid-June.

**Senator MARSHALL**—Is it the intention to publicly release that research?

**Ms Taylor**—Yes, Senator.

**Senator MARSHALL**—What is the cost of that?

**Ms Taylor**—The cost for the National Institute of Labour Studies is \$51,232 and the cost for Access Economics is \$79,280.

**Senator MARSHALL**—Is there any other research?

**Ms Taylor**—There is no commissioned research.

**Senator MARSHALL**—What can you tell me about the use of consultants to do specific tasks within the AFPC?

**Ms Taylor**—I think you may be talking about the focus group consultations that we undertook for the minimum wage review this year. They were targeted consultations. TNS Social Research conducted 24 targeted focus groups in 2007 for us through the open tender process. That price was \$143,000. Would you like some information about the focus groups?

**Senator MARSHALL**—Yes. Do you do any other public forums or consultations or is it all done through consultants? I need to understand that first.

**Ms Taylor**—For the first wage review we used a mix of direct public consultations and focus groups. We added in the mix of focus groups to supplement the public consultations and to make sure that we were getting to groups of people who we thought were less well represented at the public consultations, particularly people who were unemployed, Indigenous and, specifically, juniors. For the first wage review we did a combination of both. For this wage review we did just the direct focus groups and we selected again the target groups based on where the greatest impact would be.

**Senator MARSHALL**—So you do the selection, and the consultants do the consultation?

**Ms Taylor**—We do—in consultation with them, obviously. We give an indication of the groups of people that we want them to focus on. This year it was low-paid employees, unemployed—with a mix of long- and short-term unemployed—employers of the low paid, people from a culturally and linguistically diverse background, Indigenous employees, juniors—juniors in work and not in work—trainees, apprentices, and employees with a disability.

**Senator MARSHALL**—Are you able to put numbers against those categories you mentioned?

**Ms Taylor**—Yes, I can. I probably do not have those numbers here, but I can take that on notice.

**Senator MARSHALL**—That is fine.

**Ms Taylor**—Following from the focus groups a report was presented to the commission containing a great deal of detail about the focus groups, not just the summary, and that report will be published as well.

**Senator MARSHALL**—Thank you. How are consultations with organisations or employers done? Are these closed-door consultations or are they done in a public forum?

**Ms Taylor**—The commission has individual meetings with various employee and employer groups. For the first wage review I think there were about 150 organisations that the commission met with in every state, and they were a whole range of groups—for example, in every state we saw the Council of Social Service, employer representatives and employee representatives, generally in separate meetings.

**Senator MARSHALL**—Will they be identified in the report?

**Ms Taylor**—I do not think the commission have given an indication of whether or not they will be identified.

**Senator MARSHALL**—Are you able to provide to the committee a list of people who have been consulted through this process—that is, organisations or employers as opposed to individuals?

**Ms Taylor**—I will have to take that on notice.

**Senator MARSHALL**—If you could. Thank you.

**Ms Taylor**—The other aspect to that for this year, if I can go back to this year, is that the commission did not go around to every state but held meetings with some of the national representative organisations—again, employer, employee and community organisations.

**Senator MARSHALL**—To clarify that question you are taking on notice, when I said it was not about individuals, I meant—and you probably assumed this—that if it is an individual representing an organisation—

**Ms Taylor**—I understand what you mean. Absolutely. I add that we have a disability roundtable group as well, which consists of organisations that have an interest in the disability area, and that meets on a regular basis. I can include those organisations as well. We have just formed a working group to look at the publication of the pay and classification scales and, again, it includes the usual organisations that you would expect to be there.

**Senator MARSHALL**—Are state governments included in that process?

**Ms Taylor**—The other thing I should add to that is that we have a research advisory group, again made up of the key stakeholders and people who have expressed some interest in assisting the commission to formulate the research program, and we have written to the state governments as well to invite their participation, either in that forum or in any other way that they wish.

**Senator MARSHALL**—Will that be done through the consultants or will that be a discussion with the AFPC?

**Ms Taylor**—They will be direct discussions. Those committees are chaired by a commissioner, by me or by a senior member of the secretariat.

**Senator MARSHALL**—That will include all state governments and territories—or those that pick up your offer? You have written to every state and territory government?

**Ms Taylor**—Yes, we have written to them.

**Senator MARSHALL**—What is your target date for handing down the wage decision this year?

**Ms Taylor**—The commission have indicated that the decision will be handed down in mid-2007. I think the chair of the commission has indicated publicly that he would expect that to be in July, towards early July, but we do not have a definite date.

**Senator MARSHALL**—But all the research will be completed by then?

**Ms Taylor**—Yes.

**Senator MARSHALL**—Do you know when is it intended that the decision be effective from?

**Ms Taylor**—No. That is a decision that the commission will make and will announce as part of their decision.

**Senator MARSHALL**—Have they not given any indication that they will make a decision mid-year to have effect at the end of the year, or anything like that? There has been no comment about the effective date?

**Ms Taylor**—No. I have not been told what the commission may or may not do.

**Senator MARSHALL**—Does the AFPC intend to conduct any inquiries or consultations into specific industries?

**Ms Taylor**—Yes. Within the secretariat we have been looking particularly at identifying the industry sectors which have large numbers of low-paid people and looking at the characteristics of those industries. As part of the monitoring strategy we will also be looking at the impact of the commission's decision on those industries.

**Senator MARSHALL**—Will that be research or inquiries?

**Ms Taylor**—It will be research conducted by the secretariat.

**Senator MARSHALL**—So it will be in-house research?

**Ms Taylor**—Yes, it will be in-house research.

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**Senator MARSHALL**—What can you tell me about the issue of pay equity?

**Ms Taylor**—Obviously, as part of the legislation there is a requirement that the decisions of the commission must adhere to the parameters and take account of the discrimination provisions. The commission has not announced any specific inquiry into pay equity. The issue of pay equity was raised in a couple of the submissions that the commission received. They will take that into consideration in making their decision, but, at this point in time, they have not given any indication of doing a specific review into pay equity.

**Senator MARSHALL**—Okay. What can you tell me about workers with a disability?

**Ms Taylor**—As part of its first decision—and that was why the disability roundtable was established—the commission looked at the issue of workers with a disability, specifically around the supported wage system. It was not a formal inquiry as such, but it undertook quite a lot of research and established the stakeholder group—the reference group to advise on that. That group is ongoing.

**Senator MARSHALL**—How often does it meet?

**Ms Taylor**—It is actually meeting tomorrow, and I think the last meeting was about two months ago.

**Senator MARSHALL**—Are you able to provide the committee with a list of people on it?

**Ms Taylor**—Absolutely. I will take that on notice.

**Senator MARSHALL**—Can you tell me about workers from a non-English-speaking background?

**Ms Taylor**—There is no inquiry as such—

**Senator MARSHALL**—Or consultations?

**Ms Taylor**—As part of the focus groups both this time for this wage review and for the previous wage review, we specifically requested that one of the target groups be on people from culturally and linguistically diverse backgrounds.

**Senator MARSHALL**—Did you do anything specifically for regional and rural areas? Did you look at or consult on that differently?

**Ms Taylor**—Again, we did that as part of the consultation mechanism for this year and also for last year, but this year we requested that target focus group research be undertaken in metropolitan and regional areas as well.

**Senator MARSHALL**—Okay. My last question: can you tell me about mature age workers.

**Ms Taylor**—We did not specifically target people as mature age workers, but we broke down the make-up of the low paid and unemployed groups into juniors, young people and older workers. The technical definition of mature age is over 50—it should be over 100 by now.

**Senator MARSHALL**—You use the term ‘older workers’.

**Ms Taylor**—We did segment according to age.

**Senator MARSHALL**—Where do we draw the line?

**Ms Taylor**—Do you mean where do we draw the line of mature age?

**Senator MARSHALL**—Yes. I think you used the term ‘older workers’.

**Ms Taylor**—It depends. Some people think 25 is an older worker. It depends what—

**Senator Abetz**—You have to be very careful; we are very sensitive around here!

**Ms Taylor**—As I am too. That is why I think the mature age boundary should be extended up the scale a bit.

**Senator GEORGE CAMPBELL**—It is all relevant.

**Ms Taylor**—It is.

**Senator MARSHALL**—What are your current levels of staffing?

**Ms Taylor**—Currently we have 30 staff.

**Senator MARSHALL**—Could you break them down into the different tasks or functions?

**Ms Taylor**—At the moment we have: 17 in our research and analysis area—those are our economists and people with industrial relations and workplace relations backgrounds and that is where the majority of our research analysis is conducted; five in our communications area; six in our corporate area; and two in our executive area.

**Senator MARSHALL**—What are the employment arrangements? Are all the employees on AWAs?

**Ms Taylor**—They are.

**Senator MARSHALL**—Is there any intention to change the staffing numbers over the next financial year?

**Ms Taylor**—As you would be aware, we received some additional funding for publishing the pay and classification scales and part of that funding is for additional staff to carry out that task. We expect in the next financial year that there would be approximately five to six staff and in the out years that goes down because there will be a peak.

**Senator MARSHALL**—There have been some recent announcements on changes to the Workplace Relations Act, and a bill was introduced into the House of Representatives yesterday. Does that impact upon you in any way or on your relationship with any of the other agencies?

**Ms Taylor**—No. The interaction we have with those other agencies is, for example, of referring callers to the information line. Previously the Department of Employment and Workplace Relations were publishing the pay scale summaries and had the database for that and it has now moved to the Workplace Authority, so we will deal with them rather than the department, but there is no actual impact on us.

**Senator MARSHALL**—Are those arrangements formalised? Do you have any memoranda of understanding or agreements with other government agencies?

**Ms Taylor**—We have a memorandum of understanding with the Department of Employment and Workplace Relations.

**Senator MARSHALL**—Are we able to have a copy of that?

**Ms Taylor**—I will have to take that on notice.

**Senator MARSHALL**—Are there no other agencies that you have a formalised relationship with?

**Ms Taylor**—No.

**Senator MARSHALL**—When do you intend to publish the APCS?

**Ms Taylor**—We have commenced the process. As I mentioned earlier, our first meeting was, I think, on 1 May with the key stakeholder, employer and employee groups and, as it was at that stage, the Department of Employment and Workplace Relations. We have agreed a process within that group to identify what the priorities are for publishing the pay scales—what they would like to see published first—and also to work up a set of draft guidelines, which will go out to them very shortly. Those guidelines will be setting out what is in an Australian pay and classification scale.

**Senator MARSHALL**—Is there a target date for this to happen?

**Ms Taylor**—No, not until we get some more information back from those stakeholders about the numbers, what their priorities are and what the issues will be. The group suggested that we look at doing a small number to start with—we have not agreed on what that small number will be—and to build up.

**Senator MARSHALL**—Who are the stakeholders?

**Ms Taylor**—The ACTU, ACCI, AiG and the Department of Employment and Workplace Relations.

**Senator MARSHALL**—Do you have a target date for the completion of the whole process?

**Ms Taylor**—Again, this will be difficult because we are at the first stage of the process. We would expect that, once we identify what the stakeholders think the major pay scales of interest are—how many sit in there—we will have an idea of how long it takes and what the end date would be.

**Senator MARSHALL**—How long is the extra funding for?

**Ms Taylor**—The extra funding is for three years, with the bulk of that funding next year. There is \$3 million next year and \$1 million in the out years. Once the pay scales are drafted, then there is legal advice to be sought to make sure that they are correct and compliant. Most of the issues that will be raised around what is and is not in a pay scale, and what remains therefore in an award, will be dealt with over the first group of pay scales that we look at. The indications, from both the ACTU and the employer groups, are that of all of the pay and classification scales—and there are 4,000 of them—only an estimated five per cent will be relatively straightforward. For 15 per cent, there will be issues over nonagreement about what is in the pay scale and what is in the award that will go to some of the allowances et cetera.

**Senator MARSHALL**—You mentioned getting a legal view on them. What will be the legal status of the APCS?

**Ms Taylor**—They will be Australian pay and classification scales created by the Australian Fair Pay Commission. For example, in terms of wage rates—I think that is what you are asking about—they will be the wage rate that has to be paid.

**Senator MARSHALL**—So those rates will be—

**Ms Taylor**—Binding.

**Senator MARSHALL**—relied upon in court for enforcement.

**Ms Taylor**—They will.

**Senator MARSHALL**—The accuracy has been an issue that has been talked about. Where are we going with that? What is the process to ensure that the final published scales will be accurate?

**Ms Taylor**—That is very much the process we are working out with the stakeholders at the moment. Once we have agreement over the group that we are going to start with, we will take advice from those stakeholders about who the parties to the old awards, and now the parties to the new pay scales, will be. We will consult with those parties. It may be that, in some cases, the ACTU is able to represent a group of unions, or we may deal with individual employee representatives themselves. It may be that some of the employer groups are able to represent groups of employers or, in some cases, where the pay scale relates to a specific employer or group of employers, we may have to deal with those. So there will be a consultation mechanism to do the drafting—to use that word—and to get agreement, where possible, around what the pay scale contains and its accuracy. That will then go to, at this stage, the Australian Government Solicitor to make sure that it complies with the legislation, and then they will be published.

**Senator MARSHALL**—Will they be put out in the public domain for testing? You will quickly get a response if people think they are inaccurate before they are finalised.

**Ms Taylor**—We have not made a decision on that as yet. As I said, we are still considering the process with the stakeholders. That may be in the case of a number of the most popular, if I can use that term, pay scales. That may indeed be what we have to do because we are not able to identify who all of the important players or parties would be. We are not ruling out that the commission publishes the draft and calls for submissions in the process.

#### **Proceedings suspended from 10.30 am to 10.48 am**

**Senator MARSHALL**—How will the scales be accessible to the public?

**Ms Taylor**—The information about the pay and classification scales will be available, as is now the case with information about wage rates, through the information line. The Australian Fair Pay Commission will, in addition to that, publish all of the pay scales on its website and provide links to those other websites where people would normally access information.

**Senator MARSHALL**—It will be quite a complicated set of scales, as previous experience tells me. Are you developing any special search engines or a process to make it easier for people to actually find the areas they need to find?

**Ms Taylor**—We will be. Part of the funding will also be for the development of processes that make it relatively easy to access that information. The Australian Industrial Relations

Commission's website has the capacity to search for decisions and awards. That is a model that we could look at, but we also want to take the advice of the stakeholder group on the best way for people to access that. We will be developing something that will be as user friendly as we can possibly make it.

**Senator MARSHALL**—But the decision is that the main form of access will be through your webpage?

**Ms Taylor**—Yes, but information about pay scales and awards—because there will still be some matters that are left in the awards; from our experience, people want to talk about both, not one—will still be through the main information line, as it is now.

**Senator MARSHALL**—I do not envy you the task of putting this together, I must say. You have been allocated \$3.452 million for information services. Is that correct?

**Ms Taylor**—It is made up of a number of components. Our website is part of our information services, as are our publications, our consultation processes, all of our communication and any advertising that we do as well.

**Senator MARSHALL**—Can you break that money down for me? You have given me some costings for your consultation process so far. I am interested to know more precisely where the \$3.45 million will be spent. Do you have some indicative figures in those categories?

**Ms Taylor**—I can get those and give you an exact breakdown of each component, but I do not think I have that with me at the moment.

**Senator MARSHALL**—You mentioned advertising. What is the expectation for advertising?

**Ms Taylor**—If I talk about the year to date it may give you an indication of the sort of advertising that we do. To April, we have spent \$183,000 on advertising in newspapers, radio and websites et cetera. That is broken down into a call for submissions—which, generally, is the bulk of our newspaper advertising. We called for submissions for the general wage review in December. We also called for submissions in relation to the real estate sector. In calling for submissions, we do both national and state papers. Where there are specific issues that the commission is seeking information on, we will use that as well.

**Senator MARSHALL**—Is there a promotional component in that budget?

**Ms Taylor**—There is not a promotional component as such. Part of the remit of the commission is an educative role and part of that is putting out information about the decision and the processes that the commission undertakes. As part of encouraging people to put in submissions for part of this year's wage review, we sent out information and brochures to a whole range of organisations—libraries, local councils and Job Network providers—and to areas where people who are most likely to be impacted by the decision can access information. So in those terms it is semi-promotional, I think, but it was more an educative role.

**Senator MARSHALL**—I appreciate what you have described, and I have no problem with that. Is there anything specifically about badging or promotion of the AFPC itself as opposed to that being incorporated in information dissemination?



**Ms Taylor**—No.

**Senator MARSHALL**—Can you tell me how many people you anticipate employing in connection with the publication of the pay and classification scales?

**Ms Taylor**—Certainly. I think I said earlier that we expect to employ about five or six people.

**Senator MARSHALL**—What roles will they be employed in?

**Ms Taylor**—They will be employed in a variety of roles. We need administrative staff to prepare the pay scales. There will be some in-house legal people. There will be people engaged in the website development, although I will contract some of that out. It gives us a greater need for an overall web developer and web manager from within the commission, whereas previously—because we are so small—we have not needed that. To bring this function in will incorporate that function as well.

**Senator MARSHALL**—What role will those people perform once the minimum wage review decision is made and before the next minimum wage review decision is made?

**Ms Taylor**—Their focus will be on the pay scales.

**Senator MARSHALL**—Simply maintaining the pay scales?

**Ms Taylor**—As I said, there are 4,000 of them. We have to go through the process of creating and publishing the pay scales, if the stakeholders feel it is necessary, or we may reach a point where the stakeholders say, ‘Okay, this is the top 400 or 500.’

**Senator MARSHALL**—I understand.

**Ms Taylor**—They will then go on to look at other tasks of award rationalisation. The commission indicated that they would start to look at that towards the end of the year but, obviously, if those tasks have finished and there is no requirement for the staff—

**Senator MARSHALL**—Once the pay scales have been done and published, they will only need to be modified in line with decisions. Are those people going to be around doing other tasks in between that process? I accept your saying that you cannot give a definitive completion date, but are you saying that those roles will not be ongoing once the major task has been completed?

**Ms Taylor**—No, I do not see that those roles are ongoing and I think the funding reflects that. There would be a very small maintenance component, and that is the funding out to three years. In the latter two years it is \$1 million. A component of that will still be required for accessing legal advice about the pay scales.

**Senator MARSHALL**—Do you have a budget for the legal advice consultancy?

**Ms Taylor**—For the pay scales, it is part of the \$5 million over three years.

**Senator MARSHALL**—How big a part?

**Ms Taylor**—I would expect that, in the first year, legal advice would cost in the order of \$1 million.

**Senator MARSHALL**—Who do you intend to use?

**Ms Taylor**—In the first instance we would use the Australian Government Solicitor, unless there were specific issues or they did not have the capacity to provide advice to us. Then we would go through the normal processes of selecting one, two or five—

**Senator MARSHALL**—I am just wondering, being the authority that you are, about the arrangements that are in place. Do you have to use people on the government set panel?

**Ms Taylor**—We do use people on the set panel, yes.

**Senator MARSHALL**—Okay. And that is a process you would use again?

**Ms Taylor**—We choose to use that; otherwise we would have to go through the process of setting up our own panel. We could do that but it would be quite a time consuming and maybe expensive process for us when the panel is already established. So we choose to use that panel.

**Senator MARSHALL**—I think I have asked this question in a different way. I will ask it again anyway. Will the party bound by a pay and classification scale be able to rely on that pay and classification scale in all circumstances?

**Ms Taylor**—In all circumstances that are covered by the pay and classification scale?

**Senator MARSHALL**—Yes.

**Ms Taylor**—Yes, that is my understanding. It will be a pay and classification scale that is created with the authority of the Australian Fair Pay Commission and so becomes the pay and classification scale. That is the enforceable instrument.

**Senator MARSHALL**—You have partially covered this question too. Has agreement been reached on a process to publish the scales?

**Ms Taylor**—We are in discussion, as I mentioned earlier, with our stakeholder groups. I think we can say we have reached agreement on the process to commence that. We are circulating to all the stakeholders a set of draft guidelines. We start, first of all, with some agreement about what is and is not in a pay scale in a draft guideline sense. That gives us our plan. We are also looking at a template pay scale and whether it is possible in most circumstances, as the stakeholders have indicated to you, to use something that is existing, which would speed up the process. In going through all of those steps, yes, there is agreement around the table that they are the steps we will go through. The third step, of course, is for them to let us know their priorities so that we know where and with which ones we should start.

**Senator MARSHALL**—You have told me people can rely on the published scales and that they will be used to enforce wages decisions in court. Can you explain to me what approach will be adopted if there are errors identified in the published pay and classification scales?

**Ms Taylor**—If there are errors identified in the published pay and classification scales, which we would hope with the level of discussion and agreement there will not be—

**Senator MARSHALL**—We hope there are none.

**Ms Taylor**—then of course the parties have the opportunity to raise that with the commission and put in a submission. The commission would consider that, they may consult with parties affected by that and then they would issue a new pay scale.

**Senator MARSHALL**—Would that have a retrospective effect?

**Ms Taylor**—I do not know, to be honest. In some ways that may depend on the issue.

**Senator MARSHALL**—Maybe you could take that on notice for me.

**Ms Taylor**—I will.

**Senator MARSHALL**—The issue is people being able to rely upon them once they are published. Given the complexity of this process and the sheer numbers involved, it is not unreasonable to expect that there may be an error. I am interested to know whether an error could potentially disadvantage someone for a period of time and whether, once it was corrected, they would be compensated for the disadvantage. If you could, please take that on notice and give me a view.

**Ms Taylor**—I will take that on notice.

**Senator GEORGE CAMPBELL**—My questions relate to a wage review decision. Your website still states that the AFPC will announce its second minimum wage decision in mid-2007, which is not very far away. Is the AFPC still on track to announce a decision by mid-2007?

**Ms Taylor**—Yes, it is.

**Senator GEORGE CAMPBELL**—So are we talking about June or July?

**Ms Taylor**—As I indicated to Senator Marshall earlier, the commission have always said mid-2007 but the chair, at a public speaking engagement the other day, said that that was likely to be in July.

**Senator GEORGE CAMPBELL**—Can you tell me when the decision will take effect from?

**Ms Taylor**—No, I am not able to tell you when that will be. That is part of the decision.

**Senator GEORGE CAMPBELL**—Is there likely to be a time lapse between the decision being handed down and the date of effect?

**Ms Taylor**—I am not able to say. That would be part of the decision.

**Senator GEORGE CAMPBELL**—What was the date of effect of the first decision?

**Ms Taylor**—It was 1 December 2006.

**Senator GEORGE CAMPBELL**—Did the commission consult with anyone about the timing of its decision and when it will take effect this year?

**Ms Taylor**—The commission received information in its call for submissions about timing and when the decision should take effect, and a number of submissions addressed that issue. Part of the feedback that the commission received on its first decision encouraged the commission to not make it in December because, for example, a lot of people go on leave, it is heading into the Christmas period and it is complicated. There were suggestions that, whatever you do, do not make it around Christmas time.

**Senator GEORGE CAMPBELL**—Was that an argument to bring it forward or to push it back, or would it depend on who put in the submission?

**Ms Taylor**—I presume you could take that either way. The submissions did not give an indication; they said, ‘Don’t have it at around that time.’ A number of submissions also raised the issue of a suitable period of time to allow for parties to go to the Australian Industrial Relations Commission to vary the awards, because there are still some allowances in the awards. There was a period of time after the Fair Pay Commission’s decision and announcement where, in order to flow on that rate to some of the allowances, they had to make application to the commission. So a number of submissions requested a suitable period of time to allow that to happen, and the commission has considered all of them.

**Senator GEORGE CAMPBELL**—For the record, with regard to last year, when was the first decision announced?

**Ms Taylor**—It was announced in October.

**Senator GEORGE CAMPBELL**—So it was announced in October and took effect on 1 December.

**Ms Taylor**—Yes, it was about four weeks.

**Senator GEORGE CAMPBELL**—How many submissions did the commission receive on the 2007 minimum wage review?

**Ms Taylor**—The commission received 73 submissions.

**Senator GEORGE CAMPBELL**—I suppose a fair proportion of the 73 submissions were from the usual suspects. Were many of those from individual workers or individual employers?

**Ms Taylor**—There were 10 from individuals, three from individual businesses, 23 from employer organisations, six from employee organisations, 11 from community organisations, three from professional and education organisations, six from government departments and government agencies and 12 related to the real estate sector.

**Senator GEORGE CAMPBELL**—I am sorry, I missed the start of your answer. So there were 10 from individuals. How many were from employees and how many from individual employers?

**Senator Abetz**—Would you necessarily know from the data? There were employer and employee organisations categorised as well.

**Senator GEORGE CAMPBELL**—I know, but—

**Senator Abetz**—Unless somebody who writes in as Joe Bloggs personally identifies it, it might be hard.

**Ms Taylor**—Most of them were individual employees. We do ask people to identify that.

**Senator Abetz**—All right.

**Ms Taylor**—Sometimes they do not—you are quite right, Senator Abetz. Sometimes they do not. If I can take that component on notice, I will get a number for you, because my list does not have it. From memory—and I read all of those—I think they were all employees, but I will check that.

**Senator GEORGE CAMPBELL**—You may not be able to do it, but it would be useful if you could identify the industry sectors those submissions come from. It might give an indication of the wage level at which they are making those submissions.

**Ms Taylor**—Yes. They generally addressed either their own personal circumstances or their children's, and the majority of those are posted on the website as well.

**Senator GEORGE CAMPBELL**—Has the commission conducted any research or commissioned any research on the impact of its first minimum wage decision?

**Ms Taylor**—Yes. I was talking about that a bit earlier. We put out a tender to—

**Senator GEORGE CAMPBELL**—If you have already put in on the record with Senator Marshall, there is no need to repeat it. We will pick it up off the transcript. Are there any plans to provide more detailed reasoning for the 2007 decision than was provided for the 2006 decision?

**Ms Taylor**—The commission is required to publish its reasons for decision and will do so again for this year.

**Senator GEORGE CAMPBELL**—From memory, the reasoning for the first decision was a bit scant.

**Ms Taylor**—I think it was a couple of hundred pages or something like that.

**Senator MARSHALL**—Yes, but we are used to much more than that! That is hardly a report!

**Ms Taylor**—Shall we try harder?

**Senator GEORGE CAMPBELL**—It is not the size of the dog in the fight; it is the size of the fight in the dog. You can produce 200 pages of nothingness. This government is expert at doing that. Some felt that the detailed reasoning in the decision was a bit scant.

**Ms Taylor**—All I can say is that the commission will again publish reasons for decision. That is about all I can add to that.

**Senator MARSHALL**—I have a couple of points I want to clarify about our previous discussion on the review of junior wage rates. The website states that the Fair Pay Commission will invite submissions to the junior wage rates review in early 2007. Is it correct to assume that that will not be happening?

**Ms Taylor**—In fact, just last week we were making some changes to our website to reflect that the commission will not be calling for submissions early in 2007 and that it is still considering the issue of the junior wage rates, along with trainees—I think we indicated the same thing for trainees and apprentices. So that will be, as I said earlier, towards the end of the year.

**Senator MARSHALL**—What is the reason for the delay?

**Ms Taylor**—A number of the submissions to us raised that the issue of junior wage rates is a complex issue and that it requires a fairly extensive consultation period. In addition, we have commissioned that research into juniors. So the commission considered, in the light of that—and also they were making the decision about whether they would consider that as part

of award rationalisation—that they should shift the call for submissions towards the middle or the end of the year.

**Senator MARSHALL**—So when do you plan to actually commence the review?

**Ms Taylor**—The commission have not made a determination on any exact date, so I cannot say it will be September or whenever.

**Senator MARSHALL**—You say they are calling for submissions towards the end of the year. Can you be a little more specific?

**Ms Taylor**—I would suspect that, if the commission were going to proceed with the review of juniors as a stand-alone review, submissions are likely to be called for around September.

**Senator MARSHALL**—I am wondering if the AFPC has had any discussions with the minister's office about the delay to the junior wage rates review.

**Ms Taylor**—Not to my knowledge, no.

**Senator MARSHALL**—There have been no directions or requests made?

**Ms Taylor**—No.

**Senator MARSHALL**—That is all I have.

**Senator Abetz**—You are the deputy chair, so go for it. Grab the mantle!

**Senator MARSHALL**—Thank you, Ms Taylor. You were going very well until the senator tried to help you once there. Hopefully he will not be so helpful again in the future!

**Senator Abetz**—I think next time I will not call on you as deputy chair!

**CHAIR**—We will now move on to equal opportunity for women in the workplace.

[11.16 am]

### **Equal Opportunity for Women in the Workplace Agency**

**CHAIR**—Senator McEwen has questions.

**Senator McEWEN**—I will start off with a few questions about your budget. Can you confirm what the agency's funding will be for the 2007-08 financial year?

**Ms McPhee**—Total revenue will be \$3,338,000, with government appropriations of \$2,972,000.

**Senator McEWEN**—What is the non-government portion made up of?

**Ms McPhee**—The balance is \$366,000 for 2007-08.

**Senator McEWEN**—And you get that from conducting seminars and so on?

**Ms McPhee**—That is our fee-for-service activity in education and consulting work, business partnerships, sponsorships with business and research. That is where the variation in revenue from year to year fluctuates.

**Senator McEWEN**—Do you have an estimate for actual spending for this financial year?

**Ms McPhee**—We balanced with an actual estimate of around \$100,000 over.

**Senator McEWEN**—What was last year's budget estimate?

**Ms McPhee**—It was balanced with \$40,000, I think. Sorry, I do not have that at hand.

**Senator McEWEN**—So there was an overspend of \$100,000 in 2006-07?

**Ms McPhee**—Not an overspend; we will have—

**Senator WONG**—An underspend.

**Ms McPhee**—Yes, an underspend.

**Senator McEWEN**—Do you know why you have an underspend?

**Ms McPhee**—We have been unable to re-recruit positions, and we also had some IT expenditure that was under budget.

**Senator McEWEN**—How many staff do you currently have?

**Ms McPhee**—We currently have about 16. We have temporary employees about to begin, so we will get up to about 26 in about a week.

**Senator McEWEN**—What are the temporary employees going to be doing?

**Ms McPhee**—They will participate in the regulatory work of the agency, conducting the reporting process. They are a temporary workforce for about five months of receptors and assessors of business reports.

**Senator McEWEN**—Which are due at the end of May?

**Ms McPhee**—That is correct.

**Senator McEWEN**—How many vacant positions have you got? I noticed that there was a job vacancy notice on your website.

**Ms McPhee**—We are still recruiting for assessors. There is a tight labour market. We need researchers and assessors currently for four or five positions.

**Senator McEWEN**—Are you expecting any variations in your staffing complement?

**Ms McPhee**—Over 2007 and 2008?

**Senator McEWEN**—Yes.

**Ms McPhee**—No, except for a marginal increase after the reporting period as we await the legislative reform that is proposed and calculate how we restructure our resources around that.

**Senator McEWEN**—We will get to that in a minute. How many of your staff are on AWAs and how many are covered by the certified agreement?

**Ms McPhee**—In last year's annual report about 50 per cent were on AWAs and about 50 per cent were covered by the certified agreement.

**Senator McEWEN**—When are the negotiations for the certified agreement due again?

**Ms McPhee**—2009.

**Senator McEWEN**—Are all your staff located in the Sydney office?

**Ms McPhee**—No, one staff member is located in Queensland.

**Senator McEWEN**—All the rest are in Sydney?

**Ms McPhee**—Correct.

**Senator McEWEN**—In the PBS I noticed that there was an amount of some \$400,000 for capital expenditure. It was \$470,000 for the purchase of property, plant and equipment.

**Ms McPhee**—Which page are you referring to?

**Senator McEWEN**—Page 236.

**Ms McPhee**—Yes. Are you wondering what that is for?

**Senator McEWEN**—Yes.

**Ms McPhee**—We are investing in new IT systems and we are also relocating in early 2008. Our lease expires in the next financial year and we will be relocating.

**Senator McEWEN**—Do you have somewhere to go?

**Ms McPhee**—We are currently in the process of exploring that, but we will be moving. We are currently located above a gym and it vibrates.

**Senator McEWEN**—Convenient! Of your own staff, how many currently make use of flexible working arrangements such as working remotely or working in off-peak hours?

**Ms McPhee**—I would say that the entire workforce of EOWA avail themselves of flexible and varying arrangements depending on their needs.

**Senator McEWEN**—Do you have paid parental leave?

**Ms McPhee**—Yes.

**Senator McEWEN**—How much?

**Ms McPhee**—Fourteen weeks.

**Senator McEWEN**—What are the other flexible arrangements?

**Ms McPhee**—We have a range: working from home, varying start and finishing times, working part time, and purchasing additional leave. There are a whole range of different work arrangements.

**Senator McEWEN**—You mainly employ women; is that right?

**Ms McPhee**—Predominantly women. We do have some male employees.

**Senator Abetz**—A few token males.

**Ms McPhee**—Not token at all!

**Senator Abetz**—That wasn't to be on the record.

**Senator WONG**—Well done, Ms McPhee.

**Ms McPhee**—Actually we were successful last year in recruiting a number of male assessors. It was beneficial for our clients to talk to experienced male human resources staff.

**Senator McEWEN**—Do you know what the gender break-up is in your own staff?

**Ms McPhee**—Currently we have two men, and that will be expanding with the temporary workforce coming in. There will be an additional two that I know of, but that may increase. We are an equal opportunity employer.

**Senator McEWEN**—At what level are the men working?



**Senator Abetz**—A hundred per cent.

**Senator McEWEN**—In your dreams!

**Ms McPhee**—Do you mean APS level?

**Senator McEWEN**—Yes.

**Ms McPhee**—We currently have one consultant and one APS4. The incoming will be APS4 and APS5.

**Senator McEWEN**—I presume your annual report has statistics about the APS levels at which the rest of the staff are working?

**Ms McPhee**—Yes.

**Senator McEWEN**—Can you tell me what kind of staff retention or turnover rate you have in the agency?

**Ms McPhee**—We have high turnover of the temporary staff, so we recruit, as I said, temporary staff annually. We see some of those individuals return each year—so they are not ongoing but they return. In the last financial year we have had about two or three staff turn over.

**Senator McEWEN**—Two or three out of 60?

**Ms McPhee**—Out of ongoing.

**Senator McEWEN**—Out of the ongoing staff?

**Ms McPhee**—Yes.

**Senator McEWEN**—Does your 14 weeks paid parental leave apply to men and women?

**Ms McPhee**—To the primary carer.

**Senator McEWEN**—Is there any opportunity for your staff to take extended leave beyond that—to take unpaid leave or to bundle it up with annual leave?

**Ms McPhee**—Yes.

**Senator McEWEN**—What are those arrangements?

**Ms McPhee**—Staff can purchase additional leave or they can request additional leave without pay. Those options are available to them.

**Senator McEWEN**—What about unpaid leave beyond the 12 months?

**Ms McPhee**—In relation to maternity?

**Senator McEWEN**—Yes.

**Ms McPhee**—We currently have one staff member on maternity leave. She has not requested to go beyond 12 months, but we would consider it if that request were made.

**Senator McEWEN**—At whose discretion is extended unpaid leave allowed?

**Ms McPhee**—That is at my discretion as director in relation to the needs of the business at the time.

**Senator McEWEN**—But you have not had to deal with any requests so far?

**Ms McPhee**—No. My predecessor did.

**Senator McEWEN**—Many requests?

**Ms McPhee**—There was one in relation to, as I understand it, caring responsibility but not child care. It was aged-caring responsibility with an extended period of leave without pay beyond 12 months.

**Senator McEWEN**—So the agency has also granted extended unpaid leave for people with aged-care responsibilities?

**Ms McPhee**—Yes. That is the example I know of.

**Senator McEWEN**—Do you think your policies with regard to accommodating family-friendly arrangements have contributed to your pretty good retention rate?

**Ms McPhee**—The flexibility certainly provides a working environment where women with varying responsibilities are able to contribute to the workforce and manage those priorities. In the agency the employees are passionate about assisting employers understand the issues of equal opportunity for employees. The two things—the nature of the work and the work organisation—combine.

**Senator McEWEN**—Good. Do you measure the use of policies similar to those that apply the businesses that are required to report under the act?

**Ms McPhee**—Organisations are required to report under seven employment matters of which work organisation is one. We collect that information, and, in surveys that we have conducted in the past, organisations which provide flexible work practices record the benefits of those practices.

**Senator McEWEN**—You undertook surveys in 2005-06; is that right?

**Ms McPhee**—We undertake a survey annually during the reporting process. The focus of that survey varies.

**Senator McEWEN**—What is the focus of this year's survey?

**Ms McPhee**—This year we are looking at paid maternity leave and, I think, part-time work. I will take that on notice.

**Senator McEWEN**—Do you mean paid paternity leave?

**Ms McPhee**—No, we are looking at paid maternity leave. We looked at paternity leave last year. We do not track it every year.

**Senator McEWEN**—So you reckon it is paid maternity leave?

**Ms McPhee**—Yes.

**Senator McEWEN**—What else was it?

**Ms McPhee**—It was part-time work and quality part-time work.

**Senator McEWEN**—Is that the focus of the annual survey that you are required to undertake under the act?

**Ms McPhee**—No, we do that in addition. The survey is in addition to the regular reporting that is required under the act. We call it 'the reports'. They contain information on seven

employment matters from organisations: promotion and recruitment, work organisation, pregnancy, sexual harassment—

**Senator CROSSIN**—I have a question about that. Would it also extend to government agencies?

**Ms McPhee**—No. Organisations under the act are organisations with 100-plus employees in the private sector, including not-for-profit organisations and universities.

**Senator CROSSIN**—It does not include, say, statutory authorities?

**Ms McPhee**—No. The only government funded type is universities.

**Senator CROSSIN**—That is a pity. I want to raise something with you, and perhaps you can tell me whether your agency has a role in it. I discovered something yesterday in estimates about Aboriginal Hostels Limited. Part of the funding of their wage increase includes what they say are a range of productivity measures, one of which is that they have reduced paid maternity leave from 14 to 12 weeks. Would your agency have a role in looking at or commenting on that?

**Ms McPhee**—We would not have a role as a government or statutory agency, but, if they have consulted with their employees around that, we say that obviously the provision of paid maternity leave is a benefit for individuals. Currently, for organisations to be employers of choice for women in 2008, we say they should have a minimum of six weeks. Obviously, the ILO says 14 weeks and Health says 16 weeks.

**Senator CROSSIN**—I understand that. ‘Consult with the employees’—no, I would not exactly put it in that way. There is currently an enterprise agreement at Aboriginal Hostels Limited. If you want the 12 per cent wage increase, you must sign the AWA, and the AWA has the reduction of maternity leave in it. If you do not want the wage increase or if you do not want to sign an AWA, you can stay on the enterprise agreement, but you will not get any benefits out of it. I suspect that most people have actually signed the AWA because they want the 12 per cent wage increase, and the fact that it has got a reduction in maternity leave is unfortunate. If they were in the public sector, you would certainly have comments to make about it, but—

**Ms McPhee**—No. We do not look at organisations in the public sector.

**Senator CROSSIN**—Sorry, in the private sector. You would certainly have a look at that in the private sector?

**Ms McPhee**—In the private sector the organisations are required to report on what they are providing. We just acknowledge the provision, or lack of provision, and we look at and track through our survey—not our reporting process—the provision of varying terms of paid maternity leave.

**Senator CROSSIN**—But you would be either surprised or disappointed if, in the private sector, maternity leave was reduced?

**Ms McPhee**—It is unusual, from our data, that it is reduced. In our trend data of the private sector organisations that are providing paid maternity leave, we have seen over the last number of years an increase in the provision of paid maternity leave and also an increase, year

on year, of the length of the term of paid maternity leave. We are seeing more organisations providing longer periods of paid maternity leave. I am unable to see if some organisations have reduced it. From our trend data, that is not happening in the private sector. We are seeing, as I said, significant growth in longer periods, offering up to 26 weeks.

**Senator WONG**—Would that reflect a recognition by the leading private sector companies that, in terms of labour force supply, trying to ensure that your work conditions maximise the chance of women's continued participation actually makes good business sense?

**Ms McPhee**—Yes. Those organisations that provide paid maternity leave, those that report to EOWA, have higher retention rates from maternity leave. What we are unable to capture is how long they stay after returning. I think that is a factor in what flexibility there is within the organisation and how that is managed to enable an individual to continue to balance those competing priorities once they have returned. Certainly the provision of paid maternity leave increases return to work, and connection programs during maternity leave—so the employer and the employee stay connected in some informal or formal way—have even greater rates of success.

**Senator WONG**—You would agree, wouldn't you—I do not think this is controversial—that there are strong business arguments for good paid maternity leave provisions?

**Ms McPhee**—Yes. Organisations that are introducing it have looked at the business case for introducing it, and, as I said, from our trend data it would appear that they are reviewing it and improving it.

**Senator WONG**—Does it concern you that the organisation that Senator Crossin mentioned has sought to go backwards?

**Ms McPhee**—I think it is unusual, yes, given what we are seeing in private sector organisations.

**Senator WONG**—What might the consequences be?

**Ms McPhee**—Obviously the consequences are two weeks less paid leave, not knowing the other conditions under the AWA in relation to whether or not they can package other benefits to extend paid leave, whether they are able to take it as purchased leave or a range of other benefits that I am not aware of.

**Senator WONG**—I think you have clarified with Senator Crossin that there was no advice sought or—

**Ms McPhee**—No. I was not aware of the case.

**Senator WONG**—We had some discussions with the department about their involvement in public sector employment, but Senator Crossin might have covered this. If she did I missed it, I am afraid. Is there any policy parameter applicable to public sector agency and departmental employment which encourages work and family balance—provisions such as paid maternity leave, et cetera?

**Ms McPhee**—I think the standard is 12 weeks across the public service.

**Senator WONG**—Yes, but that is a minimum. That is an entitlement.

**Ms McPhee**—Yes.

**Senator WONG**—With respect to the negotiating process and the government's parameters around public sector employment, are you aware of provisions that encourage agencies to strike a better balance between work and family when looking at conditions of employment?

**Ms McPhee**—Yes. As I understand it, various clauses are available on the website for inclusion around those issues.

**Senator WONG**—Has the government indicated that this is one of their policy parameters and that they are asking agencies to improve the working and family balance for public sector employment?

**Ms McPhee**—I am not aware of a specific memorandum or directive.

**Senator WONG**—We know from discussions with DEWR that one of the policy parameters is, for example, to encourage principles based agreements. Has the EOWA been asked to give any advice on policy measures, a directive or a policy parameter to encourage better work and family working conditions?

**Ms McPhee**—We have been approached by individual agencies to provide assistance. One example is the Department of Defence and the provision of paid maternity leave. They were interested in what the private sector was providing. Other than that example, we have not provided a broad direction.

**Senator WONG**—Have you ever been asked to provide advice to DEWR about what mechanisms might be put in place to encourage better work and family working conditions?

**Ms McPhee**—Not specifically. We provide them with information about what the private sector is providing each year in relation to family-friendly and equal opportunity initiatives for women.

**Senator WONG**—Have they ever sought advice from you in their capacity as an employer?

**Ms McPhee**—No.

**Senator WONG**—Have they ever sought advice from you in their capacity as the agency which advises other government departments on their employment matters?

**Ms McPhee**—No.

**CHAIR**—Senator Barnett has some questions.

**Senator BARNETT**—I want to ask you about any research that you have done on the proposals you have been discussing on small business, and specifically microbusiness—which, on one estimate, make up 82 per cent of all small businesses, and we have 1.9 million of them around Australia. A microbusiness is classified as a business with five or fewer employees.

**Ms McPhee**—We have not done any specific research. EOWA is tasked with organisations with 100-plus employees. The legislation does not include small organisations. The Office for Women, however, released a publication two months ago which looked at family-friendly provisions in the small and medium enterprise sector. Given that it is not my publication, I am

not completely across it, but I can give you some idea of what is happening within small business. Nineteen per cent of small businesses, or SMEs, are providing paid maternity leave.

**Senator BARNETT**—Over what period?

**Ms McPhee**—It was earlier this year, I believe.

**Senator BARNETT**—And the paid maternity leave?

**Ms McPhee**—Are you asking what the term is?

**Senator BARNETT**—Yes.

**Ms McPhee**—I am not sure.

**Senator BARNETT**—What was the percentage that you mentioned?

**Ms McPhee**—The majority of medium to large employers provided it at six weeks. I do not know what it is for small business.

**Senator BARNETT**—And you said that 19 per cent of—

**Ms McPhee**—Nineteen per cent of SMEs are providing paid maternity leave. Over what term, I do not know. I am not sure if the survey actually captures that.

**Senator BARNETT**—Does that mean that 80 per cent are not?

**Ms McPhee**—In the SMEs surveyed, that is correct. The majority of organisations do provide some form of family-friendly provision to varying degrees. The majority of those benefits are found in organisations that are run by women.

**Senator BARNETT**—Is there any research that you are aware of on the impact on microbusiness—that is, businesses with five employees or less?

**Ms McPhee**—Again, the publication not being my own I am not sure of the employee breakdown, but that document is available on the Office for Women website. It is called *Better conditions, better business*.

**Senator BARNETT**—Is there anything else that you want to add in terms of its impact on small business? You said your modus operandi is for 100 employees or more.

**Ms McPhee**—The legislation captures 100-plus employees, but we do have smaller organisations—not micro-organisations—attending some of our workshops because they are looking at some of these issues.

**Senator BARNETT**—By small do you mean under 100 employees?

**Ms McPhee**—Yes.

**Senator McEWEN**—Going back to the issue of paternity leave, are you planning any work on, or are you aware from your surveys, what the effect is of increasing unpaid paternity leave as a method of enabling women to participate in the workforce?

**Ms McPhee**—Unpaid paternity leave?

**Senator McEWEN**—Yes, the bloke staying at home to look after the kids so that the woman can go back to work.

**Ms McPhee**—Yes. Currently, unpaid leave is available to the primary carer. I do not have exact data on this, but from vague trends from organisations that provide paid parental leave—which is between one and two weeks—it is not taken up in significant numbers. There is not a culture within Australia of men taking the leave, paid or unpaid.

**Senator McEWEN**—Even the two weeks paid paternity leave is not being taken up?

**Ms McPhee**—Not taken in full numbers.

**Senator McEWEN**—So even paying them will not make them go home and change nappies!

**Ms McPhee**—No.

**CHAIR**—You have to offer them real incentives!

**Senator BARNETT**—I am not sure how to take that!

**Senator McEWEN**—We have a long way to go, sisters! Most of the industrial instruments that provide for extended unpaid parental leave are usually at the discretion of the employer.

**Ms McPhee**—Yes.

**Senator McEWEN**—Have you any sense of how many requests are met by employers?

**Ms McPhee**—Again, I cannot give you exact data. We are certainly seeing some organisations introducing provisions for extended unpaid parental leave. Some organisations have introduced extended unpaid parental leave. I do not have exact numbers.

**Senator McEWEN**—Are they all pretty much discretionary on the part of the employer?

**Ms McPhee**—Discretionary on an individual case-by-case basis or across the organisation?

**Senator McEWEN**—No, on a case-by-case basis.

**Ms McPhee**—The organisations that I know of have introduced an across-the-board policy, so it is available to all employees. I would expect that it exists on a case-by-case basis within organisations, but we do not necessarily capture that.

**Senator McEWEN**—Do you have any sense from your work, or your officers work, of what would encourage men to take up either paid or unpaid parental leave opportunities.

**Ms McPhee**—No.

**Senator McEWEN**—Have you contemplated including questions along that line in your surveys in addition to the—

**Ms McPhee**—Yes. We recently surveyed 800 men and 800 women. The results of that survey will be publicly available shortly.

**Senator McEWEN**—What questions did you ask?

**Ms McPhee**—We asked a range of questions around the workforce and what individuals look for in employers in managing a range of issues and understanding what the priorities are between men and women around various work organisation et cetera.

**Senator McEWEN**—Are the people you surveyed employees in a diverse range of organisations, or did you target specific industries?

**Ms McPhee**—Yes they are, and no we did not. They are employees or are unemployed but looking to enter the employment market in the next 12 months. They are of varying age, marital status, family status and industry participation. So it is a statistically relevant sample across the workforce.

**Senator McEWEN**—When did you say that the report will come out?

**Ms McPhee**—I do not have an exact date, but it will be in the middle of the year—July or maybe August.

**Senator McEWEN**—Good. It is interesting.

**CHAIR**—Yes.

**Senator McEWEN**—Mr Hockey made an announcement last week—here in the House, I believe—about changes to the criteria for the EOWA Employer of Choice for Women citation.

**Ms McPhee**—Yes.

**Senator McEWEN**—I understand that as of 2008 organisations seeking accreditation under that scheme will have to meet a number of guidelines, including six weeks paid maternity leave and the flexibility for female managers to work part time. Is that right?

**Ms McPhee**—That is correct.

**Senator McEWEN**—They are two of the guidelines. Are there any others that are going to apply?

**Ms McPhee**—The EOWA Employer of Choice for Women citation has been around since 2001. It has a range of criteria. For 2008 we have introduced some prerequisites that organisations need to meet which will provide benchmarks for leading-edge organisations. As you said, there is the provision of paid maternity leave—which is currently not mandatory for EOWA Employer of Choice for Women organisations—

**Senator McEWEN**—And that is a minimum of six weeks, I presume?

**Ms McPhee**—Yes. That is taken from the average of organisations which provide it at that amount. The majority of employers of choice for women provide more than that. Women must be able to work part time. Whether or not an organisation has part-time workers at the current time is not a concern; it is that the ability is there to do quality, high-level part-time work. There must be leadership within the organisation and equal opportunity issues on the agenda of a committee chaired by the CEO or his direct report, so there is a focus on that within the organisation. The organisation must have a gender wage gap less than the national average, which is an average that is taken over the four quarters in a previous year, given that it fluctuates. I think that is it, but I might have missed one. I can provide that information for you; it is available on the website.

**Senator McEWEN**—All right. And that will apply to next year's?



**Ms McPhee**—2008. Organisations wishing to receive the citation in 2008 will be required to submit an application in October 2007. That will be assessed and the citation awarded in 2008. Then the process begins. It is an annual process.

**Senator McEWEN**—Yes, I understand that. And then employers who achieve the citation under the new guidelines can put the logo on their recruitment materials? How do they do all that?

**Ms McPhee**—As is currently the case, we provide a brand that employers can use in their internal and external promotion to attract talented employees.

**Senator McEWEN**—Is that the extent of what they get?

**Ms McPhee**—Essentially, yes.

**Senator McEWEN**—Currently there are 130-odd—

**Ms McPhee**—133.

**Senator McEWEN**—Do you know how many of them will qualify under the new guidelines?

**Ms McPhee**—We anticipate that in 2008 we will probably have a reduction of our organisations. There are some organisations that are currently on the list that do not provide paid maternity leave, for example. But we provide the Employer of Choice for Women organisations as a way of establishing the leading-edge organisations and using them as examples for other businesses. We will then be able to provide benchmarks for leading-edge organisations.

**Senator McEWEN**—How many of the current employers who have the citation do you think will not meet the new criteria?

**Ms McPhee**—I am unable to answer that. They have to apply each year. Some organisations do not apply after they have held it in the previous year because they feel that their organisation may have dropped the ball in some respect. They may not see that it is a way of enhancing their employment brand. There are a whole range of different reasons why organisations apply for the citation. Until we receive and assess the applications, we cannot really make a fair assessment. We know that the organisations that receive it do value the brand, so we hope that we will continue to raise the bar, and this is what the citation is about: continuing to raise the bar for women within organisations. We hope that many of the organisations will step up.

**Senator McEWEN**—Was it an initiative of the agency to change the criteria for the citation?

**Ms McPhee**—Yes.

**Senator McEWEN**—Did you discuss that, or did DEWR's Work and Family Unit have any input into—

**Ms McPhee**—No, the citation is of the agency.

**Senator McEWEN**—So you did not have any discussions with other agencies about it?

**Ms McPhee**—No.

**Senator McEWEN**—Earlier, you referred to the changes in reporting requirements as a result of recommendations in the report on reducing regulatory burdens on business. The government did not agree with the recommendation about voluntary reporting but agreed to change the mandatory reporting requirement to two years rather than annual. Is that right?

**Ms McPhee**—That is correct.

**Senator McEWEN**—Have we seen the legislation for that yet, or is that in train—do you know?

**Ms McPhee**—It has not begun. It has been given status, and that is the status.

**Senator McEWEN**—What does that mean?

**Ms McPhee**—It has been given legislative status.

**Senator WONG**—‘It has been given’?

**Ms McPhee**—Sorry, it is not currently on the bill.

**Senator McEWEN**—No.

**Ms McPhee**—No.

**Senator McEWEN**—So what is the timetable for introducing this?

**Ms McPhee**—The timetable is not known.

**Senator WONG**—Do you know if drafting instructions have been issued?

**Ms McPhee**—No, they have not.

**Senator McEWEN**—Are there any other changes to the act in the pipeline?

**Ms McPhee**—No.

**Senator McEWEN**—When the recommendation was made in the report about changing to voluntary reporting, did the agency have any input into whether or not the government would adopt that recommendation?

**Ms McPhee**—Yes.

**Senator McEWEN**—What did you say to the government about that?

**Ms McPhee**—That voluntary reporting is not in the best interests of women in the workplace.

**Senator McEWEN**—Why not?

**Ms McPhee**—We have seen, obviously, over the 20 years of the agency that organisations that focus on these issues get outcomes for women.

**Senator McEWEN**—Did the agency support the change to two-yearly reporting?

**Ms McPhee**—Yes. The legislation as it stands enables the agency to be a regulator and an educator. The action review process, so to speak, of the yearly process is quite short, given that the purpose of the legislation is for organisations to consult with staff and have programs in place. Moving to every two years will enable the EOWA to focus more on education and working with organisations around the programs and the analysis of the issues in their

workplaces, and it will enable them to see results rather than a year-on-year incremental change.

**Senator WONG**—I want to follow up one of the answers you gave earlier in relation to voluntary reporting and the rationale for your opposition to voluntary reporting. I think you said—and I might have scribbled this down incorrectly—that it was not in the best interests of women in the workplace and that organisations that are focused on issues get better outcomes. I assume from that, and I want to confirm with you, that what you are suggesting is that if you have mandatory reporting it is a mechanism by which you get companies to focus on these issues.

**Ms McPhee**—Yes, essentially.

**Senator WONG**—What gets measured at least gets managed?

**Ms McPhee**—That is our tag line.

**Senator WONG**—Is it?

**Ms McPhee**—Yes.

**Senator WONG**—There you go. And I haven't even read your report, which I will at some point. When did you first become aware of the recommendation in the taskforce report?

**Ms McPhee**—Upon its public release.

**Senator WONG**—I think in answer to questions from Senator McEwen you indicated that you had put your view prior to the report being released?

**Ms McPhee**—No, sorry.

**Senator WONG**—It was post that?

**Ms McPhee**—I became aware of the taskforce's recommendation upon its public release. Then there is the second report, which is the government's response. So, what was your question?

**Senator WONG**—In terms of the taskforce, did you have any input into the taskforce's consideration before the recommendations were made?

**Ms McPhee**—No.

**Senator WONG**—I think it was the Banks review, wasn't it?

**Ms McPhee**—Yes.

**Senator WONG**—Can you explain to us why a review that directly alters your agency's functions would not bother to speak to you?

**Ms McPhee**—As I said, there were two—

**Senator Abetz**—Ms McPhee, is that something you can talk on?

**Ms McPhee**—No. I can only talk about the submissions. I do not know why the Banks review did not seek advice from the agency. All I know is that there were two submissions to the Banks inquiry and from those two submissions the inquiry made the recommendation.

**Senator WONG**—From whom were the two submissions?

**Ms McPhee**—One was from the King's School.

**Senator WONG**—From what?

**Ms McPhee**—The King's School.

**Senator WONG**—Oh, right.

**Senator McEWEN**—They have a lot of women there—not.

**Senator WONG**—The King's School?

**Ms McPhee**—Yes.

**Senator WONG**—This is an all-boys school in Sydney?

**Ms McPhee**—Yes.

**CHAIR**—It is a boarding school in New South Wales.

**Senator WONG**—An all-boys school?

**Ms McPhee**—Correct.

**Senator WONG**—And they did not want to report mandatorily?

**Ms McPhee**—Correct. And the second submission—

**Senator CROSSIN**—They surely have women on staff, though?

**Ms McPhee**—They do.

**Senator McEWEN**—Cleaners.

**Ms McPhee**—No. I understand that the second submission was from one member of the BCA.

**Senator WONG**—Acting on his or her own behalf or acting as a representative of the BCA?

**Ms McPhee**—In its submission, the BCA made reference to its one member.

**Senator WONG**—The BCA in its submission made reference to a single member who had an issue with the mandatory reporting?

**Ms McPhee**—Yes.

**Senator WONG**—Who was the single member?

**Ms McPhee**—I do not know.

**Senator WONG**—Did they name them?

**Ms McPhee**—No.

**Senator WONG**—Did the BCA endorse the view or simply report it?

**Ms McPhee**—I think it reported it.

**Senator WONG**—Was EOWA asked by the commission or the Banks review to respond to those submissions?

**Ms McPhee**—No.

**Senator WONG**—Were you aware of them before the recommendation was made?

**Ms McPhee**—No.

**Senator WONG**—Were you even aware that the Banks review was considering the issue of your reporting?

**Ms McPhee**—No.

**Senator WONG**—So the first time you became aware that it was even a live issue was when it was released?

**Ms McPhee**—Yes.

**Senator CROSSIN**—Did King's college have to report or were they granted that exemption?

**Ms McPhee**—King's School is currently under the legislation, so they report annually.

**Senator CROSSIN**—But they want to get out of it?

**Ms McPhee**—Yes.

**Senator CROSSIN**—Even though they get millions and millions of dollars for private education from the government?

**CHAIR**—Not necessarily, Senator Crossin. I take issue with that.

**Senator Abetz**—It is something that Mr Rudd has now committed himself to, so you had better get with the program, Senator Crossin. Mr Latham is no longer the leader. But what it shows now is the real agenda—it is not the Rudd agenda.

**CHAIR**—We are considering the Equal Opportunity for Women in the Workplace Agency at the moment.

**Senator CROSSIN**—It is just surprising that they will accept that amount of money but they want to squib out of reporting when it comes to women's rights.

**Senator Abetz**—That you would bag out King's School is what is surprising.

**Senator WONG**—I have finished on that issue.

**Senator BARNETT**—Just a quick follow-up: you mentioned that your terms of reference was for businesses of 100 or more. I am interested to know, because nearly 50 per cent of the private sector workforce are in small business. What is the reason for the threshold of 100?

**Ms McPhee**—I am unaware. The legislation was introduced in 1986. Presumably the reason is that small business is often exempted from other regulatory measures.

**Senator BARNETT**—We are talking about equal opportunity for women in the workplace.

**Ms McPhee**—That is correct.

**Senator BARNETT**—And it only applies to businesses of 100 or more?

**Ms McPhee**—That is correct. That has stood since 1986.

**Senator BARNETT**—Very interesting.

**Senator Abetz**—Senator Barnett, in 1986 who was in government?

**Senator BARNETT**—My memory is stretched, but I think I can remember.

**Senator Abetz**—So small business as it applies to equal opportunity is 100 employees. That is a very interesting point, Senator Barnett.

**Senator WONG**—If you want to play this game, do you want to talk about what the current Prime Minister's attitude was to the Sex Discrimination Act when it was introduced into the parliament?

**Senator Abetz**—What we can point to very clearly is that the Labor Party believes that small business should be drawn at 100. It is very interesting.

**Senator McEWEN**—Ms McPhee, just going back to the EOWA Employers of Choice for Women, given that legislation has not yet been introduced—

**Ms McPhee**—There is no legislation attached to that.

**Senator McEWEN**—The change in the criteria has not been introduced yet.

**Senator Abetz**—What do you mean by 'introduced'?

**Senator BARNETT**—It is not legislation.

**Senator McEWEN**—It does not have to be done by legislation? Okay.

**Ms McPhee**—This is an initiative of the Equal Opportunity for Women in the Workplace Agency by way of raising the bar of employees.

**Senator McEWEN**—That is fine. The changes to the reporting requirements are legislative, and that legislation has not been introduced yet.

**Ms McPhee**—That is correct, but there are no changes to the reporting requirements. It is just the period. So nothing will change in relation to what organisations have to report on. It will just be about when they report.

**Senator McEWEN**—Will you have adequate time to advise employers before the next call?

**Ms McPhee**—We hope too. We are certainly keeping employers advised of the intended reforms. We will update them as further information becomes available, but there is no change to what they report on. So the impact or change to business is negligible. It is just when they report. They still have to do the same things.

**Senator McEWEN**—Yes, I understand that. On the website, in one of the appendices to your annual report, there is a list of companies that has not complied with their reporting requirements. Do you know whether any of those companies participated in the review of the reporting requirements?

**Ms McPhee**—Sorry, I did not hear the last part of your question.

**Senator McEWEN**—Do you know whether any of those companies made submissions to, or otherwise had an involvement in, the process which led to the changing of the reporting time from 12 months to two years?

**Ms McPhee**—Only the organisations which I named in relation to submission; they are not on the list. King's is compliant with the legislation.

**Senator McEWEN**—It is an interesting list. I have asked questions before—and I know other senators have—about whether or not the agency collects data from employers regarding what we call family-friendly provisions by industrial instrument. I think the answer in the past has been that you do not. Has anything changed in that regard?

**Ms McPhee**—No. We collect data across the employment matters and the provision or nonprovision of them within the workplace, broadly. That could be by policy, general policy or agreement.

**Senator McEWEN**—Is there thought within the agency to including in your data collection the ability to determine which employers have family-friendly provisions in different industrial instruments?

**Ms McPhee**—No. Organisations can report, in a way which is meaningful to them in relation to the legislation, on the seven reporting matters. Collecting provisions across different arrangements would be onerous I would suspect.

**Senator McEWEN**—We are talking about employers with 100 or more employees. Surely there would be nothing preventing the agency from changing its report requirements to say, 'Do you have a certified agreement here? Do you have Australian Workplace Agreements or are your family-friendly provisions not company policy, as opposed to any formal industrial instrument?'

**Ms McPhee**—Sorry, I thought you were asking about whether it was offered under each different arrangement—whether it was an AWA or an agreement. That is something we could possibly collect but we would need to advise organisations of that. It has not been given any thought to.

**Senator McEWEN**—Wouldn't it be useful to be able to say to other employers, 'The employers that have, for example, certified agreements or AWAs, by and large have better family-friendly provisions?'

**Ms McPhee**—This is my point. Unless you know what is being offered within those, within each workplace, then you cannot really provide any information. I think we can assume that all organisations provide, within their workplace, a range of different provisions under varying instruments. There are often multiple awards within one organisation; there are individual agreements, there are certified agreements, and there is common law and policy. It is a safe assumption that there are multiple instruments within one workplace. We provide organisations with information about the provision of different family-friendly initiatives—EO initiatives—within the workforce and the outcomes that that delivers for an organisation. We currently do that.

**Senator McEWEN**—I have a couple more questions about the services that you provide. According to your website, the agency conducts workshops on a range of issues, including things like achieving pay equity, getting women into management, creating a harassment-free workplace et cetera, but when you navigate through the website none of those workshops are scheduled for any state or territory. It says: 'No workshops scheduled for 2007'.

**Ms McPhee**—The workshops ended in May 2007. They run from approximately November to May, primarily in the lead-up to the reporting period to assist organisations to report. We then shift our resources into the reporting process, but we run in-house consultancies throughout the year, through employers, which are not necessarily scheduled on the website. I can get you the 2006-07 workshop schedule if you would like.

**Senator McEWEN**—No, that is okay. So, if I were to look at the website again in November this year, there should be scheduled workshops under all of those headings for each state?

**Ms McPhee**—That is correct. We run workshops around the country.

**Senator McEWEN**—I also see that one of the services you provide is to ‘have a senior agency adviser visit your workplace’. How many employers have taken up that program from the agency so far in this financial year?

**Ms McPhee**—I think you are referring to visits in relation to reporting. This financial year I think there have been two. However, through consultancies and visits not in relation to reporting, we visit workplaces around the country. I do not have at hand the exact numbers.

**Senator McEWEN**—Under ‘workplace consultation’ it says that a senior EOWA advisor can visit your workplace to provide personalised education sessions.

**Ms McPhee**—That is the consulting. In 2006-07, there were possibly 50 workshops, but I will take that on notice.

**Senator McEWEN**—Is that about average for the year?

**Ms McPhee**—It varies

**Senator McEWEN**—On your website you say that the director—you—can be invited to speak at functions. How many requests have you had to speak at functions?

**Ms McPhee**—I am actually missing one right now. It would be in the hundreds.

**Senator McEWEN**—And that was so for the last financial year as well?

**Ms McPhee**—Yes.

**Senator McEWEN**—I am mindful now that you have to go.

**Ms McPhee**—No, it has gone. I have missed it. It was at 11.30.

**Senator WONG**—Perfect timing, wasn’t it!

**Ms McPhee**—It was with the Minerals Council—a non-traditional employer.

**Senator McEWEN**—Apart from the projects and programs you have discussed already, are there any other projects or programs that the agency is involved in? I am particularly interested in surveys or research.

**Ms McPhee**—There is the research that I talked about in relation to men and women, which we will release shortly, looking at women in the workplace. We are also doing a similar piece to that which was done by the Office for Women in relation to the provision of family-friendly practices for medium to large employers. So it will be a snapshot across the entire business.



**Senator McEWEN**—When is that due?

**Ms McPhee**—That will also be July-August. The research itself will not be completed until the end of June.

**Senator McEWEN**—Is that survey based research?

**Ms McPhee**—Yes, that is being conducted by Sensis.

**Senator McEWEN**—As in S-e-n-s-i-s?

**Ms McPhee**—That is correct.

**Senator McEWEN**—Just following on from Senator Barnett's question, are all these pieces of research dealing with employers who employ more than 100 employees?

**Ms McPhee**—Yes. Correction. On the Sensis one I think we will be going down to 50 employees.

**Senator BARNETT**—How are you allowed to do that?

**Ms McPhee**—Sensis is using a panel not from our database. They are using a business panel, so they will be recruiting employers to answer the survey that have 50-plus employees.

**Senator BARNETT**—That is their decision, not your decision?

**Ms McPhee**—No, that was our decision, so that there was not a gap of employers missed between the publication that was produced by the Office for Women and the EOWA, so that we are capturing all businesses in the provision of family-friendly services.

**Senator BARNETT**—But you said down to 50.

**Ms McPhee**—I think it is 50.

**Senator BARNETT**—What about 50 or less, then?

**Ms McPhee**—That is being done by the Office for Women in the publication that I referred to earlier today.

**Senator BARNETT**—They cover from zero to 50?

**Ms McPhee**—That is correct.

**Senator WONG**—Ms McPhee, I asked you a question on notice—528-07.

**Ms McPhee**—528?

**Senator WONG**—Yes. I hate to confess, but it is not clear from my question what report I was referring to. Was this the Banks task force report? You have given a very good answer.

**Senator Abetz**—Are you asking what your question referred to, Senator Wong?

**Senator WONG**—I am asking which question she answered. I assume that in the *Hansard* the discussion preceding—

**Ms McPhee**—Yes, the previous question referred to the Banks report.

**Senator Abetz**—A bit of mind-reading went on, did it?

**Ms McPhee**—Yes.

**Senator Abetz**—Good.

**Senator WONG**—I probably did a number, Minister. As you may recall from when you were on this side of the bench, you put a lot of questions on notice. Can I ask about the independent research? What are you referring to there?

**Ms McPhee**—EOWA conducted research of our business stakeholders—the organisations that are required to report to us—on the EOWA’s effectiveness, ability to deliver et cetera. That was last conducted in 2006, just prior to—

**Senator WONG**—Before the Banks report.

**Ms McPhee**—Yes.

**Senator WONG**—One of the things that has been raised with me by a couple of organisations I do not wish to name is their costing of the effect of introducing paid maternity leave. Anecdotally, what they have reported to me was that their predicted returns from the measure—that is in terms of staff turnover, retention, training costs; all the expenditure one associates with people leaving—were better. The costings were far more conservative: they actually got far greater returns than they anticipated and recovered the costs associated with putting in place maternity leave a number of years ahead of schedule.

**Ms McPhee**—Yes.

**Senator WONG**—Do you have any research which we can look at in terms of quantifying that?

**Ms McPhee**—We have not done any research specifically, but, again, anecdotally, from contact that we have with businesses and those that provide it, once they do the analysis of their workplace profile and estimate the use et cetera, the majority of organisations then realise that there is a high return.

**Senator WONG**—So there is nothing senators can look to in terms of you actually consolidating this in some form of report?

**Ms McPhee**—No.

**Senator WONG**—Okay. I guess I would encourage you to consider that. There is the broader argument which is always used about women’s participation rates, which I think both sides of politics look to as a macroeconomic measure. But in terms of the financial costs to business associated with maternity leave, it would be very useful to get some evidence about what some of the leading companies who have introduced this have experienced in terms of cost-benefit in financial returns.

**Ms McPhee**—Yes. That was my point earlier. We are able to capture the organisations that provide it, and those organisations report to us that they do experience a higher rate of return from maternity leave. But what we do not capture is how long they stay. I think we know from other data sources that women with two or more dependants find participating difficult and that organisations really must have a suite of flexibility and other provisions to enable that difficult balance.

**Senator WONG**—Yes, to deal with the challenges of different points in people’s lives, and particularly the ages of the children. Maternity leave obviously does not deal with preschool and when the children are at school. I think my point is this: certainly in the financial services

sector—as you would be aware, because some of them have won some of your awards—a number of organisations have in fact introduced a range of policies, particularly in relation to returning to work after the birth of the child, paid maternity leave et cetera. They have costed all that. They do not want to put that in the public arena, obviously—

**Ms McPhee**—No.

**Senator WONG**—which is fair enough, but on a broader basis, if the EOWA were able to actually demonstrate the financial return to business, particularly larger businesses, that would be useful from our perspective. Thank you.

**CHAIR**—Thank you very much, Ms McPhee.

**Proceedings suspended from 12.26 pm to 1.33 pm**

**Department of Employment and Workplace Relations**

**CHAIR**—Good afternoon, everyone. I welcome the department back. This afternoon we will be looking at outcomes 1 and 3, beginning with Indigenous employment, with Senator Crossin. Dr Boxall, did you wish to say something?

**Dr Boxall**—Yes, thank you. Yesterday we had a question in outcome 2, asking: ‘During 2006-07, how many APS agreements have been approved by agency ministers, notwithstanding that they were found to be inconsistent by DEWR with the Australian government policy parameters?’ The answer to that is: to date, for 2006-07, there are six such agreements out of a total of 28 final assessments by DEWR during the financial year so far.

**CHAIR**—Thank you.

**Senator WONG**—Can I follow up on that one?

**CHAIR**—Yes.

**Senator WONG**—Thank you for providing that answer today, Dr Boxall. Do I take it from that that the 28 relate to the total number assessed by DEWR within the same period?

**Dr Boxall**—Yes.

**Senator WONG**—Are you able to tell me which agencies they are?

**Dr Boxall**—No.

**Senator WONG**—Why is that?

**Dr Boxall**—Because these are assessment of an agency’s agreement, and this goes to discussions between the six agencies and their minister.

**Senator WONG**—I do not think I am asking about advice to the minister; I am asking about DEWR’s assessment and which agencies were assessed as being non-compliant, where the agreement was subsequently certified.

**Dr Boxall**—That is correct, and I am saying I am not prepared to give that.

**Senator WONG**—Minister, I am asking for the list of the six agencies.

**Senator Abetz**—I will take that on notice.

**CHAIR**—Very well. Senator Crossin, you have the floor for Indigenous employment.

**Senator CROSSIN**—I might just ask some general questions about Indigenous employment before I go to CDEP, if that is all right.

**Dr Boxall**—Yes.

**Senator CROSSIN**—In Budget Paper No. 2, at page 169, under ‘enhancing opportunities for employment and participation in remote communities’, it says that \$23 million will be provided over five years to accelerate the removal of the remote area exemptions in remote communities. Is all of this funding to provide income support for those affected?

**Mr Harvey**—No, those funds are actually departmental funds for officers to assist in the removal of remote area exemptions. The process we go through is consultation with the communities and then working with Centrelink, so it is funds for our own department and also for Family and Community Services.

**Senator CROSSIN**—So how is the \$23 million spread over the five years then?

**Dr Boxall**—It is on the table above at the top of page 169.

**Senator CROSSIN**—So where it has just got ‘Department of Employment and Workplace Relations’, that is the \$23 million; is it?

**Dr Boxall**—For example, in 2007-08 there is \$5.8 million for the Department of Employment and Workplace Relations and \$0.5 million for the Department of Families, Community Services and Indigenous Affairs: a total of \$6.3 million. So you add across the bottom line, and we will get \$23 million.

**Senator CROSSIN**—I see. So the explanation under there relates directly to the table above it?

**Dr Boxall**—That is correct.

**Mr Harvey**—There is also a capital item in there of \$1.7 million, so the table actually adds to \$21.7 million and then, when you add in the capital item, it adds to \$23 million.

**Senator CROSSIN**—So \$1.7 million is a capital item. What is that for?

**Mr Harvey**—For the department.

**Senator CROSSIN**—What is the \$1.7 million for?

**Mr Harvey**—It is computer equipment.

**Senator CROSSIN**—IT equipment.

**Mr Harvey**—Yes, that is right—the IT program. Sorry, I correct myself: it is \$1.3 million for this year, which is not on the table. I apologise. It is \$1.3 million for this year, which is also for administrative, so I apologise for that.

**Senator WONG**—Sorry, I am confused now. We are looking at the top of page 169 of Budget Paper No. 2?

**Senator CROSSIN**—Page 169, yes.

**Senator WONG**—What is your evidence in relation to the capital items?

**Dr Boxall**—No, the capital item is separate. If you add across the bottom, \$6.3 million plus \$5.7 million plus \$5.9 million plus \$3.8 million, plus the \$1.3 million which is just below the table, which is expended in 2006-07, you get \$23 million.

**Senator WONG**—I appreciate that. It was the evidence about the capital item—

**Mr Harvey**—I made a mistake.

**Dr Boxall**—It also says, ‘This measure includes \$15,000 in capital funding.’

**Senator WONG**—So the \$1.3 million from 2006-07 does not include capital funding?

**Dr Boxall**—It is not capital funding.

**Senator WONG**—Okay, thank you.

**Senator CROSSIN**—So this is new money, in addition to money committed in 2006-07?

**Mr Harvey**—That is correct.

**Senator CROSSIN**—Can you provide for me a list of those communities which have already had their remote area exemption removed?

**Mr Harvey**—There are some 42 communities. I could go through them now, but it would probably be easier if I took them on notice.

**Senator CROSSIN**—If you have a table there, you could table the document.

**Mr Harvey**—I do not have a table that lists the 42; it is a table that covers a whole range of things.

**Senator CROSSIN**—We are after the communities.

**Dr Boxall**—He can read them out.

**Senator CROSSIN**—Okay.

**Mr Harvey**—Yirrkala—

**Senator WONG**—Could you read them slowly. If we are not going to get a list, we might need to write them down.

**Mr Harvey**—Is it easier to provide the table?

**Senator Abetz**—There are 42.

**Senator WONG**—Well, I am happy for him to table them.

**Senator Abetz**—Grab a pencil and get ready.

**Senator WONG**—I am happy for them to be tabled.

**Dr Boxall**—We do not have it in a format that is suitable for tabling.

**Senator WONG**—Then if you do not have a document to table, we can read through them.

**CHAIR**—Dr Boxall indicated they would be read out.

**Senator CROSSIN**—If you read them, then they will be in *Hansard* and I will have an idea of where you are talking about. So I am happy for you to read them.

**Mr Harvey**—In the Northern Territory there are 15 communities: Yirrkala, Nguiu, Milikipiti—

**Senator CROSSIN**—Take it on notice. It will be a lot easier. I am also after an updated list of those communities that will have the remote area exemption removed with the proposed time line.

**Mr Harvey**—So the \$23 million, the additional communities?

**Senator CROSSIN**—Yes.

**Mr Harvey**—We have an interdepartmental committee that basically works through and looks at the communities. The objective of the measure is to go as far as possible to remove those remote area exemptions by 2010-11. At this stage there are 42 communities where we have completely removed them plus 20 outstations. We have a further 12—

**Senator CROSSIN**—So that is actually 62 in total?

**Mr Harvey**—When you include the outstations, that is correct. I am giving you the background to where we are at. There are a further 12 communities and 162 outstations where we are progressing. There are 17 communities plus an additional 25 where we are in consultation. Then we have an additional work program which will take us into 2007-08 and beyond. We have not gone yet to the stage of listing the additional communities. What I am indicating to you is that, already, the budget measures of \$18 million that were in previous years enabled us to go forward into future years. This budget measure will enable us to go forward to 2010-11, and we will bring on a whole range of communities. When you include the outstations, there are something like 1,200 communities across Australia. Our aim is to work in all of those communities.

**Senator CROSSIN**—So the aim is that by 2011 the remote area exemptions will not exist in any Aboriginal community or any Aboriginal outstation. Is that the plan?

**Mr Harvey**—Yes.

**Senator CROSSIN**—So that will be rolled out over the coming years?

**Mr Harvey**—That is correct. It will be progressively rolled out over a number of years. The idea of this initiative is basically to speed up the process of rolling out the removal of remote area exemptions.

**Senator CROSSIN**—What are people who are living on outstations going to do to comply with this?

**Mr Harvey**—Once you lift the remote area exemptions, two things can happen. One is that you can have a requirement to participate in CDP—a number of people do not participate in CDP—or, if the Job Network is available through our servicing arrangement, they can participate in Job Network. The whole idea is to remove the exemptions so people can actively participate.

**Senator CROSSIN**—So, if I am on Howard Island, for example, where 28 people live—

**Senator Abetz**—You are on Howard Island!

**Senator CROSSIN**—That is why I thought I would pick it as an example. Does that mean that I could do CDEP? Will you increase the number of CDEP places for that island?

**Mr Harvey**—That is correct.

**Senator CROSSIN**—How would people in that community access a Job Network provider?

**Mr Harvey**—If there were no Job Network available, they would not, but we have—

**Senator CROSSIN**—There is no Job Network provider available on any outstation in the Northern Territory that I am aware of.

**Mr Harvey**—I was using it as an example. They can participate in CDP. The people on Howard Island would participate in CDP.

**Senator CROSSIN**—What would happen if there were not enough places allocated to that island?

**Mr Harvey**—There will be, Senator.

**Senator CROSSIN**—Are you going to increase the number of CDP places around this country?

**Mr Harvey**—We will do that to cover the lifting of remote area exemptions. That is correct.

**Senator CROSSIN**—I do not know of any outstation that can access a Job Network provider, to be honest with you, unless they travel some tens or hundreds of kilometres to do it.

**Mr Harvey**—That is not an issue, because then they would participate in CDP.

**Senator CROSSIN**—So all people on outstations will be expected to move onto CDEP or nothing else.

**Mr Harvey**—Unless there is a Job Network provider—

**Senator CROSSIN**—There are no Job Network providers, as I said—so what are they going to do? Will they all move onto CDEP?

**Mr Harvey**—That is correct.

**Senator CROSSIN**—How many additional CDEP places will be created?

**Mr Harvey**—We believe at this stage that there are probably about 4,400 formal remote area exemptions across Australia, and there are sufficient places within the CDEP program to cover those. Our experience has been—and we are not only talking about outstations—that once we lift remote area exemptions people not only participate in CDP but they participate more broadly in the labour market.

**Senator CROSSIN**—How do you do that if you are living somewhere like Baniyala in north-east Arnhem Land?

**Mr Harvey**—They might make decisions.

**Senator CROSSIN**—They might make decisions to do what?

**Mr Harvey**—We are talking about an extreme situation, but they might make a decision to undertake a service job that operates in the community. They might participate in a job, or they might—

**Senator CROSSIN**—Give me an example of what that would be.

**Mr Harvey**—For example, they might participate in an education, health or local government job.

**Senator CROSSIN**—Actually, in Baniyala there are already two Aboriginal assistant workers who would be on CDEP. There is only one Aboriginal health worker that I am aware, who is already on CDEP. So what would you expect the hundred or so people who live there to do?

**Mr Harvey**—We have done a survey of local government areas in the NT with the Local Government Association, and something like 43 per cent of the jobs across the local government regions were filled by Indigenous people. That indicates that there are a number of job opportunities. Once you start to lift the remote area exemptions and you start to build an economy in a regional centre, for example, you start to create jobs for people.

**Senator CROSSIN**—Let us talk about outstations that do not come under the local government areas of control. They are not part of community councils—they are outstations. They might be part of an outstation or homeland station association. Your rhetoric does not match the reality of what is going on out there. What would you expect people on an outstation such as Baniyala to do if you were to remove the remote area exemptions? There are limited activities out there, which are already being taken up by people who are being paid CDEP. What are the rest of the people expected to do?

**Dr Boxall**—As the remote area exemptions are progressively lifted, they will need to have some form of mutual obligation, which will be CDEP, as Mr Harvey has outlined. Also, just because there is not a Job Network physical presence in a particular outstation or remote community, that is not to say those areas are not serviced. All ESAs are serviced by the Job Network and it is possible to have fortnightly visits and various other contacts like that. There is also the possibility of Work for the Dole in some communities. It might well be that there are certain communities that are particularly remote and that have a small number of people where there are fewer options rather than more, but there will be other communities where there are more options.

**Senator CROSSIN**—Could you give me the name of one Job Network provider in the Northern Territory that would have gone to Baniyala in the last month, let alone the last fortnight?

**Dr Boxall**—No. But the point is what they will do in the future. I assume that at the moment the people in that community, which I have never heard of, have a remote area exemption. In the event that the remote area exemption is lifted, these people will then require servicing from mainstream government employment agencies, there will be more incentive for a Job Network member to visit there and, as the market builds up, there could be one there in the future. So it is not so much what has happened in the past. In the past, large numbers of these people had a remote area exemption and they received benefits and they had no mutual obligation to do anything else. The lifting of the remote area exemptions will provide them



with the opportunity to participate more in the mainstream. In the event that there are insufficient jobs, as Mr Harvey has outlined, there will be CDEP and there will be servicing that comes from other employment service providers such as CWCs and Work for the Dole.

**Senator CROSSIN**—The rhetoric is great, but let me really fine down—

**Dr Boxall**—Chair, that is not rhetoric; that is the—

**Senator WONG**—It sounded like rhetoric.

**Senator CROSSIN**—Let us tune it down to what it is really—

**Dr Boxall**—That is not rhetoric; that is the position.

**Senator Abetz**—To those who do not want to believe, it was.

**CHAIR**—That was a totally factual answer and I think it should be taken as such.

**Senator CROSSIN**—I am really disappointed that you do not know where Banyala is, because some of the most significant Indigenous artists in this country have come from there and it has won the Telstra art award many years running. It is the most high-profile outstation in the Territory that I could choose as an example.

**Senator Abetz**—And that wasn't a rhetorical flourish?

**Senator CROSSIN**—What additional funds will be provided to Job Network members to get out to these outstations—on a fortnightly basis you are saying—which would require them to charter a light aircraft from Nhulunbuy? What extra funding will there be for Job Network providers to do that, and who do you think will actually bid for these contracts?

**Ms Golightly**—Some of the visits might be fortnightly; others might be monthly; others will be done as they can be done.

**Senator CROSSIN**—So it will not be fortnightly?

**Ms Golightly**—Not necessarily. These are tailored services. Some may well be. It depends on a range of factors, as you would be aware. The remote services tender was done last year. We have people looking up who the successful tenderer for this area was and I hope to have that for you soon.

**Senator CROSSIN**—Perhaps you could provide us with a list of who won the remote services tenders right across the country?

**Ms Golightly**—Sure.

**Senator CROSSIN**—In doing that, could you tell me how many outstations those remote service providers are expected to visit?

**Ms Golightly**—The tender is for servicing a whole employment service area, an ESA. So the successful provider would be expected to service all the participants in that ESA that do not currently have exemptions.

**Senator CROSSIN**—How many ESAs are there in a place like the Territory?

**Ms Golightly**—We will get that for you in a second. I think it is four.

**Senator CROSSIN**—Four? Four ESAs covering over 220 outstations throughout the Territory?

**Ms Golightly**—They cover the Northern Territory, except for the townships.

**Senator WONG**—How many are there in northern South Australia?

**Ms Golightly**—I am not sure if we have any remote service providers up there. There might be one there. I can get you that list. There are 137-odd ESAs that cover the whole of Australia and these are the ones that are—

**Senator WONG**—Surely you would you be able to give us a list of the providers and the ESAs?

**Ms Golightly**—Yes, we can.

**Ms Caldwell**—The successful tenderers for the remote tender were announced at the time of that tender as well, so we can get the committee a list. They were published when the tender results and the areas which they were servicing were announced.

**Senator CROSSIN**—What amount is in each tender contract to cover travel to outstations?

**Ms Golightly**—The contracts do not work like that. They are demand driven contracts with fees mainly for outcomes. There are some service fees, but they are not broken down into components such as travel, et cetera. It is like the other Job Network contracts.

**Senator CROSSIN**—What is the outcome for someone living on an outstation in Arnhem Land?

**Ms Caldwell**—It would depend on the nature of that individual. Assuming it was a highly disadvantaged or long-term unemployed person, it would be—

**Senator CROSSIN**—They are all of the above. We are talking about an outstation where, as I have just described, there would be no more than six positions currently on CDEP and nearly 100 people living in the community with no other work to do.

**Ms Caldwell**—As was outlined in the request for tender for the remote services, there are three main features that would assist with this. The outcome itself is at the highest level of outcome funding available in Job Network, which is \$6,600 for a 13-week outcome.

**Senator CROSSIN**—What do you get for that, for an Indigenous person on an outstation? What do they have to do in order for you to get that?

**Ms Golightly**—An outcome fee is payable to the provider when they get that person a job.

**Senator CROSSIN**—There will not be any jobs at Baniyala, so what is the next fee they might be able to get?

**Ms Golightly**—They would get a range of service fees, but it would depend, too, on the service being provided. For example, that person might be referred to Work for the Dole or CDEP or DEN.

**Senator CROSSIN**—If they move into CDEP, what amount of money does the Job Network provider get?

**Ms Caldwell**—If the person is registered with Job Network as well as CDEP, the tender that we put to the market provided for a remote area service for Job Network. The special

features of the remote area service for Job Network essentially provide Job Network members with the equivalent of highly disadvantaged service fees—

**Senator CROSSIN**—Which is how much?

**Ms Caldwell**—for all of their clients.

**Ms Golightly**—Perhaps we could get you a copy of the RFTs later.

**Senator CROSSIN**—Just tell me how much they would get for that.

**Ms Golightly**—There is a table of fees.

**Senator CROSSIN**—What is the most I could anticipate if I am a Job Network provider and I move somebody off a Centrelink payment onto CDEP?

**Ms Caldwell**—We were talking about somebody participating in CDEP not about somebody moving off a Centrelink payment into CDEP. The job outcome is \$6,600.

**Senator CROSSIN**—What if they were participating in CDEP?

**Ms Caldwell**—The CDEP provider would be funded by the government to provide a CDEP place for that participant.

**Senator CROSSIN**—What does the Job Network provider get for that?

**Ms Caldwell**—In addition to what the CDEP provider gets, the Job Network provider would get a service fee. We are just getting the details of the service fees for the committee, but they are equivalent to a package of highly disadvantaged service fees for the Job Network member to use flexibly to tailor a service, including whatever outreach they may need for outstation or other purposes. In addition, if the Job Network provider found a job for that person short or long term—

**Senator CROSSIN**—There are no jobs on outstations. I will go to that in a minute, but—

**Dr Boxall**—There are some jobs on outstations.

**Senator CROSSIN**—They are currently being taken by people on CDEP. Essentially, if people are going to get to these outstations, Job Network providers need to fund that travel themselves out of fees they are generating. Is that correct?

**Ms Caldwell**—They would be paid service fees for the services they delivered, including the outreach fees. In the event that somebody was found a job, they would get job placement or outcome fees additional to the funding that we provide for services.

**Senator CROSSIN**—So they are funding the travel out of their own budget based on income they generate from fees.

**Ms Caldwell**—Not at all. The funding in the service fee provides for the coverage of the service. It has always been the case with Job Network nationally since 2003 that if there are additional travel costs over and above what is normal for job seekers coming to an established site, it is open to a Job Network member to defray additional costs out of the job seeker account. That has been a feature of Job Network ever since the job seeker account was established in 2003.

**Senator WONG**—Refresh my memory, Ms Caldwell. In terms of the remote services tender, are there any additional job seeker account funds provided to those providers?

**Ms Caldwell**—We are getting the details of that. They would usually attract job seeker credit accounts, again at the highly disadvantaged rate.

**Senator WONG**—I think you have given me the highly disadvantage rate previously through Senate estimates in terms of how much is notionally allocated when someone enters the system. I am trying to determine whether there is a loading given in remote areas.

**Ms Caldwell**—There is a loading. A locationally disadvantaged jobseeker gets an additional \$250 on top of their customised assistance job seeker account.

**Senator WONG**—Did you say you were going to come back to us with that?

**Ms Caldwell**—Yes.

**Ms Golightly**—I need to correct a previous statement. There are five ESAs in the Northern Territory.

**Senator CROSSIN**—Mr Harvey, going back to where we were a while ago, you were going to provide us with an updated list of those communities that have already had their remote area exemption removed.

**Mr Carters**—That is correct.

**Senator CROSSIN**—Can you provide us with the updated list of those communities which will have the remote area exemption removed, with the proposed time line for each?

**Mr Harvey**—The proposed time line for the \$23 million will have to go over a number of years because we will be consulting with state governments and others and, in particular, consulting with communities. So in this process we would not have a time line. But I can give you information on the communities where it has been removed, communities where we are in the process of removing it at the moment and communities where we have commenced consultations.

**Senator CROSSIN**—There are 137 employment services in the country and five in the Northern Territory. How are they determined?

**Ms Caldwell**—The establishment of the 137 ESAs was originally mapped at the start of the outsourced Job Network market and that is largely unchanged since that time.

**Senator CROSSIN**—I asked how they were determined, not when.

**Ms Caldwell**—I will have to take that on notice. There may be somebody with a longer memory than mine at the table.

**Senator CROSSIN**—Are they population based?

**Ms Golightly**—We will have to take that on notice. I do not have that here.

**Senator CROSSIN**—Five in the Northern Territory hardly seems a fair proportion. No-one here has any knowledge of how that happened?

**Ms Golightly**—It is a well-established methodology. I will have to go back more than 10 years to find out.

**Senator WONG**—When were the ESAs last altered?

**Ms Golightly**—Not in my recollection.

**Senator WONG**—So we are looking at the same ESA boundaries as have existed since the commencement of the Job Network?

**Ms Golightly**—That is correct.

**Senator WONG**—There was no alteration of the ESA boundaries to take account of the government's policy decision to end CDEP and to progressively phase out the remote area exemption?

**Ms Golightly**—What we did in the last tender—

**Senator WONG**—Is that correct?

**Ms Golightly**—There is no alteration to the boundaries. That is correct. What we did do, though, was nominate some of those ESAs as being remote and therefore subject to the special tender provisions with slightly more flexible services.

**Senator WONG**—Is the list that you are going to give Senator Crossin and the rest of the committee going to have which of those ESAs were identified as remote?

**Ms Golightly**—That is correct.

**Senator WONG**—What criteria were applied?

**Ms Golightly**—I will check that for you.

**Senator WONG**—There is a gentleman running to the table. I do not know if that has anything to do with it. Somebody has just left a note to your left.

**Ms Golightly**—I think that is something else.

**Ms Caldwell**—There is no administrative or contractual definition at large of 'remote' for Job Network purposes.

**Senator CROSSIN**—Why not?

**Ms Caldwell**—There is none.

**Senator CROSSIN**—Why isn't there?

**Ms Caldwell**—We offer Job Network services across Australia in 16 employment service areas. We offered opportunity for Job Network providers to tender for a remote services form of business, and that was under the RST. That tender allowed Job Network to have the additional features I referred to before in the capacity to bundle their service for all their job seekers to be regarded as highly disadvantaged equivalent in terms of the funding that was available for them, and for them to offer a tailored form of Job Network service that was not always following the standard continuum but was able to be adjusted to take into account visiting services, seasonal constraints on accessing some of the outstations, employment opportunities, other local based strategies and the movement of people between outstation and into regional areas for other purposes. So, in answer to your question of what is defined as remote, a remote Job Network service is a service where we have chosen to offer

opportunities for providers to tailor special Job Network services around the types of needs that you were talking of before, Senator.

**Senator WONG**—With respect, Ms Caldwell—and I am sure Senator Crossin will follow up why there is not a definition of remote—the answer you have just given is effectively a circular definition. You are saying, ‘In the areas we decide are remote, we’re going to provide a different model of service delivery available to Job Network members.’ I think my question went to what were the criteria that you utilised in determining which ESAs would be remote for the purpose of the RST.

**Ms Caldwell**—If I can answer it in those terms, we had Job Network coverage across Australia. Most of that followed the active participation model. In the previous Job Network there had been contract capacity for some fee-for-service arrangements, which were originally based on government policy that Job Network was offered. Where there was no suitable market bid forthcoming, the department would enter into purchasing arrangements on a fee-for-service basis. That is the history of the Job Network coverage, including the remote areas. If there were no suitable tenderer coming forward on a standard Job Network model, we had capacity to have a tailored service. At the conclusion of the notional period of the employment services contract that ended on 30 June 2006, successful Job Network and high-performing Job Network members across Australia were offered rollover for whatever arrangement they were on at that time. If any business was freed up in these 16 employment service areas that had been covered by fee-for-service in the past and if there was any business available, we offered that on a remote service basis.

**Senator WONG**—I do not know whether I am having difficulty understanding your answer, but I think what I was asking was: when you determined that certain ESAs would be included in the request for tender for, as you called it, the remote services tender, how did you determine which ESAs would be brought within it? Presumably you looked at population and geography.

**Ms Caldwell**—They were principally where we previously had a fee-for-service arrangement in place. We also had regard to the ARIA classification, but it was also the case that, because we had been servicing these parts of Australia for many years, we were able to build on the established fee-for-service contract arrangements.

**Senator CROSSIN**—I cannot remember the last time I saw a Job Network provider at Banyala, I have to tell you.

**Senator WONG**—The point is that there was a very significant policy shift, which is why the government went for a remote services tender; therefore, to just say to me, ‘It’s where we had a particular fee-for-service arrangement,’ does not go to the nub of the question. You made a decision that certain services would need to be required in remote areas as a result of the government’s policy changes in relation to CDEP, and I am trying to clarify or find out how you determine which communities would be subject to the remote services tender.

**Dr Boxall**—When they had the general tender for Job Network 2, those areas that were not covered under the normal arrangement were offered fee for service. Those areas that are fee for service are now what are called remote areas.

**Senator WONG**—Let's go back to that, then. How did you determine in ESC2 which ones were fee for service?

**Dr Boxall**—It was all put out to tender. It was a market based solution. Where the market was able to cover the area, there was no need for fee for service—

**Senator WONG**—Yes, but the market signals have changed because government policy has changed. You are saying the market signals were how you drew the boundaries in the first place in ESC 2—I may disagree with that, but let's not take issue with that now. I am just asking: how do you determine what the boundaries are for those areas where you have a remote services tender?

**Ms Golightly**—I think there are two things. One is that the remote services tender was not a direct result of any CDEP policy change. The remote services tender was a decision by government to try and service those areas which previously had been fee for service, only in a better way. For example, the fee-for-service arrangements only provided Job Network. They did not provide things like PSP, Work for the Dole or disability. So leading up to July last year we put out a tender to try and bring more services into those remote areas which previously had not been covered under a normal tender arrangement and had been covered by a fee-for-service arrangement, but just for Job Network. So the whole reasoning behind the remote services tender was not to do with CDEP or any policy change there; it was to do with bringing a bundle of services into areas which previously did not have that bundle.

**Mr Carters**—The key CDEP policy changes relate to metropolitan and regional areas; they do not relate to remote areas.

**Senator CROSSIN**—We know that. We will get to that in a minute.

**Mr Carters**—In the remote areas the access to CDEP continues to be available for those participants who do not have opportunities to do other forms of participation, such as work, training or Work for the Dole. The remote area exemption relates to an individual, when it comes down to it, in terms of an activity agreement, and an individual will not have that lifted unless there is some other activity for them to do that is written into that activity agreement. In cases where it is necessary, CDEP will be that activity.

**Senator CROSSIN**—You are actually going to lift the remote area exemption by 2011. Whether they want it or not, it is going to go. That is a policy decision of the government. Ms Golightly, you say this is an opportunity for Job Network providers to better service Indigenous people. Doesn't it also, though, intersect with the government's policy about mutual obligation?

**Ms Golightly**—Yes, it does.

**Senator CROSSIN**—Clearly it does.

**Ms Golightly**—Yes.

**Senator CROSSIN**—So there is a direct correlation between the extension of your contracts for Job Network providers and this government's aim of getting people either into CDEP or something else yet to be determined in those outstations.

**Ms Golightly**—It is certainly all part of the framework. The fee-for-service contracts for Job Network that exist are also about mutual obligation as well as service provision. So there was a correlation predating the remote services tender as well.

**Senator CROSSIN**—How does the removal of the remote area exemptions intercept with job creation in outstations?

**Mr Harvey**—There are a number of things that we do. When we lift the remote area exemptions, we are looking at the activities that are run in CDPs and we are particularly looking at employment preparation for people. One of the things we also look at is local job strategies. It could be, if you look at a number of these communities—you talked about the art community in the community you were talking about—

**Senator CROSSIN**—So being a full-time artist will qualify for you to be on CDEP and that is your mutual obligation?

**Mr Harvey**—If the individual comes off CDEP and the income is sufficient, yes.

**Senator CROSSIN**—That would not happen; that will not happen.

**Mr Harvey**—What we are finding, once we start to look at the art within a community, is that there are significant funds coming into the community. If you put it on a commercial basis—and there are a number of communities where they are starting to look at putting a place in on a commercial basis—then you can start to generate sufficient income. The second thing we are finding in the Northern Territory is that there is a significant stocking up on a number of the cattle properties. The other thing we are finding is that there is significant extension of mining leases, so significant opportunities in the mines. There is a wide range of opportunities, and we have a very close link with the cattle association of the NT to create job opportunities created for Indigenous people, people in these more remote communities, to participate in work on cattle communities. I can cite an example in Cape York where a whole, very small, CDEP community went off CDEP and managed a cattle property. We have other examples where we are starting to see, with the mining companies, that they are starting to bus—instead of flying in and flying out, they are bussing Indigenous people in and out of communities to service mines.

**Senator Abetz**—So it can happen.

**Mr Harvey**—It can happen.

**Senator CROSSIN**—But it is the exception rather than the norm. In most outstations, if people are carving or basket weaving or painting full time, but not generating enough income to pay themselves a salary—let us face it: most of that is paid on consignment rather than sale—can people be an artist and move on to CDEP? Does that satisfy their mutual obligation requirements?

**Mr Harvey**—If it is an activity that is designed to lead to job preparation and development of capability to move off CDEP, yes, it can.

**Senator CROSSIN**—And where does this proposal intersect with any training that will be provided in those outstations?



**Mr Harvey**—Under the CDEP, there is capability to fund training and provide training and assistance. I talked about local jobs for local people strategies. We have worked through that with injection of funds through other Indigenous employment programs. You can also look at the structured training and employment program as well. For example, with the mining industry and the cattle industry, we are looking at structure training and employment funding to assist people to move through CDEP into jobs.

**Senator CROSSIN**—The mining and cattle industries are not everywhere around this country though, with all due respect.

**Mr Harvey**—Yes, I know that, but what we are finding—

**Senator Abetz**—Yes, but they are very good examples of how things are working.

**Senator CROSSIN**—They are the exception rather than the norm—that is all.

**Mr Harvey**—We are starting to see that they are more of the norm than the exception. The first thing we are starting to see are those industries that I talked about. You might build up the local shop, you might then add in a baker and you might also add in a small accommodation facility, and before you know it you have started to create the economy. The other thing we are finding is that people may live on outstations, but they also may participate, in an economic sense, in a more regional centre. We are finding that as well.

**Senator Abetz**—The whole approach in this area in the past has been, ‘It’s too difficult; it can’t happen,’ a bit like was reflected in your previous comments. Through these new initiatives, we are now finding that we can do things in various sectors, and you are absolutely right: mining and cattle are not everywhere, but nevertheless they are very good examples where it is proven and we can learn from that and hopefully develop other areas along similar lines.

**Senator CROSSIN**—I am sure it is possible, and you can do it, but you have to put the resources in there to make it happen.

**Senator Abetz**—Yes, and we are doing it.

**Senator CROSSIN**—Mr Harvey, how much new money is in this budget for job creation in outstations?

**Mr Harvey**—We already have a program called the Indigenous Employment Program which we can utilise to do that—

**Senator CROSSIN**—And I have you asked you how much new money is in the PBS for the coming financial year.

**Mr Harvey**—We do not see that there is a need for new money; it is how we use the money and what we redirect. For the first part, that is redirecting the CDEPs to focus on development of employment and training opportunities and also on development of business opportunities and transitioning those businesses out into business opportunities. We have funds in the Indigenous Employment Program—

**Senator CROSSIN**—But no new funds?

**Mr Harvey**—No, we do not—

**Senator CROSSIN**—There is no new money in this coming financial year?

**Dr Boxall**—No additional money is required at the moment. There is sufficient money to fund all the activities that Mr Harvey has been talking about.

**Senator Abetz**—That is how we run budget surpluses.

**Senator CROSSIN**—That is right. You do not spend it on Indigenous people; that is for sure.

**Senator Abetz**—No, it is by doing things in a more clever way.

**Senator CROSSIN**—What is the amount in a CDEP allocation that can be dedicated towards education provision?

**Mr Harvey**—It is up to the individual CDEP. The CDEP is provided with funds to manage and run the program.

**Senator CROSSIN**—So they would have to find any training or education provisions—like sending an adult educator to an outstation—out of the CDEP funds you give them. There are no additional training funds over and above the CDEP allocation. Is that right?

**Mr Harvey**—If they negotiate additional funds with us, we provide those funds. They are for legitimate training and development or business development programs.

**Senator CROSSIN**—How much of those additional funds are allocated for education?

**Mr Harvey**—It is not done that way. Each year we negotiate a program funding agreement with each community. If a community come to me or our state office and you talk about the program they want to put in place, in terms of training and development or business development, and it is legitimate in terms of the sense of outcomes and development and is linked into appropriate training, we will provide funding to achieve that outcome.

**Senator CROSSIN**—What is the total allocation for CDEP in this financial year?

**Mr Harvey**—In this financial year it is \$574 million.

**Senator CROSSIN**—And in the coming year?

**Mr Harvey**—It is \$494 million.

**Senator CROSSIN**—A reduction?

**Mr Harvey**—Yes, but because we are—

**Senator CROSSIN**—That would mean there is more training and job creation then!

**Dr Boxall**—It is because there are people moving from CDEP either into jobs or into the new STEP program. It is part of the government's—

**Senator CROSSIN**—We will get to all of that in a moment.

**Dr Boxall**—It is the government's reform program.

**Senator CROSSIN**—So you need to pay for the running of the CDEP, the payment of the CDEP and any education-related activities out of that \$574 million?

**Mr Harvey**—Yes.

**Senator CROSSIN**—You do not have a discrete amount in that allocated just to education?

**Mr Harvey**—I said that there was \$574 million this year. We estimate that we will spend some \$522 million, which is roughly \$50 million less than the appropriation. As Dr Boxall pointed out, one of the reasons that we are finding a significant reduction in usage of CDEP is because we are getting record numbers of employment outcomes. As of today there have been something like 5,400 placements through CDEP. So there are sufficient funds within the CDEP appropriation to fund training and development and business development. If we have an underspend of some \$50 million, we can negotiate—as we do—with each community's requirements. Then you add on top of that the budget that is available through the Indigenous Employment Program, which is about another \$77 million. So there are two opportunities to fund.

**Dr Boxall**—Staff have been able to excise the irrelevant parts of the table, so we have a list of the communities where the RAEs have been removed, which we can now table.

**CHAIR**—Thank you very much indeed.

**Senator CROSSIN**—Ms Golightly, what are the purposes of the ESAs?

**Ms Golightly**—An employment service area is basically a geographical area that we use as a basis for tendering a segment of the market and for providers to provide services within. I am advised that they are roughly associated with Centrelink servicing areas, but we are still getting the information on how they were formulated in the first place.

**Senator CROSSIN**—Is funding determined for each ESA?

**Ms Golightly**—No. These programs are mainly demand driven, so it is tendered on the basis of market share. People tender for business in a particular market. There is no upper limit.

**Senator CROSSIN**—Would a Job Network member who is living, say, in an area of the NT that is remote and that has a limited population be treated differently from someone living in an ESA on the eastern seaboard, or would they be treated the same?

**Ms Golightly**—In each of the areas, regardless of whether they are remote or in the centre of Sydney, we require the Job Network provider to tailor their services for that market. That is one side of it. The other side of it is the fees—as Ms Caldwell explained before—that are attached to job seekers, depending on their disadvantage. Of course, a job seeker who is in a very remote place is more likely to be highly disadvantaged and attract the higher fee.

**Senator CROSSIN**—Dr Boxall, is DEWR actually working on a job creation strategy for a very remote Indigenous region or outstation?

**Dr Boxall**—We have several job creation strategies. Mr Harvey has been outlining some of them and I am sure that he can outline more. We have the Indigenous Employment Program, the Indigenous Economic Development Strategy and CDEP. There are also the government's most recent reforms, which are to move people from CDEP in good job markets into jobs—the number of people moving from CDEP into jobs is going up exponentially year after year—and which are also to move people in stronger labour markets into enhanced STEP programs. This of course frees up CDEP slots, which can be put into remote areas and

elsewhere for people without removal of remote area exemptions. When the people who have moved from a remote area exemption onto CDEP to satisfy their activity agreement, they will be moving onto a CDEP with a view to acquiring the necessary skills and experience to eventually move into the job market.

**Senator CROSSIN**—Does DEWR have an Indigenous employment strategy that tailors down to an outstation or do you have a national systemic approach?

**Dr Boxall**—We have a national strategy; but, as part of that national strategy, we can put in place programs in outstations and in remote communities—and we do. So the answer to your question is yes. DEWR does have an employment program which can be put into place in homelands, outstations and other remote communities.

**Senator CROSSIN**—How many Indigenous people are on the Job Network books at the moment?

**Ms Caldwell**—At the end of March 2007, there were 84,500 Indigenous people on Job Network case load.

**Senator CROSSIN**—How many Indigenous job placement outcomes have reached the 13 weeks and then the 26 weeks?

**Ms Caldwell**—Initial job placements were almost 49,000, so that is 48,900 in the 12 months ending at that same time. In terms of 13-week outcomes, there were 13,700.

**Senator CROSSIN**—And 26 weeks?

**Ms Golightly**—While Ms Caldwell is looking for the figures for the 26 weeks, I can tell you that the 13,700 was an increase of seven per cent over last year.

**Senator CROSSIN**—That is the 13 weeks, isn't it?

**Ms Golightly**—Yes, the 13 weeks.

**Senator CROSSIN**—And this is for 2006-07 to date?

**Ms Golightly**—Yes. Until the end of March.

**Ms Caldwell**—That figure I gave was for 12 months till the end of March. I can break it down by financial year to date.

**Senator CROSSIN**—So it is from March to March, is it?

**Ms Caldwell**—Yes, that was from March to March, but I can get you the 26 weeks and the financial year to date for this year and for last year as well. We will come back to you with the 26-week comparator.

**Senator CROSSIN**—Just the 12 months from March to March will do.

**Ms Caldwell**—I do not have it at the table but I can get it very quickly for you.

**Senator CROSSIN**—Given that many Indigenous job seekers are either long-term unemployed or low skilled, can you tell me what intensive assistance a Job Network member provides?

**Ms Caldwell**—For an Indigenous disadvantaged person—

**Senator CROSSIN**—What is the difference between someone who is Indigenous and disadvantaged and someone who is not disadvantaged? What is defined as ‘Indigenous disadvantage’ under your program?

**Ms Caldwell**—I was clarifying the question that was asked of me. Job Network offers a range of services that are tailored for all individuals. If a person is classified as highly disadvantaged then they receive additional early access to services and additional outcome fees in the event—

**Senator CROSSIN**—What classifies someone as highly disadvantage?

**CHAIR**—Senator Crossin, it would be helpful if you let the officer complete the answer before you ask her another question.

**Senator CROSSIN**—Ms Caldwell, I would not like you to have to repeat your answer to me. My first question to you is: what defines a disadvantaged Indigenous person or a highly disadvantaged Indigenous person?

**Ms Golightly**—Perhaps I can help. Anybody who comes to Job Network through Centrelink is asked a number of questions under what we call the job seeker classification index and, depending on the answers to those questions, that will classify them as either highly disadvantaged or not—and that is regardless of whether they are Indigenous or non-Indigenous. There are a whole series of questions but everybody is asked those questions and they are classified against that index. If somebody is classified as highly disadvantaged then they are eligible for early access to Job Network—earlier than others would be—and they go into the intensive type access. They get more job seeker account money and higher outcome fees and service fees.

**Senator CROSSIN**—A person who is highly disadvantaged would be someone who is illiterate?

**Ms Golightly**—There are a whole range of measures: literacy, the level of education, recency of employment, homelessness, Indigenous status, and I think locality is another.

**Ms Caldwell**—There are 21 factors in the classification instrument, including being an Indigenous person and being a remote Indigenous person. The instrument also picks up CDEP participation or otherwise.

**Senator CROSSIN**—What intensive assistance does the Job Network member provide?

**Ms Caldwell**—As Ms Golightly indicated, the highly disadvantaged job seeker would go directly into intensive support customised assistance and would immediately have access to a job seeker account as well. The particular assistance that the individual got would depend on the nature of their individual circumstances and needs. It may commonly be a training course. It may be assistance such as counselling, the preparation of an individual, a job search plan or an activity agreement. It may be a work experience placement. It may also include coaching and mentoring for Indigenous people or for any highly disadvantaged job seeker. There may be language and literacy issues. There may be simple assistance given to help people prepare for particular interviews or access those interviews. There may also be opportunities for an interested job seeker to volunteer to look for jobs further afield and to access labour markets that are not directly available to them.

**Dr Boxall**—I would like to add that over the past 12 months there were 13,900 long-term unemployed Indigenous job seekers placed in 13-week jobs, and that is an increase of nine per cent over the previous 12 months.

**Senator CROSSIN**—I am sorry, Dr Boxall. It is disappointing you have interrupted our train of thought, but I will now jump to what you have just interrupted us with. Forty-eight thousand nine hundred Indigenous people were placed in a job. I have a figure of 13,700 who stayed for 13 weeks. Is that correct?

**Ms Caldwell**—It was for at least 13 weeks. They may well have continued.

**Senator Abetz**—It was 13 weeks or more.

**Senator CROSSIN**—Do we not have the figures for 26 weeks now?

**Ms Golightly**—We do now. It was 7,277 for the 12 months between March 2006 and March 2007.

**Senator CROSSIN**—Are you saying that of that 48,900, 13,900 were long-term unemployed?

**Ms Golightly**—I think the vast majority of them were long-term unemployed, but we can check that for you.

**Senator CROSSIN**—No. Dr Boxall just said 13,900 were long-term unemployed. Are they part of the 48,900?

**Ms Golightly**—Yes.

**Dr Boxall**—Yes.

**Senator CROSSIN**—Of that 48,900, maybe none of those 13,900 might have been part of the 13,700 that stayed for 13 weeks.

**Ms Golightly**—No, I think they are the same figures.

**Senator CROSSIN**—Thirteen thousand seven hundred and 13,900 are not the same figures to me.

**Dr Boxall**—They are very similar.

**Ms Caldwell**—They are measured at different times. I have a figure of 13,700 for the 12 months ending at the end of March. The figure of 13,900 sounds like it is an April figure.

**Senator CROSSIN**—How many non-Indigenous Job Network members are on the books up till March 2007?

**Dr Boxall**—Do you mean Job Network members?

**Senator CROSSIN**—Yes. How many non-Indigenous people are on Job Network books?

**Ms Golightly**—The total caseload varies, but it is around the 800,000 mark—but that would include the 48,900.

**Senator CROSSIN**—No, that would include the 84,500 you gave me. Is that correct?

**Ms Golightly**—Yes.

**Ms Caldwell**—Yes.

**Senator CROSSIN**—So we talking about the 720,000 mark then.

**Ms Golightly**—Yes, that is people who identify as Indigenous.

**Senator CROSSIN**—How many non-Indigenous people were placed in a job in the 12 months from March to March?

**Ms Caldwell**—I would have to calculate it. I have the total, but it does not exclude Indigenous people. I have total numbers or I have Indigenous numbers.

**Ms Golightly**—In total—this includes Indigenous people—I think it is roughly 646,000.

**Senator CROSSIN**—Is that in job placement?

**Ms Golightly**—Yes.

**Ms Caldwell**—That is total job placements in the calendar year 2005-06.

**Senator CROSSIN**—How many non-Indigenous people reached 13 weeks out of that? Or do you only have the total?

**Ms Caldwell**—I have only got a total. I do not count my caseload excluding Indigenous people.

**Senator CROSSIN**—What is the total then?

**Ms Caldwell**—In the calendar year 2005-06 there were 180,000 13-week outcomes recorded. As the department has pointed out in the past when we have discussed this, they are not the same people. We are not tracking individuals successively, so a person may get an initial job placement—

**Senator CROSSIN**—It is still a figure you are giving me.

**Ms Caldwell**—in one time period and move on to another.

**Senator CROSSIN**—That would be the same for Indigenous people, though.

**Ms Caldwell**—Yes, that would be the same.

**Senator CROSSIN**—How many are there at 26 weeks?

**Ms Caldwell**—During the 26 weeks which occurred during the 2005-06 calendar year, there were 73,835.

**Senator CROSSIN**—Out of that 73,800 do we not know how many were Indigenous?

**Ms Caldwell**—No. We could find that out, but I do not have the non-Indigenous split with me.

**Senator CROSSIN**—Are you saying to me that, from the people who are placed in jobs compared to the people who stayed there for 13 weeks or more, if they were Indigenous it is a seven per cent increase over the following year. Is that correct?

**Ms Golightly**—Yes, over the previous year for the same cohort. Sorry the same—

**Senator CROSSIN**—What is the percentage of increase for non-Indigenous people?

**Ms Golightly**—I think it is roughly in line with the same time as last year, but I can check that for you.

**Senator CROSSIN**—What I would like you to do is give me a breakdown of the job placement for the 13 weeks and the 26 weeks for non-Indigenous people as well as the percentage of increase. If it is a nine per cent increase then we are not doing as well—there is still a gap, isn't there?

**Ms Golightly**—No, you are doing better actually.

**Senator CROSSIN**—Aren't you telling me there is a nine per cent increase in non-Indigenous people being placed in jobs?

**Ms Golightly**—No, the nine per cent was for Indigenous people. For non-Indigenous people—I have to do the calculations—I am pretty sure that we are performing roughly the same rate as we were last year. So in fact the performance for Indigenous people is outstripping if you like—

**Senator CROSSIN**—I have had two percentages here. I have had seven and nine, so which one is it?

**Senator Abetz**—I think it is generally conceded that placements for the Indigenous community can sometimes be more difficult than for the non-Indigenous community and therefore those figures, I think, indicate a substantial success story.

**Ms Caldwell**—I have some additional information. If we look at the same time period, I can compare all job seekers in Job Network with Indigenous job seekers alone. For total Job Network job placements, over the 12-month period ending March 2006, there were over 645,000. This is a different time period than I provided before—this is for job placements in the 12 months to March 2006 that was in line with the same period last year and is within one percentage point of last year's record performance. For Indigenous job placements in that same 12-month period, we had 48,900 job placements, which was an 11 per cent increase on the 43,900 in the same period last year and a new annual record.

**Senator CROSSIN**—If a job seeker has drug, alcohol or mental health issues, what assistance is provided to them?

**Ms Caldwell**—The job seeker who had substance abuse issues would, in the first instance, be screened when they applied for income support so as to be directed to the most appropriate service. Depending on the nature of the difficulties that they face they may be assessed by a job capacity assessor; they may come to Job Network; or they may, depending on the nature of their work barrier, go to a disability employment network, a vocational rehabilitation service, a personal support program or JPET—Job Placement, Education and Training—if they were a young person with such issues.

**Senator CROSSIN**—Is the Job Network member expected to spend any money on providing this support for the individuals?

**Ms Golightly**—What Ms Caldwell is saying is that the person may not end up in Job Network. The person is asked to go to a job capacity assessor and that provider is the one that streams them to the relevant program. If the relevant program is Job Network, then job seeker account funding is available to be spent on whatever their barrier might be. If their substance abuse was a significant barrier to work, then there is a likely chance that they would not end up in Job Network, they would be in another program.



**Senator CROSSIN**—Does DEWR have data on what percentage of the job seeker account amount is available for registered Indigenous job seekers?

**Ms Caldwell**—We do not allocate a set amount of the job seeker account. I can provide you with details on how much was actually spent on eligible Indigenous job seekers. The job seeker account is credited as a pool of available resources for the Job Network, who then use it on eligible job seekers in accordance with their needs. For Indigenous job seekers, there is also access to a training account in addition to the job seeker account.

**Senator WONG**—I am sorry; I have been out of the room, Ms Caldwell. You were going to give us the locational disadvantage loading in relation to the notional crediting of the job seeker account.

**Ms Golightly**—I think we are still getting that.

**Senator WONG**—That is fine. Can I also clarify, in terms of Senator Crossin's question: do you have an indication of the numbers of Indigenous persons who are entering the Job Network?

**Ms Golightly**—Yes.

**Senator WONG**—So we could get some sort of sense of approximately how much could be notionally allocated to an Indigenous job seeker—or not?

**Ms Golightly**—Yes, I think so. We will try to work that out.

**Senator WONG**—I would be interested in exploring that, so can you let me know when you are able to?

**Ms Golightly**—Certainly.

**Senator CROSSIN**—Can we just go back to that. Are you actually able to provide me with data on what percentage of the job seeker account amount is available for registered Indigenous job seekers? Do you actually have data on that?

**Ms Golightly**—We have some data on it, but we would have to take it on notice because we cannot calculate it here.

**Senator CROSSIN**—I see.

**Senator WONG**—What are you coming back to me with then?

**Ms Golightly**—There are a couple of things. We are bringing back for you a schedule of the fees, which will include—

**Senator WONG**—The locational disadvantage?

**Ms Golightly**—the locational loading. It will also include things like service fees, outcome fees and job seeker account credits that HD, highly disadvantaged, people attract.

**Senator WONG**—I think we will follow that up when I get that.

**Senator CROSSIN**—Can I get a list of the Job Network providers that currently service or have a contract for remote areas?

**Ms Golightly**—Yes, we took that on notice earlier. We will hopefully be able to table that later this afternoon.

**Senator CROSSIN**—How many Job Network providers have actually serviced remote areas for each of the financial years for the last two years?

**Ms Golightly**—Again, I will need to bring that back on notice. There is a combination. From 1 July 2006, it would be Job Network providers who won business under the remote services tender that we talked about earlier; prior to 1 July, it would be Job Network members who were providing fee for service—but I can get you both those lists.

**Senator CROSSIN**—So can I have a list for 2005-06 and 2006-07?

**Ms Golightly**—Yes.

**Senator CROSSIN**—Can you also provide for me the total amount of funding that each of those providers received?

**Ms Golightly**—I would have to take that on notice.

**Senator CROSSIN**—So, if we were talking about Mission Australia, I would like a total amount.

**Ms Golightly**—It is a contractual issue between us and Mission Australia, so I will have to take it on notice.

**Senator CROSSIN**—So you cannot even tell me, for the year 2005-06 that would have gone, what you would have paid out?

**Ms Golightly**—That is a competitive tender, so it is information which is crucial to their business compared to somebody else's business.

**Senator CROSSIN**—How do we ever get a handle on how much each Job Network member is actually paid out of the budget, then?

**Ms Golightly**—We have that information. It is confidential to the contract because it is a commercial tender and a competitive tender.

**Senator CROSSIN**—Past contracts? Even contracts that might be two years old?

**Ms Golightly**—The current contract in fact, for most providers, dates back to 1 July 2003.

**Senator CROSSIN**—So you are saying you cannot give us that?

**Ms Golightly**—I would have to take it on notice, but I do not think so.

**Senator Abetz**—I am sure most people would understand the commercial sensitivities of that.

**Senator CROSSIN**—How much of the 2006-07 budget measure Strengthening Indigenous Communities, worth \$17.9 million over four years, has been spent to date?

**Dr Boxall**—What page is that on?

**Senator CROSSIN**—This is the 2006-07 budget measure. It was called 'Strengthening Indigenous Communities—enhanced opportunities for employment and participation in remote communities'. It was \$17.9 million over four years, and \$3.7 million was due to be spent in the first year. How much have you spent?

**Mr Harvey**—That is the remote area exemption initiative. One of the reasons we got additional funding in this year was that basically we had almost spent all of the funds this

year, so we got additional funding of \$1.7 million. So most of the funding has been spent in this year.

**Senator CROSSIN**—Most of the \$3.7 million?

**Mr Harvey**—Sorry, we got an additional \$1.3 million this year.

**Senator CROSSIN**—So are you saying that most of the \$3.7 million has been spent or that most of the \$17.9 million has been spent?

**Mr Harvey**—Most of the \$3.7 million for this year has been spent, but then we got additional funding through the budget measure of \$1.3 million, so yes.

**Senator CROSSIN**—How much of the \$3.7 million has been spent?

**Mr Harvey**—I do not have that figure, but I would assume now that all of it has been spent. But I do not have that exact figure with me.

**Senator CROSSIN**—So the remaining funds of \$14 million or so will simply continue on in the next three years output?

**Mr Harvey**—That is correct.

**Senator CROSSIN**—Is the \$3.7 million able to be broken down into how much was spent on Job Network, Centrelink and the department, or was it all spent on the department?

**Mr Harvey**—The large proportion of it was departmental.

**Senator CROSSIN**—So what was the not-large proportion of it spent on then?

**Mr Harvey**—I do not have those figures; I am sorry. It is largely the department, but there is also a proportion that goes to Centrelink as well through our funding agreement with Centrelink.

**Senator CROSSIN**—None of that money goes into the Job Network?

**Mr Harvey**—No.

**Senator CROSSIN**—So it goes to either Centrelink or the department?

**Mr Harvey**—Correct.

**Senator CROSSIN**—What extra work or activity has it generated for the department?

**Mr Harvey**—The main work that it generates—the first thing we do when we undertake the lifting of a remote area exemption—is that we go and consult with the community and have a discussion with the community about the lifting of a remote area exemption. Then, once there is an acceptance of the direction that we are going in, we go out again with our department and Centrelink and talk individually and collectively to participants about the lifting of remote area exemptions. Then, once the process has been lifted, we also work with the CDEP to develop activities, to extend activities, and we work on the local job strategies as well to ensure that we are not only getting people into CDEP but also looking at developing local job strategies. It is quite an intensive activity on the ground because you are dealing with a situation where previously people received funding, income support, without an activity requirement and now there is an activity requirement. But we have found that we have been quite well received within communities once we start to talk about this, because there is an

opportunity to participate in activities that benefit both the individual and the community and also, importantly, build work skills.

**Senator CROSSIN**—So are your people who are doing this work situated in the ICCs?

**Mr Harvey**—They can be situated in the ICC or they can be situated in our state or territory office. It depends where we are in Australia.

**Senator CROSSIN**—Is the preference to have them in the ICCs?

**Mr Harvey**—It depends.

**Senator CROSSIN**—Do they work in cooperation with—

**Mr Harvey**—They do definitely work in cooperation with people within the ICC. One of the things we find it requires is a person with particular skills to go into a community and start talking about a new way of participating. We have a small number of people who are skilled up to do that, and they tend to be located in either our state or our regional office, but then the people within our ICCs are also involved.

**Senator CROSSIN**—I will just ask one last question. Is the remote area exemption program being rolled out with people in ICCs who might also be talking to communities about SRAs? Do they intersect?

**Mr Harvey**—They can intersect, yes.

**Senator CROSSIN**—I am assuming they do. I just wondered if you had some examples of where that has happened.

**Mr Harvey**—I have not got examples, but they can intersect. Generally what happens is that the communities that we are talking about tend to be more remote communities but they can intersect and I have not got an example where do intersect.

**Senator SIEWERT**—I would like to follow up on some of the CDEP and STEP program issues. Where CDEP is being rolled back from urban and regional centres to remote centres, is the same definition of 'remote' being used for that as is being used for what we have just been talking about?

**Mr Harvey**—The issue of remote does not come into the question of rolling back, because the only locations where CDEP has been replaced by STEP are in urban and major regional centres. So the question of remote does not come in. The question of urban and regional is the issue, and also the question of the strength of the labour market. We are not really anywhere near remote Australia when we start to talk about the changes to CDEP and the introduction of structured training and employment programs.

**Senator SIEWERT**—I get the sense there is a little bit of semantics. So that I do not have to keep saying, 'Is this a regional centre?' can you give me a list of the regional centres where CDEP is being replaced?

**Mr Harvey**—They are on our website at [workplace.gov.au](http://workplace.gov.au) and they are also part of the discussion paper, *Indigenous opportunities*, which was released last year. At the back of that it has a list of the locations.

**Senator SIEWERT**—Just because it is a discussion paper does not mean that it then becomes government policy. If they are the same ones, I can go there and get them.

**Mr Harvey**—That is right.

**Senator SIEWERT**—Are they the same as in that discussion paper?

**Mr Harvey**—That is correct.

**Senator SIEWERT**—Earlier you were—

**Mr Harvey**—I have just been corrected. There were two additional centres that put up their hand to get embraced by the changes—and they were Geraldton and Robinvale. Through the consultation process there was an opportunity for other locations to indicate that they could participate in this new initiative, and Geraldton and Robinvale agreed.

**Senator SIEWERT**—I told you that just because it is in a discussions paper it isn't necessarily what happens.

**Senator CROSSIN**—Don't disillusion us, Senator.

**Senator SIEWERT**—Can we go back to how the CDEP change into STEP has been rolled out? I have seen letters from CDEP providers to participants that basically say, 'As of April you no longer have a job.' Has that been common practice from all CDEP providers?

**Mr Harvey**—There is a whole strategy that led up to the changes that have occurred. The first one was the release of the discussion paper and then consultation across Australia. Then the government released the decision in February and, following that decision—and even prior to that decision—we started to work with all the CDEPs that were impacted, particularly around transition strategies to deal with participants and, in particular, transition of their organisations. Now that those decisions have been made, the other thing that we are doing in particular for participants, is to meet with participants, with the CDEPs and with Centrelink to talk to participants about the changes and the impact. We have released simple documents and information—we have released, for example, a DVD—which basically talk about the changes. We have put out simple promotional material which talks about the key things that participants should do—no. 1, talk to the CDEP manager; no. 2, talk to your local Job Network member; no. 3, talk to Centrelink as well. We are working very closely with the CDEPs and participants to assist them in the transition to the new arrangements.

**Senator SIEWERT**—Are you aware that some people of have been written to and have been told, basically, that as of April they are no longer employed?

**Mr Harvey**—They would say that, but there is a whole range of other activity around that. The other thing we are looking at is the number of these people who are currently being impacted by the changes. They are in a host agreement, where the CDEP places an individual within a business or a government agency. We are looking at converting those jobs into real jobs. The other thing that the CDEP is looking at very closely is also linked to the requirement that CDEP participants in urban and regional centres, where they are a Job Network member, need to register with the Job Network. So not only are they getting serviced by the CDEP; they are also getting serviced by the Job Network.

**Senator SIEWERT**—Is that where they are given, essentially, a voucher for a certain amount of money that they can then take to the Job Network?

**Mr Harvey**—Once you register with Job Network members, depending on your level of disadvantage, you can be eligible for assistance through the job seeker account to assist you get into a job, and that varies, depending on your level of disadvantage.

**Senator SIEWERT**—If people have finished with CDEP, how long is it before they can access income support through Centrelink?

**Mr Harvey**—It depends on their individual circumstances. Firstly, some of them, for example, have accrued leave and we encourage all participants to take leave before 30 June. We suggest to them that, as soon as they finish on CDEP, and if they do not have a job, they go along to Centrelink and have a conversation about whether they are eligible for income support and any other benefits they can receive. When Centrelink interviews a participant who is unemployed, they ask a range of questions about their level of liquid assets and the level of income they might be receiving. That will influence how quickly they get income support or whether they need it. They may not need income support if they already have another part-time job or sufficient liquid assets.

**Senator SIEWERT**—What is the best and the worst case scenarios if they have few liquid assets, have not been able to find a job and have used up their accrued leave?

**Senator CROSSIN**—They would go onto Newstart, wouldn't they?

**Senator SIEWERT**—How long will they have to wait before they get income support?

**Mr Harvey**—It depends on their individual circumstances—and I know that I have said that.

**Senator SIEWERT**—That is why I want the best and worst case scenario.

**Mr Harvey**—The simple way to answer it is: if an individual needs income support, Centrelink will provide it.

**Senator SIEWERT**—How long will they have to wait?

**Mr Harvey**—It depends on their age, the number of kids—

**Senator SIEWERT**—What is the worst and the best case scenario? Do they have to wait eight weeks, six weeks, 10 weeks? How long can they expect to wait in terms of the best and the worst?

**Mr Harvey**—It depends on their eligibility for Centrelink payments. There is no best and worst case. If someone is in need of income support, they get income support.

**Senator SIEWERT**—Straightaway?

**Mr Harvey**—Yes. If they are not in need of income support, based on what their circumstances are, they do not get it. It is the same for every unemployed person.

**Senator SIEWERT**—So if they have been in CDEP, they have been told their job is finished, they have taken their approved leave, they go into Centrelink and they have no liquid assets, will they go on income support straightaway?

**Mr Harvey**—That is correct; they will go on income support.

**Senator SIEWERT**—How long would they have to wait if they have a bit in the bank?

**Mr Harvey**—If they have a requirement for income support, they will get it from 1 July. So they finish on CDEP on 30 June. We have an arrangement with Centrelink that they can be processed into the first two weeks and then that will be backdated to 1 July.

**Senator SIEWERT**—So they will be processed in the first two weeks. What is the job seeker account? What is the maximum a person could access through the job seeker account?

**Mr Harvey**—The individual does not access it; the Job Network member uses those funds to assist an individual to get a job.

**CHAIR**—Just before we go on, Hansard have asked that we take a two-minute break to deal with a technical problem.

**Proceedings suspended from 3.05 pm to 3.07 pm**

**Senator SIEWERT**—I understand that the job seeker account is with the Job Network.

**Mr Harvey**—That is correct.

**Senator SIEWERT**—And there is a certain amount of money that is allocated for a particular person. Is that correct?

**Mr Harvey**—It is not allocated; it is notional.

**Senator SIEWERT**—I have seen a letter that somebody has received that says, ‘This is the amount of money that you can access for this function.’

**Dr Boxall**—No, my understanding—and I am sure I will be corrected if it is not right—is that the Job Network member is allocated a notional amount of money for each particular job seeker, but the Job Network member could spend 10 times that amount of money on one job seeker and half that amount of money on another. In terms of the expenditure on a job seeker, it is up to the Job Network member how much they want to spend on each individual job seeker.

**Senator SIEWERT**—So it will have been the Job Network worker who would have said, ‘This is how much money,’ because I have seen the letter. I did not write down the amount of money, but there was an amount of money that was allocated in this letter. The letter to this person said, ‘This is the amount of money you can access.’ I have seen it.

**Ms Golightly**—The Job Network worker may have said that, but it could have also been training account money, which is another source of funding for Indigenous job seekers. Without seeing the letter, it is a bit difficult.

**Senator SIEWERT**—I could not get a copy of it. I beg your pardon.

**Dr Boxall**—The bottom line is that, if your main interest in this particular line of questioning is Indigenous people moving from CDEP onto the Job Network—

**Senator SIEWERT**—Yes.

**Dr Boxall**—of those people who are eligible for the job seeker account, the Job Network member can spend up to a very large amount of money on each one providing they do not exceed their total budget.

**Ms Golightly**—That is correct.

**Senator SIEWERT**—And the amount of money combined is the job seeker account and the training money you were talking about earlier?

**Dr Boxall**—There is a separate program called the Indigenous training account.

**Ms Golightly**—Yes, the training account.

**Senator SIEWERT**—And they put those two together to produce a package for a particular person?

**Ms Golightly**—They can indeed, yes.

**Senator SIEWERT**—Is that allocated on a regional basis? How is that being allocated? I am particularly interested in large regional towns where CDEP has been converted into STEP.

**Ms Golightly**—It is based on the referrals to Job Network. It is not based on location in terms of numbers. If six people are referred to Job Network then six times their job seeker account will notionally be accredited to that Job Network member.

**Senator SIEWERT**—So you would know the number of people in each town who have been written to and told that they are no longer on CDEP—they no longer have a job—and have been referred to a Job Network centre?

**Ms Golightly**—We would know the number of registrations.

**Senator SIEWERT**—So you would have allocated for that particular town that amount of money?

**Ms Golightly**—Not for that town, no. We would be allocating money to that Job Network member based on the number of people who are referred to that Job Network member.

**Senator SIEWERT**—All right.

**Ms Golightly**—It could be several in the town.

**Senator SIEWERT**—Yes, I appreciate that—and people are allocated fairly randomly to Job Network providers.

**Ms Golightly**—They get a choice when they go to Centrelink as to which Job Network member they wish to go to.

**Senator SIEWERT**—That is interesting, because I have had a number of people write to me and tell me that they have been allocated to various job centres in a particular area—in Perth, my home town, for example—and that they had no choice. In fact, they have had a number of problems with their Job Network provider.

**Ms Golightly**—That is not true for Job Network. They may have been allocated to a particular Centrelink office.

**Senator SIEWERT**—No.

**Senator Abetz**—In that case we would need the details to follow it up.

**Senator SIEWERT**—Okay. I have actually had my constituents write to me on a number of occasions about problems.



**Senator Abetz**—If it is happening, from what the people are saying here at the table, it should not be happening.

**Senator SIEWERT**—So they get a choice?

**Ms Golightly**—They get a choice. If they do not wish to exercise that choice, then Centrelink will then more or less randomly allocate them to an available Job Network member. There are very rare circumstances where, if a Job Network member is overloaded with cases, we might stop referrals to that Job Network member for a little while, but it is very rare.

**Senator SIEWERT**—I have jumped to that question about how they are allocated. There are three or four in a town, a person picks the one they want to go to and then they are allocated the money; is that how it works?

**Ms Golightly**—That is correct, yes.

**Senator SIEWERT**—Thank you for clearing that up. I will get back to you on that issue about the Job Network. I know it is going to come up under one of the other outcomes later on. As I have said, I have had a number of people who have raised this issue with me.

**Ms Golightly**—We would be interested in having a look at that, Senator.

**Senator SIEWERT**—Could I go onto STEP. I have been told by training providers who I have been talking to that there is no allowance made for regional differences or a regional allowance. When you were answering one of Senator Crossin's questions before, I thought that you were saying that there is.

**Ms Golightly**—For the job seeker account in the remote services tender. Providers who have a contract under the remote services tender get a locational loading, if you like, for the job seeker account. For Senator Wong's question before, we mentioned a figure I think of \$250, which we said we would check. We have checked that now for the committee. It is \$225.

**Senator SIEWERT**—Is that per person?

**Ms Golightly**—Yes.

**Senator SIEWERT**—I was just going to confirm that that is for the remote area exemption.

**Ms Golightly**—I want to add to that last answer. The \$225 is when they move into the first stage of intensive assistance. If they move into the second stage of intensive assistance, they get another \$125 loading on top of the normal money they would be credited with anyway. They are the loading figures.

**Senator SIEWERT**—Is that for the remote package?

**Ms Golightly**—That is correct.

**Senator SIEWERT**—At the moment I am trying to focus on the rolling in of STEP and the rollout of CDEP. In a large regional town—we are talking regional, so let us focus on Northern Australia, for example—is there a regional loading?

**Ms Golightly**—Not in the sense of the loadings I just mentioned. However, this is one of the reasons why the job seeker account, for example, is only a notional allocation. We leave it up to the Job Network member to decide whether they need to spend more of that job seeker account on certain individuals than others. One of the factors that the Job Network member would take into account in deciding to spend more or less is the level of disadvantage that that job seeker has because of their education, literacy, living circumstances or, indeed, the labour market that they are operating in. Different regional labour markets are meant to be catered for by the tailoring of assistance and the pool of the job seeker account.

**Senator SIEWERT**—That is in the job seeker account. What about in STEP?

**Dr Boxall**—There is no fixed fee in STEP, so when a STEP provider negotiates an agreement with the department—usually with the state office or something like that—they negotiate a fee. There are different fees. If the STEP provider is operating in a regional town, for example, where the cost of business might be higher and there might be additional expenses, they would negotiate that into the fee. There is not a fixed fee.

**Senator SIEWERT**—I have been told by someone who has been applying for STEP that when they tried to put in for regional differences—they wanted to specifically talk up-front about regional differences and, in particular, in terms of job readiness—they were specifically told not to put it in the other bit at the bottom of the form, but to go back and roll it in. They were basically told not to put in for regional differences.

**Dr Boxall**—My understanding is that these contracts tend to be negotiated with our state office. They are negotiated individually. I have seen some of them, and they have different fees. You will see a contract for a provider in a large regional town in Victoria that has 20 participants at a fee of X per participant. You will see another contract for a provider in a town in Western Australia with 10 participants that might have 1½ times X. These things are individually negotiated. To be honest, we cannot understand what you have been told, and so, if you provide us with a piece of paper out of session, we will look into it and consult with the relevant state office and sort it out.

**Senator SIEWERT**—Obviously we have been looking into this and we have been very strongly told that, no, they were not able to factor in regional differences. There are regional differences and job readiness—so, the cost of training, for example, in remote centres.

**Dr Boxall**—That is why the fees are flexible. I have seen them myself, and I do not deal with all of them. There is no set fee.

**Senator SIEWERT**—Do you have guidelines for what—

**Ms Caldwell**—We do have guidelines for our staff to get consistency but, as Dr Boxall indicated, it is a matter of a negotiation for each project that is put forward with a STEP provider.

**Senator SIEWERT**—So you do have guidelines for—

**Ms Caldwell**—We have our internal guidelines to help our staff in the state and regional offices have a consistent approach when people approach them about STEP, but there is no guideline that would prohibit a price being tailored on a value for money basis. If it costs more in regional areas, or it is harder or less job ready, those are exactly the sort of things that

we would routinely take into account. If we have more details, we could see what the particular difficulty is.

**Senator SIEWERT**—Yes. I will definitely follow that one up, thank you.

**Senator CROSSIN**—I want to keep going on the changes to the CDEPs in urban centres. They will take effect from 1 July, but what activities are now occurring? Is it correct that CDEP organisations and Indigenous employment centres have been asked to specify by the middle of June what their CDEP participants are doing?

**Mr Harvey**—Are you interested in the CDEPs that are impacted by the change?

**Senator CROSSIN**—Yes.

**Mr Harvey**—It is long before that. We have been working with the CDEPs since the beginning of the year on activities but, more importantly, we have been looking at how we can transition as many of the participants into employment as possible. The other thing that is very important is the changes that came through last year with the requirement to register with Job Network. The vast majority of the participants that are being impacted are already registered with Job Network and have a relationship with them. That is important in the whole process as well. We are hoping by the beginning of next month to make it very clear to CDEPs that are transitioning the type of contract that they have got—if they have a contract for structured training and employment—but also making sure that they understand all the transition issues. We have been funding CDEPs for transition funding to assist them with moving into a new environment.

**Senator CROSSIN**—Is it correct that, say, by the middle of June, you will have asked those organisations to tell you which people on CDEPs will be in work, which will be in STEP and which will be on Newstart? Do you want an indication by 30 June?

**Mr Harvey**—We have been working with CDEPs over the last couple of months, so we have a pretty good idea of the number of participants in host agreements and whether they are likely to progress into jobs. There is a whole range of information that we have about each CDEP and its participants.

**Senator CROSSIN**—How many CDEP participants are there now in this country, in total?

**Mr Harvey**—Currently, there are roughly 31,500.

**Senator CROSSIN**—How many of those will be affected by the change on 1 July?

**Mr Harvey**—We estimated in February that it would be about 6,100. Today we believe that by 30 June it will be only 5,000 that will be impacted by the changes. That is because the CDEPs have been working very closely with the participants to get them into jobs, as has the Job Network. I stand corrected: the number of CDEP participants as of today is 31,269.

**Senator CROSSIN**—So the Indigenous employment centres around the country will close?

**Mr Harvey**—That is correct.

**Senator CROSSIN**—My understanding is that there was \$12 million allocated to Indigenous employment centres in 2005-06. Is that correct?

**Ms Caldwell**—The Indigenous employment centres are in fact part of the overall Indigenous Employment Program in the budget and not a separate appropriation.

**Senator CROSSIN**—So was \$12 million allocated to Indigenous employment centres in 2005-06?

**Ms Caldwell**—It was included in the overall appropriation for the Indigenous Employment Program. It was not a separate appropriation. I can give you the actual expenditure. It was not an allocation.

**Senator CROSSIN**—What was the expenditure in 2005-06?

**Ms Caldwell**—The expenditure in 2005-06 was \$12.636 million.

**Senator CROSSIN**—And in 2006-07?

**Ms Caldwell**—In 2006-07 the actual expenditure as at 31 March is \$10.617 million.

**Senator CROSSIN**—So with Indigenous employment centres closing, what are the projected savings of that over the next four years?

**Ms Golightly**—Because it is part of the whole Indigenous budget there will not actually be a saving. It will be spent on STEP or one of the other programs, depending on demand.

**Senator CROSSIN**—So it is not going back into consolidated revenue and it will stay within the Indigenous employment budget—is that correct?

**Ms Golightly**—It is not a savings measure; yes.

**Senator CROSSIN**—It is just that you will not be spending it on IECs?

**Ms Golightly**—Exactly.

**Senator CROSSIN**—What are the projected savings of moving people off CDEP and into either STEP or Newstart—or into jobs? What is the amount of money that you anticipate you will save there?

**Mr Harvey**—It is roughly a saving of \$30.9 million. But, as Ms Golightly said, that money actually goes back into the Indigenous budget.

**Senator CROSSIN**—So that is \$30.9 million that you will not be spending on CDEP payments?

**Mr Harvey**—No.

**Senator CROSSIN**—It will be directed back into the Indigenous employment areas?

**Mr Harvey**—That is correct.

**Senator CROSSIN**—Do we know where it is going to be allocated?

**Mr Harvey**—Yes. It is being used in particular to fund the building an Indigenous workforce measure, so it is government service delivery. That \$30 million has gone into that initiative, where it is normalising employment arrangements for Australian government services. So that \$30 million has gone into there.

**Senator CROSSIN**—In your discussion paper that was released in February, *Indigenous potential meets economic opportunity*, on page 3 you mention whether there will be any

changes to CDEP locations in 2007-08. I do not know if you have the document with you, but there is a little dot point that says the allowable income limits for CDEP participants will be lowered to increase the incentive for participants to move into jobs.

**Mr Harvey**—That is correct.

**Senator CROSSIN**—So in urban centres what will the allowable income limit be lowered to?

**Mr Harvey**—It relates to the top-up. Currently an individual can earn this year, if they are in an urban area, roughly \$11,300. That will be about the same amount next year. Where the difference will be is at the top-up. Currently an individual can get a \$12,192 top-up. Next year it will be \$9,366, which is a reduction of about \$2,826 a year.

**Senator CROSSIN**—But there is no CDEP. Do you mean they can get a top-up through STEP?

**Mr Harvey**—No. This initiative relates to those where CDEP is continuing.

**Senator CROSSIN**—I see; all right. I think we will come back to this, because I want to explore this a bit further.

**Senator BARNETT**—I want to ask about the procedures and criteria that apply to the payments made by DEWR to the Job Network companies when they find jobs for the unemployed. Can you outline to the committee the procedures and criteria that apply and the range of outcome payments that are applied?

**Ms Golightly**—There is a whole schedule of fees in the contract. We are getting the schedule for the remote services contract, so I will ask my people to also bring forward the schedule for the run of the mill, mainstream contract as well. There is quite a series of fees.

**Senator BARNETT**—What is the extent of the payments? Can you summarise that?

**Ms Golightly**—At the highest level there are three forms of payments, if you like. There are service fees and there is a category called outcome fees, which are payable when somebody is placed in a job, again if that person stays in that job for 13 weeks and then again at the 26-week mark. The third broad category is the notional credits to the job seeker account, which we were discussing before. The range of fees within each of those categories depends on the level of disadvantage the particular job seeker is facing, so there will be a set of fees for highly disadvantaged job seekers and smaller fees for job seekers with less disadvantage.

**Senator BARNETT**—Can you give us the extent of the payments that may be made, for the highest disadvantage down to the lowest?

**Ms Golightly**—For example, an outcome fee at the 13-week mark for a highly disadvantaged person is \$4,400.

**Ms Caldwell**—And that same person who was unemployed for three years or more, for example, would get another \$2,200 once they exceeded 26 weeks of continuous work.

**Senator BARNETT**—Thank you. And the service fee?

**Ms Caldwell**—The service fees are paid progressively. Part of the service fees is paid as a quarterly payment to the Job Network member based on their volume of business overall. Other of the service fees are payable when an individual job seeker starts receiving a particular service—for example, starts to undertake a JobSearch training course. A fee is payable at the point of commencement of that part of Job Network servicing.

**Senator BARNETT**—Do you have an average payment in terms of the service fee?

**Ms Golightly**—I do not have an average, but the standard fees can range from \$26 right up to \$834, for example. That is for an individual.

**Senator BARNETT**—And you are happy to table those?

**Ms Golightly**—Yes.

**Senator BARNETT**—Is that today, or in—

**Ms Golightly**—Yes; we can table them this afternoon.

**Senator BARNETT**—What evidence does DEWR need to make those payments and what criteria are set so that those payments can be made properly and in accordance with the program and the law?

**Ms Golightly**—In general terms—and Ms Caldwell can add the specifics—we can track service fees automatically when job seekers are first of all referred to a Job Network member. That is all done on our computer system, so we can track that automatically. That will trigger one set of service fees. We can then track that job seeker through the various service points, depending on how long they have been with the Job Network member. Again, that is all tracked through our computer system and triggers certain flags. With outcome fees, in general the Job Network member indicates in the system when they have placed somebody into a job, and that job has to be a vacancy that we know about. We can do a series of checks overall, to make sure that those placements are correct. Once that placement is anchored on a particular day then of course it is a matter of tracking 13 weeks or 26 weeks later on. But we then do a whole lot of following up. We do a lot of monitoring of Job Network members and also of job seekers to verify all of that data.

**Senator BARNETT**—Just explain how that would happen with a job seeker and then the job placement Job Network business. How do you audit or review whether the things that were meant to have occurred have occurred?

**Ms Golightly**—We have the evidence that is in the IT system, and we can then check that with, for example, the employer, or with the job seeker if we are trying to monitor the Job Network provider. We also have things like pay slips. There are quite a range of things that we check.

**Senator BARNETT**—Sure. You say you check the Job Network provider's IT system, which says, 'Yes, this individual has started work.'

**Ms Golightly**—It is actually our IT system that they use, but, yes, they do what is called 'anchoring' somebody into that job. We can track what the vacancy was and who the employer was so that we can double-check with the employer or the job seeker to make sure that they were in fact in that job.

**Senator BARNETT**—Does the Job Network company actually make contact with the individual job seeker before the payment is claimed?

**Ms Golightly**—Yes. It is normally either the job seeker or the employer that notifies the Job Network member that indeed that job seeker is in that job. That is how the Job Network member would find out.

**Senator BARNETT**—How do we know that it is a job that has been created by the Job Network provider rather than just a job?

**Ms Golightly**—It does not have to be a job that was created by the Job Network provider. We pay for an outcome, which is a person being placed into any job as long as it is suitable.

**Senator Abetz**—Not ‘created’ but ‘discovered’.

**Senator BARNETT**—I do not mean ‘created’; I mean ‘discovered’.

**Ms Golightly**—If another Job Network member identifies the vacancy, we still pay for the outcome of that person being placed in that vacancy, because what we are interested in, of course, is people getting into jobs, regardless of where the jobs come from.

**Senator BARNETT**—Sure. But I am interested in where the payment goes. If you have two Job Network providers—

**Ms Caldwell**—We have two types of outcome payments. The initial placement fee—the fee for placing the job seeker into the job—is only payable if the Job Network member found the vacancy and actually introduced the job seeker to the employer, if I can use those terms. Once a person is longer term unemployed and has been working with the Job Network member over a period of time to learn effective job search skills, the Job Network often encourages the job seeker to canvass all opportunities for employment themselves.

For those fees for longer term unemployed people, it is all right for the job seeker to have tracked down the vacancy through their own job canvassing efforts—the Job Network still qualifies because they have given the job seeker the wherewithal to find a willing employer and to track down a vacancy. In that latter category, obviously Job Network members make some referrals; job seekers do some canvassing over and above that as well. If it is a vacancy found by another Job Network member that is available on our job search computer system, and the original Job Network member who sourced the vacancy does not immediately have a suitable candidate, one of the other agencies will be able to access that. Only the Job Network member that sourced the vacancy and made the introduction gets that first placement fee.

**Senator BARNETT**—How do you mitigate the risk of Job Network companies providing advice that is not accurate or in fact making a false claim?

**Ms Golightly**—We have a number of levels of monitoring. We have contract managers and contract management staff in every state and a number of regional offices who do regular site visits to the Job Network premises. In those sites they would check various files and other evidence that might be available—really anything that would verify the claims of the Job Network member. That is one level.

There is also another level of checking that we do, which we call ‘program assurance’, whereby either at the state office or sometimes at the national office level we do various data-

mining exercises to analyse whether there are particular trends that might be worrying us for an individual provider or a particular type of expenditure. If there are unusual trends highlighted then we would follow that up with specific analysis of, again, files or other documentary evidence to support the claims.

There is also a third level, which is one where we would perhaps put together some data which may have come through our customer service line or other reports that we might receive. We follow those up to see if there is any validity to an allegation being made.

The final category that I can think of off the top of my head is that we do what is called post-program monitoring. This is where we survey the job seekers several months after they have received the service to test whether indeed they did receive that service, whether they are in the job that they claim to be in and how long they have been there—that sort of thing.

**Senator BARNETT**—If you discover that those trends are heading the wrong way, or if there is some sort of pattern which is against the normal flow that perhaps is inappropriate, or if wrong claims have been made, what do you do about that? Do you seek the repayment of those funds and what else do you do? Are there provisions in the contract to militate against that?

**Ms Golightly**—There certainly are. First of all we would investigate that trend. There could be a valid reason for the trend, but we investigate it in the first instance. If the evidence is not there to support the claims being made or the action being taken by the Job Network provider and we come to the conclusion that it is contrary to the contract that they had signed with us, then under that contract we have a number of actions we can take. Certainly recovery of the funds is one, but there might also be penalties in addition to that, which go to things like the provider losing some of their business share—we might penalise them that way. Depending on how serious the incident is, it could go through to them losing the contract altogether.

**Senator BARNETT**—In an instance in which there may have been fraud involved, in addition to cancelling the contract, are there criminal provisions that would apply?

**Ms Golightly**—Certainly. Depending on advice we get from the AFP and the DPP, we would seek to proceed with criminal proceedings if indeed there was fraud. There are also civil actions we can take in the civil courts as well.

**Senator BARNETT**—In your experience, have there been instances of Job Network companies making claims for people who have found their own work without any effort on behalf of the Job Network provider?

**Ms Golightly**—I think we have received some claims of that nature, and we investigate them. In some cases, where it is warranted, we will have recovered those moneys. I am trying to think whether there have been any fraud cases. I would have to check that.

**Senator BARNETT**—Have you got any idea of how much money has been recovered as a result of those investigations over the last, say, three years?

**Ms Golightly**—I have some very broad figures—they cover all of our providers, not just our Job Network providers. I can give those to you now. In the financial year 2005-06, we recovered 2.3 per cent of expenditure as a result of various claims that were made that



subsequently turned out to be incorrect. Possibly they may have fraudulent; they may have just been incorrect.

**Senator BARNETT**—Do you have a figure?

**Ms Golightly**—I think that equates, roughly, to \$27 million, out of a budget of roughly \$1.2 billion.

**Senator BARNETT**—That was in 2005-06.

**Ms Golightly**—Yes.

**Senator WONG**—I missed that. What was that figure?

**Ms Golightly**—It was \$27 million out of a total budget of, I think, roughly \$1.2 billion.

**Senator BARNETT**—What about 2004-05? Do you have those figures?

**Ms Golightly**—I do not have those figures with me. I would have to take that on notice.

**Senator BARNETT**—So there have been instances that you have found, and there have been investigations undertaken. Can you tell us how many investigations you have undertaken? Were any of those undertaken in Tasmania?

**Ms Golightly**—Just to clarify, what we can get you is the number of actual fraud investigations. I will check whether we can break that down by state. There are other monitoring activities that we do, which are not classified as fraud. They are just normal contract monitoring. We would not have numbers on those because that happens every day of every week of every year. I can get you the fraud figures.

**Senator BARNETT**—That would be helpful. Those companies that you have investigated, would they still be operating? Would they still be Job Network companies?

**Ms Golightly**—Not in all cases.

**Senator BARNETT**—But perhaps in some cases?

**Ms Golightly**—In some.

**Senator BARNETT**—Are you confident that that behaviour has stopped, or is it just investigated as and when it is discovered?

**Ms Golightly**—Certainly it is investigated as and when it is discovered. Where we find that the problem was something a bit systemic, rather than perhaps to do with a particular employee of a particular company, then we usually move to alert providers to that bad practice. In those cases we have not, to my knowledge, had a recurrence. There are not many instances of fraud, but of those cases where there is, it is usually a particular individual behaving in a way which is not in line with the contract or, indeed, usually with their employer's code of practice. Often the Job Network member moves to discipline, if you like, or take action with that employee, as well as any stuff we might do.

**Senator BARNETT**—There have been allegations of fraud raised in the media today, in the *Age* newspaper, about WorkDirections encouraging practices that would be, I assume, in breach of the those guidelines in the contracts you have referred to. Have they been investigated? The newspaper refers to this allegation going back to 2004. Has that been investigated, and what was the outcome?

**Ms Golightly**—They were investigated fully at the time. While someone is getting the details I can tell you that I do not believe that that ended up being a fraudulent matter. I understand it was a contract compliance matter. I will see if we have other details here. It was investigated at the time. I am told that it was established that it was not a matter of fraud. It was fully investigated and the moneys in question were recovered at that time.

**Senator BARNETT**—Can you advise how much money was recovered?

**Ms Golightly**—I might have to take that on notice.

**Senator BARNETT**—In February this year, the *Bulletin* magazine referred to different allegations, again about WorkDirections being investigated for fraud. I assume those allegations were investigated. What was the outcome of that investigation?

**Ms Golightly**—Certainly they were investigated. I will just check what the outcome was.

**Mr O’Sullivan**—Those matters were referred to the AFP and they are subject to a current AFP investigation.

**Senator BARNETT**—In that case, I will leave it there. Finally, I am interested in the process with regard to Job Network business reallocation procedures. Could you explain what criteria are used and how that occurs? I assume it is done on a regular basis.

**Ms Golightly**—Yes. For some time a business reallocation exercise has been undertaken at the end of each six-month period. A number of criteria are taken into account which I can run through, but I should start by saying that the individual circumstances of each provider, each site and the job seekers involved are taken into account first and foremost. As for the sorts of criteria that we use: we start with the star ratings that the providers have achieved in that period. We also look at other factors, such as whether there has been a trend up or down in performance over a period, and any other behaviour during that milestone period which would have an impact—for example, the sort of behaviour we have just been talking about or, indeed, the reverse, where we see Job Network members being exemplary in working with employers or being innovative in their local community by working with specific target groups. It is at both ends of the spectrum. We look at what the labour market circumstances are in a particular area. We also look at how other providers in that area are performing relative to the one in question. So there are quite a few factors that we take into account.

**Senator BARNETT**—In the most recent round of performance assessment, how much of the total business was reallocated or tendered, as it were?

**Ms Golightly**—For this most recent round we actually had two options for moving the business. This was the first time that we had both these options; this was introduced as part of the extension to the contract which came into effect on 1 July last year. Prior to that, we could only move business from one provider to another within the employment services area that we were looking at. In the most recent round we had that option but also an additional option, which was to put some or all of that business to tender for that ESA. So, to answer your question, the amount of business that went to tender this time was roughly eight per cent and the amount which was reallocated between providers was just under six per cent.

**Senator BARNETT**—So, of the total, you are saying it was \$1.2 million. Do you have a figure on the eight per cent so that we can clarify what money we are talking about?

**Ms Golightly**—I do not have it in dollar terms, sorry.

**Senator BARNETT**—But it is eight per cent of the total?

**Ms Golightly**—Yes, of the total.

**Senator BARNETT**—Of the \$1.2 million that you mentioned, or thereabouts?

**Ms Golightly**—For 2007-08 the figure is around \$1.2 million, yes.

**Senator BARNETT**—Could you take it on notice, please. I know we are a bit tight on time, so I want to ask: of those individual Job Network providers, where their performance has led to their business being reallocated, what was magnitude of the reallocation of, say, the three worst performers?

**Ms Golightly**—I do not have the figures for the top three, but in general terms it ranged from people losing 10 to 20 per cent of their business right through to losing all of their business in a particular site. I can take it on notice to provide you with the details of the top three.

**Senator BARNETT**—Yes, if you could. Thanks for that. I would appreciate the feedback.

**Proceedings suspended from 3.54 pm to 4.11 pm**

**CHAIR**—The committee will resume. Senator Crossin, I think you had some more questions for Mr Harvey.

**Senator CROSSIN**—Yes, Mr Harvey, I want to pursue the reduction in the top-up payment capacity. You were talking about income people will be able to receive if they are on the STEP program.

**Mr Harvey**—I just want to make a correction to a statement I made to you earlier. I apologise for this. In 2006-07, the remote area exemption budget measure did include dollars for Job Network servicing arising from higher numbers of people being serviced. It was \$1.8 million in 2006-07 and, over the four years, \$12 million.

**Senator CROSSIN**—Give me the name of that program again.

**Mr Harvey**—That was the lifting of remote area exemptions. The funding was made available. I said it was not, but funding was made available in the funds that came through this year for the budget. The funds were made available for Job Network. So, the \$18 million for enhancing opportunities for employment and participation in remote communities in this year's budget did include money for Job Network. Sorry, it was last year's budget that included the money.

**Senator CROSSIN**—How much was last year's money?

**Mr Harvey**—If we are talking about 2006-07, which is the current year, it is \$1.8 million.

**Senator CROSSIN**—How much of that was for Job Network?

**Mr Harvey**—Correct.

**Senator CROSSIN**—All of it?

**Mr Harvey**—That was for Job Network, yes.

**Senator CROSSIN**—Out of the \$18 million?

**Mr Harvey**—No, out of the total \$18 million, \$12 million was for Job Network.

**Senator CROSSIN**—I see, and \$1.8 million was to service remote communities.

**Mr Harvey**—In this current year, yes.

**Senator CROSSIN**—No, let's stick with 2006-07.

**Mr Harvey**—The whole \$12 million was for Job Network.

**Senator CROSSIN**—Sorry?

**Mr Harvey**—It was to service places in remote communities.

**Senator CROSSIN**—The \$12 million was out of the \$18 million.

**Mr Harvey**—Yes, \$12 million out of the \$18 million; correct.

**Senator CROSSIN**—What is the \$1.8 million you are talking about? Is this for the coming year?

**Mr Harvey**—No, the \$1.8 million is just for this financial year—the one that we are in—2006-07. So out of the \$18 million, \$12 million was for Job Network servicing and just for the current financial year that we are in—2006-07—it was \$1.8 million.

**Senator CROSSIN**—You have just given me two figures for the same year. You just said \$12 million for 2006-07 and then you said \$1.8 million for 2006-07.

**Mr Harvey**—No, for the budget last year, there was \$12 million, over four years.

**Senator CROSSIN**—Over four years: that is what you didn't say.

**Mr Harvey**—Sorry.

**Senator CROSSIN**—I thought it was \$12 million for the 2006-07 year. That is over four years and, of that, \$1.8 million was for this 2006-07 year.

**Mr Harvey**—Correct.

**Senator CROSSIN**—So there is nearly \$10 million left to spend over the next three years.

**Mr Harvey**—Correct.

**Senator CROSSIN**—Can we have a breakdown of that over the three years.

**Mr Harvey**—Yes.

**Senator CROSSIN**—What is it?

**Mr Harvey**—For next financial year it is \$2.97 million, for 2008-09 it is \$3.48 million and for 2009-10 it is \$3.79 million.

**Senator CROSSIN**—Let's now go back to the allowable income limits. Is this for CDEP participants in urban areas?

**Mr Harvey**—It is for all CDEP participants.

**Senator CROSSIN**—Tell me about those in remote communities.

**Mr Harvey**—It is the same income limit.

**Senator CROSSIN**—Right around the country?

**Mr Harvey**—That's right.

**Senator CROSSIN**—So someone living in Katherine as opposed to someone living in an outstation will have the same income limit?

**Mr Harvey**—That is right.

**Senator CROSSIN**—What is it going down to?

**Mr Harvey**—It relates to the top-up that individuals can earn. So they get the basic allowance, but the top-up changes, so in the case of the current year the top-up that they can get is \$12,192. From next year it is \$9,366. On top of that, they can also get income from other sources. On top of the basic rate and the top-up, they can get income from other sources before they lose their CDEP benefit.

**Senator CROSSIN**—How much can they earn from other sources?

**Mr Harvey**—Currently they can earn \$23,492 and that will drop to \$20,666—a drop of \$2,826.

**Senator CROSSIN**—If I am living in one of the outstations in the Northern Territory, I am currently employed by the homelands association to pick coconuts up every day and they agree to top-up my salary, as of next year, because there will be no other job I could do in that community, I will actually be earning nearly \$3,000 less a year.

**Mr Harvey**—That is correct, yes. But you could be earning—

**Senator CROSSIN**—You are actually reducing the allowable income that Indigenous people in remote communities can now get access to. If there is only CDEP and top-up available, they will have a reduced income.

**Mr Harvey**—That is correct. What the initiatives are looking to do is reduce the dependence on welfare and basically create the incentives for people to move into jobs. We are seeing, as I said earlier—

**Senator CROSSIN**—What about those—

**Senator Abetz**—Wait a minute. Allow the official to finish.

**Senator CROSSIN**—I know what you are going to say.

**Senator Abetz**—No, allow the official to finish.

**Senator CROSSIN**—Unreal.

**Mr Harvey**—What we are seeing is that individuals basically are taking up jobs and getting jobs. The other important point is that the vast majority of people are only on two days a week of work, so they only get the basic allowance. The basic allowance has only gone up by the index. What we are saying is that, to create the incentives for people to look for jobs, we are reducing the top-up and we are also reducing the income from other sources. Under the current arrangement for 2006-07, an individual could earn up to \$46,984 before they lost their entitlement to continue to have CDEP. So that is a significant incentive to remain on CDEP. So what the government has done is say, 'Let's reduce that incentive so we encourage people to secure jobs outside CDEP.' The idea of the reforms is to create those incentives.

**Senator CROSSIN**—But where there are no jobs in those outstations or those communities, or the employment market is higher than the job vacancies, people will be earning less in a fortnight. They are being penalised because there is no large job market in the community they live in. You talk about jobs in mining companies or in cattle stations. Where the number of jobs does not exceed the number of people available to go into work, you are effectively reducing the income for those people who cannot get a job because the job market is not there to access.

**Mr Harvey**—We are actually creating an incentive for people to get work.

**Senator CROSSIN**—People in places like Titjikala might want to work beyond belief, but, if the job is not actually there, while they are waiting for a job to be created they will starve.

**Mr Harvey**—No, they will not starve because—

**Senator CROSSIN**—They are going to have \$3,000 less a year.

**Mr Harvey**—But they can earn up to \$41,000—

**Senator CROSSIN**—How? How if there is no other job out there to get? How will that happen?

**Mr Harvey**—Okay.

**Senator CROSSIN**—Tell me how will that happen? Tell me how many people at Titjikala are on CDEP at this point in time?

**CHAIR**—Could we have one question at a time so the officer can answer, please.

**Mr Harvey**—I cannot correlate between the CDEP community and the community you are talking about straight away, but let's say there is 100 people out of—how many people are in the community?

**Senator CROSSIN**—Titjikala is one of the 15 that has had its remote area exemptions removed.

**Senator Abetz**—You were asked how many people.

**Senator CROSSIN**—I want to know how many people at Titjikala would be on CDEP—

**Senator Abetz**—Your local knowledge is so great you do not know the number of people there.

**CHAIR**—Order!

**Senator WONG**—You cannot censure the official for not having those figures and nor did we. But you want to make a political point?

**CHAIR**—The conversation is between Mr Harvey and Senator Crossin.

**Senator CROSSIN**—I simply asked you how many people at Titjikala are on CDEP.

**Mr Harvey**—I could find out the information, but I do not have it with me. Do you know the number of people in that community?

**Senator CROSSIN**—There would probably be about 600.

**Mr Harvey**—Let's say there are about 100 on CDEP.

**Senator CROSSIN**—How many jobs are actually vacant and registered as vacancies under a Job Network member at Titjikala?

**Mr Harvey**—It is not only—

**Senator CROSSIN**—Probably none, I would put to you.

**Mr Harvey**—No, but—

**Senator Abetz**—Let him finish!

**Senator CROSSIN**—There might well be a couple in their new tourist resort.

**Mr Harvey**—The first thing is the government is not taking away income support. What it is saying is that it is reducing the amount of top-ups. A top-up is there so they can still earn \$9,000 a year in top-up and, if they wish to secure a job, they can earn another \$20,000 on top of that, giving them a total income of \$41,000. That is not bad for any community. What the government are saying is that we are looking at creating incentives for people to find jobs. The vast majority—let's say it is 100—of the people in that community would only be on the CDEP allowance. There would be a small number on top-up and then there would be a small number who would be earning additional income. Part of these local job strategies is to look at creating a marketplace so that you actually create the jobs. Also what you are doing with remote communities is looking at what job opportunities exist in regional centres. You yourself talk about the art centre and how we can grow the capability in the art centre. I visit a number of these art centres throughout Australia and they might have an income of \$1.5 million, but the question would be asked: why can't it be an income of \$3 million? So you actually generate through effective business principles better outcomes of—

**Senator CROSSIN**—While we are waiting for you what you say is some sort of market economy to establish itself at a place like Maryvale, which might take years of decades in some cases, these people will not be able to get \$3,000 a year that they are currently getting now.

**Dr Boxall**—Just in the space of three years since the department has had this program with the government's reform to CDEP, it has already emerged in a number of these areas that people have found jobs. This year already over 5,000 people have left CDEP and gone into work. On top of that, the Job Network has been placing Indigenous people at a higher rate than non-Indigenous people and at record rates. So it is already emerged. What Mr Harvey has been talking about is quite reasonable. What it is saying is that the government is making an adjustment to the top-up, not to the base CDEP. All those people who only work on CDEP two days a week will not be impacted. It is those people who work on CDEP and then who are paid a top-up for extra days worked. It is reducing the amount of top-up, and that is a permissible—

**Senator CROSSIN**—Let me state this again very clearly: if they are in a community where there are no job vacancies—because the number of jobs in the community might well be much lower than the number of people in the community—they want to work for the local community council and pick up rubbish or grade roads, feed and bathe old people in aged homes or look after kids in child-care, and they are on CDEP and top-up, as of 1 July that top-up will be reduced by \$3,000.

**Dr Boxall**—That has been the testimony of Mr Harvey. That is the government's decision. Most of the people in communities like that are on two days a week. They do not even get top-up because there are so few jobs. That is one of the points that has been made to the officials. What Mr Harvey said was that this is part of a program to provide an additional incentive to turn jobs which can be real jobs into real jobs rather than persisting with a program which has them on CDEP two days a week and top-up for another couple of days.

**Senator CROSSIN**—I am sorry, Dr Boxall, but I vehemently disagree with you. Most Indigenous communities would not survive unless Indigenous people were out there getting CDEP and top-up for nearly 38 hours a week. Let me take you through a scenario. There is an Aboriginal liaison officer situated at Barunga School. She is on CDEP and her wages are topped up every week for 38 hours. Her job is to ensure that kids come to school every day. You are telling me that as of 1 July she will now only be able to receive \$9,366 in top-up. Her capacity to get kids to school will be reduced because she will not be being paid 38 hours.

**Dr Boxall**—That is not what the department is telling you.

**Senator CROSSIN**—What will be the situation for that lady? When I walk out of this estimates today and I ring her, what can I tell her about what will happen from 1 July with what she believes is an employment situation at Barunga? She is on CDEP and top-up, and she is an Aboriginal liaison officer based into that school.

**Dr Boxall**—That is the whole point.

**Senator CROSSIN**—What is the scenario for her?

**Dr Boxall**—If I may answer the question: that is the whole point. Earlier on Mr Harvey pointed out that there was one program in the budget which is to do with turning CDEP jobs into real jobs. These are people who are on CDEP and who are working in host arrangements, including with the Commonwealth government and state and territory governments. So there is an option, for example, if that lady is doing a full-time job, to get into a proper full-time job rather than continuing with CDEP for two days a week and top-up for the rest.

**Senator CROSSIN**—How will she do that? How will she do that if one of her sources of money is CDEP, from the community council, and the other is the Northern Territory government?

**Senator Abetz**—The Territory government ought to pay her a proper wage for the job she is doing.

**Senator CROSSIN**—That may be so, but, in the meantime, while the Northern Territory government is (a) deciding to do that or (b) being pressured by the Commonwealth to do that, she has a reduced payment in top-up, through no fault of her own. She is doing a job. The Northern Territory government may well refuse to take her on full time. So she is penalised because of some bureaucratic nightmare.

**Dr Boxall**—No, she is not penalised and it is not a bureaucratic nightmare; it is government policy.

**Mr Harvey**—Senator, regarding the first thing that Dr Boxall was talking about, building an Indigenous workforce in government service delivery, one of the initiatives that is announced in this budget is to create at least 825 jobs across a whole range of areas—



education, child care, community care, environment and heritage, night patrols and respite care. The other thing that we have been looking at, with the Territory government, is looking at creating job opportunities and turning the very jobs that you talk about into real jobs so that that person does not rely on CDEP but actually gets a job. We have been working for at least 12 months with the Territory government, particularly in the area of health and education, to convert jobs such as these into jobs.

**Senator CROSSIN**—I understand what you are saying and you will be aware of my very public comments in support of that. But, if that does not happen for at least 12 months, this woman will be taking home \$3,000 less through no fault of her own. While are you waiting for that transfer to occur, she is earning less. How fair is that policy?

**Mr Harvey**—Again, what we are looking at is the long term and basically ensuring that these jobs that people have done on CDEP are converted to real jobs. The government is looking to the long term to create not welfare dependent jobs but jobs that actually pay a real income. The process we are moving through is to basically create incentives. The Australian government has largely done it in regard to its responsibilities, but we are working with the state and Territory governments to fund it. It also relates to the moves that the Territory government and the state governments are taking to regional government to basically normalise services. That will mean that a number of the jobs that Indigenous people perform on welfare will be converted into real jobs.

**Senator CROSSIN**—We will dissect the 825 jobs in a minute. There are 31,269 CDEP participants but only 825 jobs to be converted. What is the coercion here? The Northern Territory government will be almost forced to do something about people like the person I gave as an example in the hope they can meet their living expenses each week.

**Mr Boxall**—It is not a matter of coercion.

**Senator CROSSIN**—If the Northern Territory government or any other service provider refuses to act on this, these people will probably continue what they are doing because they are committed to it, they see it as a job, but they will be earning \$3,000 less.

**Mr Boxall**—As Mr Harvey said, discussions have been taking place with the Northern Territory government, amongst others, to put in place a program to move away from the use of CDEP, sometimes with top-up, to provide services which are normally provided by other government departments and by local government.

**Senator CROSSIN**—Can I go back to the Indigenous employment centres. What is actually happening to the assets of Indigenous employment centres and CDEP organisations based in urban areas?

**Mr Harvey**—It depends on the assets. Generally in the past, government has funded assets to deliver CDEP programs. What we are interested in is making sure that, if there are caveats over those assets, those assets are available to continue to deliver services. It depends on whether an asset is owned by an organisation or it is an asset that has been funded by the government and has a caveat over it. We have plans to transfer those assets with caveats over them into a trust fund so they can continue to be used to deliver Indigenous employment activities.

**Senator CROSSIN**—How much are the assets worth in each—

**Mr Harvey**—It varies significantly.

**Senator CROSSIN**—You have a list of those, no doubt?

**Mr Harvey**—We have a list of assets but we are working through the issues of to what extent have they been funded by government funds, and that is quite a lengthy process to go through.

**Senator CROSSIN**—I want to keep talking about the CDEP budget measures. We had \$1 million allocated to create jobs in DEWR. I think we are talking about the 825 positions here. My understanding is DEWR have been given \$1 million; is that correct?

**Mr Boxall**—Which page are you on?

**Senator CROSSIN**—I am not on any page. I have my typed notes I have done myself.

**Mr Harvey**—Yes. It is departmental expenses. It is \$1 million over four years, with \$300,000 in this year. It is basically to administer the reforms that are being moved forward in terms of the Indigenous workforce because not only are we working across Australian government agencies but we are also pursuing initiatives with state government agencies.

**Senator CROSSIN**—I know about it. I know the detail and I know the background. But 825 positions over four years will be moved off CDEP into jobs.

**Mr Harvey**—Correct.

**Senator CROSSIN**—What is the total costing of the 825?

**Mr Harvey**—The total costing of the initiative is \$97.2 million over four years.

**Senator CROSSIN**—How did you cost the conversion of one CDEP position into a full-time job?

**Mr Harvey**—We looked at the jobs in the various agencies—Environment and Water Resources; Education, Science and Training; FaCSIA; Health and Ageing; and Attorney-General's. It was dependent on the amount of money that was made available to fund those jobs. They varied between each agency depending on the type of job.

**Senator CROSSIN**—So you calculated it agency by agency?

**Mr Harvey**—Correct.

**Senator CROSSIN**—And the 825 are not just Commonwealth Public Service jobs are they?

**Mr Harvey**—Yes, just Australian government jobs at this stage. This initiative just refers to jobs in the Australian government.

**Senator CROSSIN**—Services, isn't it, funded by you?

**Mr Harvey**—Yes.

**Senator CROSSIN**—I did not think that Commonwealth Public Service had 825 CDEP people employed.

**Mr Harvey**—No, it is for participants who are delivering services on behalf of the Australian government. So you are converting—

**Senator CROSSIN**—That is right. FaCSIA told us yesterday that that will go to—I do not know how many—people in child care.

**Mr Harvey**—That is correct.

**Senator CROSSIN**—Who are currently, I might add, on CDEP with top-up in communities, minding kids.

**Mr Harvey**—Yes.

**Senator CROSSIN**—So DEWR have an allocation of \$1 million out of this \$97.2 million?

**Mr Harvey**—Over four years, correct.

**Senator CROSSIN**—But \$700,000 of that is actually going into departmental costs?

**Mr Harvey**—No, it is all departmental. The whole \$1 million is departmental costs.

**Senator CROSSIN**—The whole \$1 million is departmental costs to administer this.

**Mr Harvey**—It is \$300,000 in the first two years and \$200,000 in the second two years.

**Senator CROSSIN**—How many jobs are DEWR actually looking at converting? How many positions have you got?

**Mr Harvey**—We have been responsible for coordinating the whole process of getting this initiative up and creating the 825 jobs. We are continuing to work closely with agencies to translate the CDEP jobs into real jobs, and that is what the funding for us is.

**Senator CROSSIN**—Are you actually converting jobs within DEWR?

**Mr Harvey**—No.

**Senator CROSSIN**—You have none to convert?

**Mr Harvey**—Our responsibility is basically a coordination role and a facilitation role.

**Dr Boxall**—We do not have anybody in DEWR on CDEP. We do not have any jobs within DEWR to convert.

**Senator CROSSIN**—I see, so you are coordinating it.

**Mr Boxall**—Yes.

**Senator CROSSIN**—How did you arrive at the breakdown of jobs allocation across department level?

**Mr Harvey**—By lengthy discussions with the agencies about the jobs that we know in CDEP that are being what we call cross-subsidised by CDEP and by the information that agencies held. So over a period of time we work through where the jobs were, which jobs they were and whether CDEP participants were in those jobs.

**Senator CROSSIN**—So let us take FaCSIA. How many CDEP participants delivering services on behalf of the Commonwealth would come under FaCSIA?

**Mr Harvey**—We believe that there are 200 child care jobs that FaCSIA get funded through CDEP through their service delivery arrangements.

**Senator CROSSIN**—Is that all? What about people working in Centrelink offices?

**Mr Harvey**—At this stage what we are focussed on is what FaCSIA are doing in the areas. We just focussed on child care at this stage because that was a large area that we could focus on.

**Senator CROSSIN**—What is the total number of people under FaCSIA's portfolio that would be on CDEP positions delivering services?

**Mr Harvey**—I have not got that figure. I should say as well that Centrelink is under the Department of Human Services. But the key component of the work that is done through service delivery is related to child care.

**Mr Boxall**—Just to clarify, this does not convert every job in FaCSIA which is CDEP, it is just the ones that Mr Harvey is talking about.

**Senator CROSSIN**—I understand that. So you are talking about starting with 200 people who might work in child care centres.

**Mr Harvey**—Correct.

**Senator CROSSIN**—Let us say there are 200 people working in aged care homes in communities on CDEP and top-up. They will not get a conversion under this program; is that correct?

**Mr Harvey**—Under the department of health, there are 90 aged care jobs and 30 respite jobs as well.

**Senator CROSSIN**—Do you believe that is the total amount of jobs?

**Mr Harvey**—It is not the total but it is the jobs that we could readily identify and through this process that we are converting to real jobs.

**Senator CROSSIN**—And in Human Services, in Centrelink offices?

**Mr Harvey**—Centrelink are not part of this process.

**Senator CROSSIN**—Centrelink are not part of this process?

**Mr Harvey**—No.

**Senator CROSSIN**—So what are you doing about CDEP participants who actually work in Centrelink offices at Nguiu and Maningrida who are on Centrelink and top-up?

**Mr Harvey**—This is part of the process that we are working through. This is the beginning of quite a significant issue and reform aiming to convert jobs that CDEP participants perform into real jobs.

**Senator CROSSIN**—That is all right, I understand that.

**Mr Boxall**—In any case, Centrelink can convert the jobs themselves if they want to.

**Senator CROSSIN**—That is a good point Mr Boxall—a very good point. What will happen to those people who are actually working in Centrelink offices in remote communities on CDEP and top-up? If Centrelink or Human Services do not willingly convert these people, they will sit in that employment arrangement for the next four years?

**Mr Boxall**—You would have to ask Centrelink what Centrelink plans to do about them. But what Mr Harvey has explained is that Centrelink is not part of this particular budget initiative. Of course, Centrelink has been privy to these discussions. This initiative was discussed by the Indigenous secretaries group and so Centrelink is well aware of this program. You can check with Centrelink whether they have any plans to start converting jobs which are currently being done by CDEP funded people.

**Senator CROSSIN**—Why didn't they come on board with this program?

**Mr Harvey**—There is a range of agencies that we have been working with. These are the agencies that we have been working with and this is the result of the work today.

**Senator CROSSIN**—So why didn't Centrelink come on board with this program?

**Mr Boxall**—Because we cannot do it all at once. This required a huge amount of work by Mr Harvey and his colleagues, along with the relevant officials in Environment and Water Resources and DEST and the other programs and we simply cannot do it all at once.

**Senator CROSSIN**—I am not criticising the process; I publicly suggested for eight years of my public life that this ought to happen. But what I am trying to get at, and the point I want to make very clearly, is that there are still Indigenous people out there working in Centrelink offices on CDEP and top-up. They are not in a public sector classification and from 1 July their top-up will be \$3,000 a year less.

**Dr Boxall**—We would have to check with Centrelink as to what arrangements they have put in place. Centrelink is aware of the government's announcement on the top-up, and we will just have to check with Centrelink as to whether they have decided to convert those positions into real jobs.

**Senator CROSSIN**—If you are coordinating this, can you take that on notice for me, please? I just wanted to re-clarify some of the issues about the assets. Mr Harvey, do you have a list of the assets that CDEP organisations or Indigenous coordination centres have?

**Mr Harvey**—That is correct.

**Senator CROSSIN**—What is the total value of all those, at that stage?

**Mr Harvey**—That is the challenge you have. The asset is owned—

**Senator CROSSIN**—I think you might have it; I am not sure I have it yet.

**Mr Harvey**—That is the challenge we have. What we know—the first thing we look at is that we identify an asset. Then we look at whether there is a caveat on that asset and, if there is, we then investigate whether, in the past, Commonwealth funds have been contributed to that. If that is the case, we look at whether we want to use that asset to continue. If it is not, basically that asset remains with the organisation. So it is quite a lengthy process that we need to go through.

**Senator CROSSIN**—If it is not, what will you do with that asset, sell it off, auction it?

**Mr Harvey**—No. If it has a caveat over it—the Commonwealth has a caveat—we will be looking to transfer that asset into a trust fund. If it is an asset that belongs to the organisation in their own right, they can continue to use that asset and whatever future activities they participate in.

**Senator CROSSIN**—So what about a car or a truck that might have belonged to a CDEP organisation?

**Mr Harvey**—We look at those assets that are readily dealt with and, depending on the asset and depending on the situation, it might be that the asset is sold or it might be that the organisation buys the asset to continue to deliver another service. It depends on what the situation—

**Senator CROSSIN**—If they become a STEP provider, can they keep the asset?

**Mr Harvey**—What we look at is each individual organisation. What we would be saying with regard to a car is that, depending on the value of the car, they may want to purchase it to continue to deliver the service. STEP is funded in a different way from CDEP, so we would want to end the arrangement we have under CDEP and allow the organisations to move into a commercial arrangement under STEP. So we would be ending the relationship with regard to the car. They may want to sell it and then we would reach agreements about the use of the funds, or they may want to purchase the car and then use it in their new business.

**Mr Carters**—We have just had advice that Centrelink properly fund their services and that it is the CDEP providers who choose to use CDEP participants to provide more hours of service.

**Senator CROSSIN**—Just tell me that again.

**Mr Carters**—Centrelink fully fund the services they are expected to provide in communities, and it is the CDEP providers themselves who choose to use their participants and fund them through CDEP to provide extra hours of service.

**Senator CROSSIN**—Are you suggesting to me that Centrelink's line is: 'We provide and fund the service that we have to in the community and if the community wants to put additional people with us, then they fund that themselves out of CDEP'?

**Mr Carters**—Yes.

**Senator CROSSIN**—How does that explain most Centrelink offices in remote communities that have one Centrelink person and two or three other Indigenous people working with them? All those Centrelink officers I talk to say that those people are crucial to them matching relationships and family information so that people are paid correctly?

**Dr Boxall**—You will need to talk to Centrelink about that. We are just telling you about some advice we got—you asked why Centrelink was not part of this. We said we have yet to get to Centrelink, which is true, but we are just telling you about some advice we have received.

**Senator CROSSIN**—So the advice from Centrelink is basically that we could do the job we are doing now without the CDEP participants with us.

**Dr Boxall**—No. The advice from Centrelink is that they properly fund their services. That is the advice from Centrelink.

**Senator CROSSIN**—I will put some questions on notice based on that. Have you actually done a survey of the sorts of activities these CDEP participants are undertaking in urban areas where it is going to be abolished from 1 July?

**Mr Harvey**—We already know that. As part of each funding agreement we have activities. Each program funding agreement has a number of activities and against those activities is lifted the number of participants, so we already know that information about activities that are being undertaken in urban areas.

**Senator CROSSIN**—What will happen with CDEP participants in urban areas who might be participating, for example, in community services such as aged care?

**Mr Harvey**—If it is a job that relates to one of the jobs that are funded by the Australian government, we will be looking to convert that job into a real job. If it is a job that is a host agreement with a community provider, we will be encouraging that community provider to turn that into a job. If they say they cannot fund that job, we will look to place that participant who is very job ready, because they are actually doing a job, into another job either in another organisation or in the private sector.

**Senator CROSSIN**—But it is not an immediate answer for 1 July. I have met with people who are trying to manage this in Darwin and I am going to use this as an example—I hope they do not mind—because it is the one I know about the best. There are a couple of dozen people currently on CDEP under that organisation who deliver aged care services and the conversion is not going to happen on 1 July. My understanding is that the CDEP organisation is going to fund those community services out of their own budget. Why is that?

**Mr Harvey**—There are two things that happen. The first thing is that the CDEP organisation can decide to do that or alternatively, if someone is not immediately transitioned into a job which is funded by the community organisation or if they do not have a job outside of that community organisation, through structured training and employment and through the Indigenous employment program we can provide wage assistance for up to six months. So, on top of the period that we already have, you have another six months to look at how we can transition those individuals who are not actually going to be funded by the organisation or do not have a job outside. So, through this new reform of the STEP brokers, there could be agreement that they would continue to have that person in that job.

But the important thing we would be saying to the community organisation is that that person is developing skills so they can either transition into a job in that organisation or transition into a job in another organisation. You would know in Darwin that there are incredible skill shortages across a whole range of areas and significant opportunities in the waterfront, the building industry, retail and hospitality. There are huge job opportunities in Darwin. What the strategy is all about is trying to transition people into jobs and off welfare as quickly as we can.

**Senator CROSSIN**—I understand that, but I want to look at what is happening in the real world out there on 1 July. I asked you specifically about provision of aged care services. You told me that someone like the Larrakia Nation can actually pick up that community service if they decide to do that. They have decided to do that because there is a need in the community that is currently being met by people on CDEP—and no-one else, NT government or community organisations, will pick up these people. They do not want to. They have refused to. So the Larrakia development community—and I do not think they are going to be the only ones around the country in this predicament—are actually going to pay for that community

service, pay for the equivalent of those people on CDEP and top up because they do not want to see that service in the community not exist. What sort of impact has DEWR had on community services that are under threat or will no longer exist after 1 July because either governments or organisations will not pick up these people?

**Mr Harvey**—We are talking to all the community organisations that you talk about, so our contract managers are talking to those community organisations about the positions. The Larrakia Nation, who are now also a step broker, could run an activity in that health service which is basically building up work skills and put someone on a wage subsidy. So, from 1 July through to December, they could continue to have that individual funded in that activity.

**Senator CROSSIN**—What do they do after that?

**Mr Harvey**—After that, there is a combination of things. If it is a real service that is valued by the community and it is a real service that either the Territory government or the Australian government is prepared to fund, that is something that should be funded. If it is a service that the community wants to provide because it is over and above government, this happens in a whole range of areas across Australia that there will be additional services that people want to provide. What tends to happen is that, if they are additional people, we will provide those services on a voluntary basis; so people provide those services on a voluntary basis or they get contributions from the private sector or a whole range of different options that they work to.

**Senator CROSSIN**—Have you done an assessment of what community services are currently being provided by these people on CDEP?

**Mr Harvey**—We have.

**Senator CROSSIN**—What is the outcome of that assessment?

**Mr Harvey**—There is a range of organisations that are addressing the issue about service provision. The sorts of strategies that I have talked about, such as funding a position through structured training and employment and then providing a wage subsidy, is a solution to deal with that.

**Senator CROSSIN**—How many people on CDEP in those urban centres are actually in community service positions? Can you give me a number?

**Mr Harvey**—I do not have that. What I do have is: of the roughly 5,000 that are impacted by the change, about 1,000 are what we call in-host agreements. Those host agreements can be in the community, the government or the private sector. We have looked at all of those host agreements and we have looked at all of the individuals and we have our people approaching the private sector, the government sector and the community sector and saying, ‘Can you convert that into a real job?’

**Senator CROSSIN**—I understand that that is happening, but why should someone like the Larrakia Nation actually pick up a couple of dozen people delivering aged care when they are not in the business of aged care? They are picking that up because they do not believe that it is an area that has been covered by this conversion. You can talk to host organisations until the cows come home but, if in a place like Darwin or Townsville or wherever this is happening, they will not take on these people because they do not want to take on these people. What is



this government's response to the lack of community services that will be diminished as a result of this?

**Mr Harvey**—The Larrakia Nation can make choices about whether they want to fund organisations. The important thing is that there are a significant number of jobs in Darwin. If those individuals are not going to be fully funded to have a job, they can get another job somewhere else and then on a voluntary basis, if the community values that, individuals can run that service on a voluntary basis. So effectively they do not lose an income because they have a job. There are many people in Australia who, on a voluntary basis, contribute to all sorts of community services.

**Senator CROSSIN**—Are you suggesting to me that in Darwin, for example, if there are 20 Indigenous people on CDEP now currently feeding, washing and bathing aged care people through the day, under this new program they should run off and find a job somewhere else and we will look for 20 volunteers to fill that gap on 1 July?

**Dr Boxall**—No, we are not suggesting that.

**Senator CROSSIN**—What is happening under this program to the provision of those community services?

**Dr Boxall**—What is happening under the program is that, already, 1,100 have found jobs as part of the transition.

**Mr Harvey**—Yes.

**Dr Boxall**—Mr Harvey mentioned that there are another roughly 5,000 people who are going to be part of this transition, including some people on CDEP with Larakia. What Mr Harvey said is that, after 1 July, if the Larakia nation decides that they want to continue funding a service for which they are not receiving funding from the Territory or the Australian government, they are quite entitled to do that.

**Senator CROSSIN**—Dr Boxall, can I just say to you that they do not currently fund that service. They do not currently have responsibility for any aged care provision. What they are currently doing is just managing the CDEP like every other CDEP organisation. They do not actually want to put 20 people on their books that deliver an aged care service.

**Dr Boxall**—On the one hand, as part of your question you have put the proposition to the department that the Larakia are delivering an aged care service involving roughly 20 people on CDEP and, on the other hand, you are saying that they do not—

**Senator CROSSIN**—Can I correct you? That is the wrong interpretation of what I am saying.

**Dr Boxall**—Maybe you could clarify it for me.

**Senator CROSSIN**—What I am saying is that, come 1 July, because they feel that the community needs to continue having the benefit of those people, they are looking at somehow trying to put them on their books and do that. But they do not want to do that because they are not aged care providers. They are doing it because there is a gap in service provision in this policy that is not being picked up by the Commonwealth, organisations or state or territory governments.

**Dr Boxall**—I do not know whether there is a gap in the service provision of aged care services in the Darwin area; I do not know that. All I am saying is that, after 1 July, if the Larakia nation wants to continue providing that service, that is their choice.

**Senator CROSSIN**—They do not currently provide that service. They are picking it up because no-one else is. I wonder whether you could tell me if there are other urban operations around this country where, at this stage, you know if community services will not be continuing after 1 July, or is it that your hope is that, with all this discussion with organisations, they will all transit to organisations or other agencies? My question to you is: what are you going to do if that does not happen by 1 July? I do not believe you have been able to answer that question for me this afternoon.

**Dr Boxall**—We have answered it several times.

**Mr Harvey**—The answer is that the service can continue under structured training and employment brokerage arrangements because the individuals can get paid a wage subsidy.

**Senator CROSSIN**—So these people providing aged care will do it as STEP participants now?

**Mr Harvey**—They can do it as steppers or they can—

**Senator CROSSIN**—And who will manage that STEP program?

**Mr Harvey**—The Larakia nation could manage that.

**Dr Boxall**—The Larrakia Nation was successful in the tender to be on the panel of STEP delivery agencies. Obviously, they are interested; otherwise, they would not have tendered for it. We just need to clarify an issue. The department said that the Larrakia Nation was a STEP broker. That is not right. We believe that it is actually Darwin CDEP. The position of the department still stands; it is just that we used the words 'Larrakia Nation' and we should have used 'Darwin CDEP'.

**Mr Harvey**—That is correct.

**Senator CROSSIN**—So Larrakia Nation would have to become a STEP broker when currently they are not?

**Dr Boxall**—Apparently they are not a STEP broker, but the Darwin CDEP is a STEP broker.

**Mr Harvey**—And they could do that within that aged care facility. The same principle applies.

**Senator CROSSIN**—Did you say that, under these changed arrangements, there are about 1,000 CDEP positions around the country that are currently in a community service role?

**Mr Harvey**—No. I said that approximately 1,000 are in host agreements. Those host agreements can be in the private sector, in government agencies or in community organisations.

**Senator CROSSIN**—Do you have a breakdown of those?

**Mr Harvey**—No, I do not.

**Senator CROSSIN**—Does the department have a breakdown of those? Can you take that on notice?

**Mr Harvey**—We know what the host agreements are, but the challenge would be to actually break them down and confirm completely whether an agency is a community organisation, a government agency or a community organisation. I know that the dates are in the computer system, but it is not that clear that you could do that. There is not enough detail. We have a host agreement and a name that we could not readily translate into a private sector agency, a government agency or a community sector.

**Senator CROSSIN**—Do you know how many community services are being performed currently in these urban centres by people on CDEP?

**Mr Harvey**—No. We know the number of host agreements and we are approaching the organisations that run those host agreements to convert them into jobs.

**Senator CROSSIN**—Are you able to give me a list of the host agreements, the kinds of services those host agreements would provide and the number of CDEP participants who would be involved in their provision?

**Mr Harvey**—The challenge would be that it is a moving feast and it is a name. It could be a company name like IPEC or it could be the name of an organisation. It does not tell you enough. In addition, it changes all the time. To produce that represents a significant workload and it would not tell you much more than it is about 1,000 places.

**Senator CROSSIN**—So you cannot categorically tell me what community services are being provided by people on CDEP in these urban centres that may or may not continue come 1 July?

**Mr Harvey**—Just addressing the last point of your question, it is not a question of whether or not they continue; they can continue. But the answer to your question is that I cannot give you that information.

**Senator CROSSIN**—Let us just go to the STEP program. For people in urban communities transferring from CDEP to the STEP program, what will be the difference in terms of activity and payment?

**Ms Caldwell**—The STEP program will operate as it does now in metropolitan areas. The STEP brokers are an adjunct to the other services that former CDEP clients will receive through mainstream employment services. So a former CDEP client, if they are on income support, would be serviced and receive services also through Job Network, community work coordinators or DEN—Disability Employment Network—if that was where their needs were. In addition, the new STEP brokers will be able to provide them with a range of mentoring assistance, job placement through strategies with particular sectors or employers or, indeed, work experience activities of a structured nature.

**Senator CROSSIN**—Can people on CDEP currently get those things?

**Mr Harvey**—Under structured training and employment, you get a service that is much more comprehensive and it is focused on employment outcomes. As Ms Caldwell said, it is basically pre-employment support, employment placement and mentoring. So the service is much more comprehensive and it is designed to ensure that people get work skills to get into a

job and then that they are supported in that job. It is a program that is designed for getting people into employment outcomes.

**Ms Golightly**—Indeed, the successful STEP projects always have the jobs identified first and then the projects lead people to those jobs.

**Senator CROSSIN**—What is the Centrelink payment if you are on STEP?

**Ms Golightly**—STEP is a service program. The Centrelink payment usually would be Newstart.

**Senator CROSSIN**—Is that \$40 a fortnight less than CDEP?

**Mr Harvey**—It depends on the circumstance of the individual and the number of kids they have. If you are on income support, you can also access things like rent assistance, the healthcare card and travel concessions. There is a whole range of other—

**Senator CROSSIN**—But they are all constants, aren't they?

**Mr Harvey**—They are constant, but they are not available to people who are on CDEP.

**Ms Golightly**—Chair, I have answers to questions from earlier discussions that I can give to the committee at an appropriate time.

**CHAIR**—Can we have them now, please?

**Ms Golightly**—Yes. I table through the chair the list of ESAs, which contain a remote tender, and the names of the providers that won the tender. Through the chair, I also table the schedule of fees for the mainstream Job Network contract and the schedule of fees for the remote services deed contract. Through the chair, I also table a copy of the RFT for the remote services. I draw attention to page 9, which gives a description of the purpose and how they came about, which also goes to some of the questions. In terms of Banyala, which I think Senator Crossin was asking about. Darwin Skills is the provider that has the remote services deed for the Top End ESA. It does not have a permanent site at Banyala but visits that community one week per month, except during the wet season.

**Senator CROSSIN**—That is out of Nhulunbuy. Did you say 'except during the wet season'?

**Ms Golightly**—Yes.

**Senator CROSSIN**—So they are not visited for six months of the year?

**Ms Golightly**—That was the qualifier to the one week per month. I would have to check what they actually do during the wet season. Senator Barnett asked for the Job Network recoveries for the 2004-05 financial year. It was just under \$14 million, which equated to 1.1 per cent of Job Network expenditure in that year. I think for 2005-06 I mentioned a figure of 2.3 per cent. Just to correct that, it is actually 2.4 per cent. Senator Barnett also asked about the number of fraud investigations. As at 10 May 2007, there were 28 fraud investigations underway in Job Network and none of them was in Tasmania, which was the other part to his question.

**Mr Harvey**—Perhaps I could clarify something also. Many CDEP participants do not get the supplement. But, if they did get the CDEP participant supplement, they could be eligible

for rent assistance and healthcare cards. Basically, we encourage people, when they claim some support, to look to get all of the benefits they are entitled to.

**Senator CROSSIN**—Will CDEP organisations in urban areas need to convert to STEP brokerage if they want to continue?

**Mr Harvey**—CDEP organisations have gone through a process where they have participated in a tender. If they were currently an urban or a CDEP in a major regional centre, were impacted and wanted to continue to deliver an employment service, they would have had to tender to deliver a structured training and employment brokerage service.

**Senator CROSSIN**—Does STEP funding include operational and training costs?

**Ms Caldwell**—Funding would be inclusive of all the costs of operating that service. It is not broken down particularly between operating costs. It is a price per the service that is being purchased.

**Senator CROSSIN**—So it is similar to the way that organisations are funded under CDEP?

**Ms Golightly**—It is similar to Job Network, I suppose, in that there is usually some sort of outcome fee negotiated and maybe an up-front service fee of some sort.

**Senator CROSSIN**—What are the eligibility requirements for an organisation to get STEP funding?

**Ms Caldwell**—We conduct a request for tender for interested organisations. That is not limited to CDEP organisations only; it is an open competitive tender. From that tender, we create a panel of interested STEP providers. Then our state and regional offices work with successful panellists to develop specific service orders and businesses with them.

**Senator CROSSIN**—What are the eligibility requirements, though?

**Ms Golightly**—We can get you a copy of the RFT; I am just getting one printed out. That will contain the selection criteria for the panel.

**Senator CROSSIN**—Can a Job Network agency be a STEP provider?

**Ms Golightly**—If they tendered to be on the panel, they can be.

**Senator CROSSIN**—Are STEP places now allocated by state and territory?

**Ms Golightly**—No. They are allocated on a project-by-project basis. Organisations on the panel can approach us with—

**Senator CROSSIN**—Just talk to me about that. Are panels like an area consultative committee; are they region by region?

**Ms Golightly**—No.

**Ms Caldwell**—We have a national panel of organisations that have met the criteria.

**Senator CROSSIN**—Is that a national panel?

**Ms Caldwell**—It is a national panel. It is not a panel or a committee of people; it is the list of organisations that have applied to be providers of STEP business. Every provider that is successful in joining that list can nominate whether they will cover part of the country, all of

the country, particular activities or particular strengths. They may work with aged care or in other particular industry areas.

**Senator CROSSIN**—How many are on that panel?

**Ms Caldwell**—There are 125 on that panel.

**Senator CROSSIN**—Can you provide us with a list of those who are on that panel?

**Ms Caldwell**—The lists are published, but we should be able to table one.

**Senator CROSSIN**—How are the STEP places then allocated? Is that a bureaucratic exercise?

**Ms Golightly**—There are not a specific number of places to be allocated; it is project based. One provider might approach us with a project that has 10 jobs and another might have 100 jobs. Each project is assessed on its merits. You may remember that STEP is one part of the total Indigenous employment services budget; it is demand driven.

**Senator CROSSIN**—Do you have a rough idea of the worth or value of one STEP placement?

**Ms Golightly**—I will check to see whether we have an average. Again, as we discussed earlier, it is a negotiated fee for each project; there is no set fee.

**Senator CROSSIN**—So might some people get \$100,000 for 10 places or \$50,000 for 10 places?

**Ms Golightly**—Yes. It would depend on the circumstances of the particular project—where it is, what the labour market is like and what sort of disadvantage the participants face.

**Senator CROSSIN**—What training payments are made during the STEP program?

**Ms Golightly**—Again, that would be part of the fee that is negotiated. Part of the project proposal would include the sort of training the provider was planning to organise to get the participants ready for the particular job.

**Senator CROSSIN**—If they are in a traineeship or an apprenticeship, do they get a payment each year or it is now a one-off payment?

**Ms Caldwell**—It would depend on what was negotiated. Typically, it is a one-off payment after a certain amount of time, but it would be open to a provider in negotiation to say, ‘This is how I can present value for money by structuring the payments shorter or longer term.’

**Senator CROSSIN**—Previously it was a payment each year, wasn’t it?

**Ms Caldwell**—No. Under STEP, it has not been fixed as a payment each year.

**Senator CROSSIN**—Not for people in apprenticeships or traineeships?

**Ms Caldwell**—Not under STEP.

**Senator CROSSIN**—Has it always only been a one-off payment for training?

**Ms Caldwell**—No, it is flexible. STEP is a series of projects. Each STEP project could have different features. Some may negotiate an annual fee for keeping people there—

**Senator CROSSIN**—Is there a time limit for STEP? Can you be on STEP for three years or 10 weeks?

**Ms Golightly**—It would depend on the project. It is not like a program that has been particularly capped. Each project, particularly if it related to jobs, would say, ‘We might have X number of jobs and we think it is going to take six weeks’—or 10 weeks—‘to get these people ready.’ We would hold the provider to whatever period was agreed for that particular project.

**Senator CROSSIN**—You provided an answer to question on notice No. 3211 from Mr Price. It is from 27 March 2006. You will need to take this on notice. He asked what programs and services the department and each agency in the minister’s portfolio provided for Indigenous communities and individuals in the electoral division of Chifley. He then asked, in respect of each program, what sum is spent annually, nationally and in the electoral division of Chifley, and how many people it is intended to assist nationally and in that division. It was a quite comprehensive table.

**Dr Boxall**—Is that a parliamentary question on notice?

**Senator CROSSIN**—Yes, it is. I am making reference to it because, if it is possible, I would like you to take on notice that I want such a table done for the seats of Braddon, Bass and Solomon.

**Senator WONG**—The reference is 3211, 27 March 2006. It is your minister, and the question was asked by the member for Chifley.

**Dr Boxall**—We are getting it printed off.

**Ms Golightly**—Senator Crossin, were they the seats of Braddon and Bass?

**Senator CROSSIN**—And Solomon.

**Senator Abetz**—And very ably represented, might I add.

**Senator CROSSIN**—I will keep going for a few minutes. I am awaiting the arrival of a folder. On the Indigenous cadetship, can you give me an overview of the Indigenous Cadetship Program?

**Ms Caldwell**—The Indigenous Cadetship Program is designed to support young Indigenous cadets who are completing their studies through a cadet or internship with a prospective employer. During the cadetship, the young person will typically spend their holiday breaks with their future employer. Indigenous students need to be undertaking full-time study for a diploma, advanced diploma or undergraduate degree and undertake work placements during the breaks.

**Senator CROSSIN**—So they can be placed with either government bodies or private business?

**Ms Caldwell**—I believe so; I am just confirming that. With all of our Indigenous employment programs, we do target the private sector employers to increase Indigenous representation in the private sector. Most public sector agencies have their own arrangements additional to that.

**Senator CROSSIN**—That is fine. I just wanted to know whether this program will cover private or government businesses.

**Ms Caldwell**—I am checking that for you.

**Senator CROSSIN**—How many cadets have there been for the last three financial years?

**Ms Caldwell**—In the current financial year, from 1 July to 31 March, 171 cadets have commenced the program.

**Senator CROSSIN**—In the year prior to that?

**Ms Caldwell**—There were 171 cadets for the whole 12 months of the 2005-06 financial year. In 2004-05, there were 188.

**Senator CROSSIN**—How many of those cadets have gone onto employment?

**Ms Caldwell**—We do not usually track the post cadetship. I would have to take that on notice to see if we have post-program monitoring.

**Senator CROSSIN**—So it is not linked into any Job Network provision?

**Ms Caldwell**—These are full-time students, so they would not normally participate. They would not be eligible.

**Senator CROSSIN**—So you do not know how many of those take up a full-time job with the government? Do you know those numbers?

**Ms Golightly**—We do not have them here.

**Ms Caldwell**—We can take it on notice. We do post-program monitoring of the IEP and all its elements, and we know that it has a very high retention rate. I would have to take on notice the numbers of cadets, but they are not in Job Network because they are full-time students and they work with employers in their breaks.

**Senator CROSSIN**—How many of those have been in the Public Service for the last two years?

**Ms Caldwell**—I would have to take on notice the split. I do not have the split between private and public with me. I can confirm that cadets can be placed with the government as well as with the private sector.

**Senator CROSSIN**—Can you tell me how many of those cadets in the public sector have gone into the graduate program?

**Ms Caldwell**—I can take that on notice.

**Senator CROSSIN**—For 2006-07, how many cadets were in each government agency?

**Ms Caldwell**—I would have to take on notice the details of the split of the placement of cadets.

**Senator CROSSIN**—Can you confirm for me whether there are two cadets in Prime Minister and Cabinet?

**Ms Caldwell**—I would have to take that on notice.

**Senator CROSSIN**—You do not have that with you?



**Ms Caldwell**—No.

**Senator CROSSIN**—Dr Boxall, does DEWR have a reconciliation action plan?

**Dr Boxall**—Yes.

**Senator CROSSIN**—Is that able to be provided to this committee?

**Dr Boxall**—I think it is on our website. Yes, it is.

**Senator CROSSIN**—Is that all there is to it—what is on the website?

**Dr Boxall**—Excuse me; what do you mean by, ‘Is that all there is to it?’ It is a very important reconciliation action program, which is on our website. The reason I said it was on our website was so that you and your staff can access it if you want to.

**Senator CROSSIN**—That is all right. I am just checking to make sure that—

**Senator Abetz**—If there was genuine interest.

**Senator CROSSIN**—that is it, lock, stock and barrel—that the comprehensive plan is on the website.

**Dr Boxall**—It is a comprehensive reconciliation action plan. We were one of the first agencies—I think the second agency—to complete it. We are very proud of it. What is more, Mr Harvey launched it in effect yesterday, at a morning tea.

**Senator CROSSIN**—I see. So it was only finished and put up there yesterday—

**Dr Boxall**—No. It has been on our website for quite some time.

**Senator CROSSIN**—When did it go up on the website?

**Dr Boxall**—In February.

**Senator CROSSIN**—And you only launched it yesterday?

**Dr Boxall**—No, Mr Harvey relaunched it for a special morning tea to do with the 40th anniversary of the referendum.

**Senator CROSSIN**—I see. Thank you. I am going to have to move on to IBA or I am not going to get—

*Senator Wong interjecting—*

**Senator CROSSIN**—No, I did not. We want that table.

**Senator WONG**—In relation to the format of the question for Chifley, I think it was, where we asked for Braddon, Bass and Solomon, could we have Wakefield as well?

**Senator CROSSIN**—I will put the rest of my questions on notice.

**Senator Abetz**—Chair, have you finished with Indigenous other than IBA?

**CHAIR**—Other than IBA, yes, we have finished with Indigenous. Thank you.

**Senator Abetz**—Well done, all.

**CHAIR**—Just before we start with Indigenous Business Australia, I need to ask the committee’s agreement to table the information we have been given on contracted remote service providers.

**Senator LIGHTFOOT**—So moved.

**CHAIR**—Thank you. There being no objection, it is so ordered.

[5.34 pm]

### **Indigenous Business Australia**

**Senator CROSSIN**—Mr Moroney, can you just start by telling me what the proposal was that you offered the enterprise development on Groote Eylandt as part of their contact with you over their resort development.

**Mr Moroney**—When Groote Eylandt were looking at establishing a motel resort, they spoke to us about their plans and their model. At one stage, there was discussion about us being joint venture partners. At the end of the day, they indicated that they had sufficient income and royalty flow coming through and that, while we had had some preliminary discussions about the commercial nature of the development and some of the things that they might need to keep their eyes open for in developing the proposal, they chose in the end to go it alone.

**Senator CROSSIN**—What was on offer from you in terms of percentage of a loan or amount of a loan, or what return were you seeking?

**Mr Moroney**—Some of that is commercial-in-confidence, but we were discussing a joint venture arrangement. At that time, when we started some early discussions, their royalty flows were pretty low. Subsequently, after a number of discussions and after some plans were developed, they indicated to us that they really did not need our assistance or our money. So there was never a settlement in terms of the degree, but we were assuming that there was probably going to be a fifty-fifty split at one stage.

**Senator CROSSIN**—A fifty-fifty split?

**Mr Moroney**—Yes, but there were elements to the development that were community based and not of a commercial nature. For example, they are looking at a cultural centre, which is a part of the development but is also separate from the commercial element. There is an also another element which involved a professional fisherman, so there were different parts of the structure that we were in discussions with. But, with the main venture, we were assuming at one stage that we were probably discussing about a fifty-fifty split in terms of joint venture equity.

**Senator CROSSIN**—They did not need your offer or they did not want your offer? Was it the best offer at the time?

**Mr Moroney**—As I understand it, they are receiving a substantial amount of money per annum in royalty moneys, and they indicated to us that they did not need us.

**Senator CROSSIN**—So you do not know if they actually got a better offer and took their business elsewhere?

**Mr Moroney**—I am not aware that they have any other partners. They have possibly discussed matters with banks—but, honestly, I am guessing now. I can only comment on the discussions that we had.

**Senator CROSSIN**—In a media release issued by IBA on 21 March titled ‘Record growth for Indigenous home ownership’, you say that over 1,000 Indigenous people have been able to buy their own homes this financial year. How does that compare to 2005 and 2006?

**Mr Moroney**—I would need to get some figures for you, but the point we were making in that statement was that the home ownership program has been very successful. We get Aboriginal and Torres Strait Islander people into home ownership, and this year has been a record year. That was partly because of an additional injection of moneys that were provided by the government and because there is an increased awareness of IBA’s activities. We have had this program now for about 2½ years. Since ATSIC, people were unsure for a while about where the program was sitting, so we have done quite a bit of work to promote the program and to make people aware of it. I will ask Mr Clements to answer.

**Mr Clements**—In the preceding year there was a similar number. We did 530 loans, if I recall. With two people per loan, that averaged over 1,000 people being able to enter the market.

**Senator CROSSIN**—In 2005-06, there were around 530 loans?

**Mr Clements**—Yes.

**Senator CROSSIN**—For a total cost of how many million?

**Mr Clements**—For 2005-06, it was \$122.9 million.

**Senator CROSSIN**—And for the six-month period for 2006-07—I take it that that is up to 31 December—there were 347 loans equating to \$78.9 million.

**Mr Clements**—That is correct.

**Senator CROSSIN**—Can you give me a breakdown of the loans by state and territory?

**Mr Clements**—I can break that down for this financial year: New South Wales, 154; Australian Capital Territory, 23; Victoria, 37; Queensland, 121; South Australia, 16; Western Australia, 40; Tasmania, 11; and the Northern Territory, 52.

**Mr Dalzell**—I will put a caveat on the numbers that Mr Clements has just read to you. Those numbers are at the end of April, as opposed to when that media release was out.

**Senator CROSSIN**—What is the average loan figure?

**Mr Clements**—The average loan figure varies between \$224,000 to \$227,000. I think at the end of last financial year we averaged \$224,000. Currently, we are around \$227,000.

**Senator CROSSIN**—What is the interest rate on that loan?

**Mr Clements**—The interest rate commences at 4.5 per cent for families earning \$35,000.

**Senator CROSSIN**—For families over \$35,000?

**Mr Clements**—That is right. Families below \$35,000 can have a concession rate commencing at three per cent.

**Senator CROSSIN**—So if you are earning \$35,000 or less, there is a capacity to have a three per cent loan?

**Mr Clements**—That is correct.

**Senator CROSSIN**—For over \$35,000, it starts at four?

**Mr Clements**—At 4.5 per cent.

**Senator CROSSIN**—How many loans have defaulted?

**Mr Clements**—Our default rate is less than 2.1 per cent of accounts.

**Mr Dalzell**—There are 69 accounts currently in arrears, where two payments or more are outstanding. This represents approximately two per cent of the number of active loans.

**Senator CROSSIN**—You have been so successful that you have a waiting list. What is the restricting factor that causes a waiting list?

**Mr Moroney**—It is the available funds for the program. It is a very successful program. The high cost of housing purchases these days, particularly in New South Wales and the major metropolitan areas, has impacted on the number of loans we can give out. We have a 12-month waiting list at this point in time.

**Senator CROSSIN**—You have a 12-month waiting list?

**Mr Moroney**—Yes.

**Senator CROSSIN**—What is your total budget for the Home Ownership Program?

**Mr Clements**—Do you mean for this financial year?

**Senator CROSSIN**—Yes.

**Mr Clements**—For new lending we anticipate \$118 million.

**Senator CROSSIN**—No doubt you expect to expend that \$118 million.

**Mr Clements**—Yes.

**Senator CROSSIN**—Will that still give you a waiting list of 12 months?

**Mr Clements**—Yes.

**Senator CROSSIN**—With the push by this government for more Indigenous people, particularly in the Northern Territory, to own their own homes, will people in places like Nguiu, Wadapuli and Nama have to go on the waiting list or is there an expectation that FaCSIA will increase your bucket of money for this home ownership scheme?

**Mr Moroney**—The home ownership program that we are currently speaking about operates in metropolitan-urban areas of the country. For Indigenous housing on Aboriginal land we received a separate appropriation called the Home Ownership on Indigenous Land Program.

**Senator CROSSIN**—What is the total cost of that? It is a HOIL program, is it not?

**Mr Moroney**—Yes, it is called HOILP, Home Ownership on Indigenous Land Program.

**Senator CROSSIN**—What is in the bucket of funding for this financial year?

**Mr Dalzell**—For the forthcoming budget \$13.8 million is allocated for HOILP.

**Senator CROSSIN**—Do you have anything in it at the moment?

**Mr Dalzell**—There is a small amount sitting in it. The funds available for lending this year are \$2.9 million.

**Senator CROSSIN**—How many loans are out there under this fund?

**Mr Dalzell**—There are no loans at the present time.

**Mr Moroney**—There are no loans at all.

**Senator SIEWERT**—That is only for the \$2.9 million for this year that is no loans?

**Mr Dalzell**—That is right.

**Senator CROSSIN**—Will that \$2.9 million roll into the \$13.8 million?

**Mr Dalzell**—Yes.

**Mr Moroney**—Yes.

**Senator CROSSIN**—It will carry over? You will not have to ask; it will be automatic?

**Mr Moroney**—As a CAC Act agency, normally those funds are carried over.

**Senator CROSSIN**—In your loan repayment timeline do you factor in the life expectancy of Indigenous people?

**Mr Moroney**—There are two loans programs. We can provide loans of up to 30 years in the Home Ownership Program, and I understand in the HOILP it is 15 years—no, that is not correct.

**Senator CROSSIN**—So you can borrow money for up to 30 years in the urban program—

**Mr Moroney**—Yes.

**Senator CROSSIN**—but under the HOILP it is only 15 years?

**Mr Moroney**—I am sorry. They are both 30 years.

**Senator CROSSIN**—Have you had any applications for home loans under the HOILP?

**Mr Moroney**—We have been in discussions with a number of groups, but the program is very much predicated on the availability of land tenure, and in each of the jurisdictions there are different issues to be resolved.

**Senator CROSSIN**—I will get to that in a minute.

**Mr Moroney**—Those negotiations are the responsibility of other government agencies. Once those matters are resolved and we have got tenure, we can provide a loan and discuss loans. Our officers have been actively talking to a number of groups about the concepts and what home ownership can mean, but we have not begun the serious task of discussing individual loans as yet.

**Senator CROSSIN**—If you get to the point where there are applications under this program for a loan in an Indigenous community, would the life expectancy of Indigenous people be taken into account? That is, if I am a 50-year-old Indigenous man living in an outstation, would I be able to apply for and get a 30-year loan?

**Ms Woods**—We take life expectancy into account. In the work we have done with one community, which is close to loan application stage, we have developed a—

**Senator CROSSIN**—Which community is that?

**Ms Woods**—It is a community near Broome where there is existing tenure, which is appropriate. We have been able to look at some flexibility, including family arrangements where a family member is willing to take on a loan to support loans for people who are older.

**Senator CROSSIN**—Why wouldn't that family member take out the loan?

**Ms Woods**—There has been an interest expressed in having a succession plan built into a loan arrangement so that it is intergenerational.

**Senator CROSSIN**—I have some questions on outback stores, but I might leave those for another half an hour or so. I want to go to the operations that are currently happening in the Northern Territory. How many people have the IBA got stationed up in the Territory, and where are they?

**Mr Clements**—We have three home loans officers based in Darwin. We have also, I think, four people based in Darwin for our enterprise program and one staff member based in Wadeye at the moment. There is also a state coordinator based in Darwin.

**Senator CROSSIN**—Is the person at Wadeye full time or part time?

**Mr Clements**—The one at Wadeye is full time.

**Senator CROSSIN**—I want to go to the issue of the four houses that were built out at Nama and Wadapuli. Can you explain how that money is moved across from FaCSIA? They could not answer any of these questions yesterday. They could not tell me how they pay you or the amounts they pay you or when they pay you, so perhaps you might be able to enlighten us. I know \$3 million dollars was allocated for houses at outstations. What is the relationship between you and FaCSIA, and when does money change hands?

**Mr Moroney**—To explain the relationship with FaCSIA I will go back a bit. IBA has established a construction branch within its operations, the purpose of which is to look at the opportunities to better engage Aboriginal and Torres Strait Islander people in the construction of homes. With the current cost of housing in remote areas there are potentially newer products, newer methodologies and new ways of approaching construction in remote areas. We have, therefore, established ourselves as a facilities manager and we have some contracts with the Department of Family and Community Services. We are also in negotiations with some private sector operators and with the Northern Territory government and, potentially, other state governments.

In terms of the specifics of the Wadeye contract, I am not in a position to give you the details of the contractual arrangements that we have because they are commercial-in-confidence. The contract is still not complete and the department has indicated to me that, once it receives the information from us, it will supply you with the information you are seeking. I understand that a number of responses to the questions you raised yesterday have been or are being tabled in the other committee room.

**Senator CROSSIN**—Today?

**Mr Moroney**—Today.

**Senator CROSSIN**—From you?

**Mr Moroney**—Not from ourselves. The dilemma that I have in discussing the contractual arrangements is that I am trying to establish IBA as a commercial operator. We will be setting this up in a commercial environment and it is not appropriate for me to reveal contractual matters and the arrangements I have with another agency or government department. I suggest that perhaps the information you are seeking is best sought from them.

**Senator CROSSIN**—That is funny, because they told me you were the person who could give me the information, which is why I am raising it today. We are slipping through the cracks, because no-one is going to give me the answer.

**Mr Moroney**—I am not aware of what was said, but I have a responsibility in a contractual arrangement to respect the confidential nature of that contract.

**Senator CROSSIN**—I understand that \$3 million was allocated. I have had two stories here from FaCSIA. One is that it will build four or five houses and fix up a road. Are you responsible for building the houses out of the \$3 million?

**Mr Moroney**—I think I have answered the question in that we are providing facilities management services to the department. We have assisted them with the construction of houses and with the road contract. I am not in a position to give you the details of the financing of the costs.

**Senator CROSSIN**—I did not ask for that. I just want you to tell me whether you are going to build four or five houses out of this money.

**Mr Moroney**—There is a further house to be completed. I believe it is at Perrederr.

**Senator CROSSIN**—A fifth house?

**Mr Moroney**—A fifth house, yes.

**Senator CROSSIN**—You cannot tell me the approximate cost of each of these houses yet?

**Mr Moroney**—Not at this stage. The contract is not complete and I do not believe it would be appropriate for me to provide that information. It is really a matter for the department to provide that information to you.

**Senator CROSSIN**—Nobody at the hearing yesterday had that information. They said you had the information.

**Mr Moroney**—When the contract has been completed and the progress payments have been made and concluded, they will be able to provide you with that information.

**Senator CROSSIN**—Do FaCSIA give you half the money at the start of their arrangements with you, or do they make equal progressive payments through the contract? How is that organised?

**Mr Moroney**—We have a number of contracts with them. We have charged them for some activities. We are involved in a number of separate activities and some moneys have changed hands, yes.

**Senator CROSSIN**—I am trying to get a handle on this project at Wadeye. Do you have two-thirds of the money paid to you up front and then progressive payments, or do you have three payments of the same value? How does that operate?

**Mr Moroney**—There have been progress payments and there are commitments on others. They are all in various states of play.

**Senator CROSSIN**—Who signs off on the compliance of the houses under the building code in the Territory?

**Mr Moroney**—We have enlisted the support of a Northern Territory engineering firm, Qantec McWilliam, to assist us. They have given us advice in terms of the sign-off. There is a three-month period during which small faults are to be rectified, and also internally we have engaged our own expertise to provide the quality assurance over the contracts that we manage.

**Senator CROSSIN**—Are they cyclone coded?

**Mr Moroney**—Certainly. The standards that we have applied are the same standards that would apply as in Darwin.

**Senator CROSSIN**—What happened to the house that was built and then the roof leaked a couple of weeks later?

**Mr Moroney**—I think you get faults. In this case the fault was rectified very quickly.

**Senator CROSSIN**—What was the problem with it?

**Mr Moroney**—I do not have the details of the actual fault, but it was rectified. I need to stress that we are not the contractors; we provide a facilities management service. We subcontracted that work to a builder based in Darwin and, when the fault was identified, it was fixed.

**Senator CROSSIN**—What was the name of that builder?

**Mr Moroney**—Wild Geese Constructions.

**Senator CROSSIN**—Who paid for the cost of the electrical problems when the generator blew up on the other outstation?

**Mr Moroney**—I am not aware of the details of that. That is a matter that I would need to take on notice.

**Senator CROSSIN**—Who was responsible for picking the design of this house?

**Mr Moroney**—My understanding is that it was a combination of us offering some choices. There were two different providers of homes. One home was a very large eight-bedroom home that involved external ablutions. The reason for the external ablutions was that community members indicated that that was a safety measure for the young women and youths in those particular circumstances. There were also two four-bedroom homes that were provided. The whole purpose of this first phase of what we regard as a couple of phases is that we are looking at finding cheaper, more robust homes that might be built in remote areas. The supplier for one of the homes was highly recommended to us by NT government officials in terms of the product and the services that are provided, and so we presented that to the community and they indicated that they liked extra verandas, so there were some changes and adaptations made in that process. I think we are getting feedback now that they want changes again for future housing, so it is an evolving process.



**Senator CROSSIN**—Why was the property constructed without a shed, or concrete path or any concrete around the outside of it?

**Mr Moroney**—That was outside of the contract that we were provided. I suggest you direct your questions to the department in terms of those services.

**Senator CROSSIN**—The department, in contracting you to build a house, did not ask you to come up with a design or costings that would address some of the outside environmental problems?

**Mr Moroney**—That was not included in the contract.

**Senator CROSSIN**—We now have a situation in the wet season where people will be walking straight off the dirt into their homes. What do they now do if they want any kind of concrete block outside the front door, or a path or something?

**Mr Moroney**—I think the answer to your question is that we provided the services that we were contracted for. I am not in a position to comment on whether that was sufficient or not.

**Senator CROSSIN**—These people are now renting these homes off you as IBA, is that correct?

**Mr Moroney**—That is correct.

**Senator CROSSIN**—As renters, if they now ask for any addition to that house, be it a concrete slab or a shed, who do they now make representation to for that?

**Mr Moroney**—We were contracted by the department to provide homes and to provide a rental service for those homes. If they want to extend, adapt or change them we would need to discuss that with the department. IBA does not have a capacity to provide additional services.

**Senator CROSSIN**—No, I understand that. I am just trying to work out what the mechanism is now for these people if they want a shed, a concrete slab out their front door or an external veranda, which they currently do not have. Do they make representations to you as the person they have a legal agreement with under a rental agreement?

**Mr Moroney**—We have engaged a full-time person at the community. We hope that in the future there may be a contract for further houses out there. The idea of that person is to provide support to the community and for them to understand the responsibilities of being a tenant. That person is there to assist them. If the community or the householders feel they need to raise matters, that person is there.

**Senator CROSSIN**—They raise it with that person?

**Mr Moroney**—I do not have any information that there are any complaints at this stage about the homes.

**Senator CROSSIN**—There might be complaints. Perhaps they have not been passed on to IBA or perhaps they do not know who to give their complaints to.

**Mr Moroney**—We have a staff member at the community who is an IBA person.

**Senator CROSSIN**—Yes, I know that.

**Mr Moroney**—That person reports directly to Mr Clements.

**Senator CROSSIN**—There are now four homes built and four homes occupied?

**Mr Dalzell**—That is correct.

**Senator CROSSIN**—And for each of those four homes people have signed a house occupancy agreement?

**Mr Dalzell**—A licence to use, yes.

**Senator CROSSIN**—Does the occupancy agreement comply with the Northern Territory Tenancy Act?

**Mr Dalzell**—No, it does not.

**Senator CROSSIN**—It doesn't?

**Mr Moroney**—That question is being answered in the response being provided by the department. It would probably be best that we rely on that answer, because the department is managing that process.

**Senator CROSSIN**—This is an agreement between these people and you.

**Mr Moroney**—That is correct, but—

**Senator CROSSIN**—Does this agreement comply with the Northern Territory Tenancy Act?

**Mr Moroney**—The complexity in relation to compliance is the lack of tenure at the moment. Therefore, the response that is being tabled by the department will explain to you the nature of the current licence that is being provided to the current tenants.

**Senator CROSSIN**—That is the problem here, isn't it? Because these houses are actually built on a land trust, there is no lease arrangement of the land that the houses are actually on. Is that right?

**Mr Moroney**—That is correct. At this stage there is an agreement with the Northern Land Council and the traditional owners in terms of the construction.

**Senator CROSSIN**—Is this housing agreement not legal?

**Mr Moroney**—The answer to your question is in the other estimates committee room, provided by the department. I think it best that that answer be—

**Senator CROSSIN**—In this housing agreement it actually says that the occupants must put rubbish in a proper rubbish bin with a close-fitting lid. Did IBA provide that rubbish bin?

**Mr Moroney**—The answer to your question has being tabled in the other committee by the department. I think that is probably the best—

**Senator CROSSIN**—I am not sure I asked that question yesterday.

**Mr Moroney**—The answer is being provided. I think there was a question about rubbish bins as well.

**Senator CROSSIN**—I am not sure I am following, Mr Moroney, why you cannot answer these questions, seeing that this is actually now a tenancy agreement that is being managed by you. The department are telling me that I should direct all of my questions to you, and you are telling me that I should go back next door again. When I put questions on notice about this,

who is going to be responsible for answering them and who do I get some honest answers from about this?

**Mr Moroney**—I am under contract, to provide services, by the department of family and community services. They indicated to me that they are providing answers to your questions. I believe that is probably the most appropriate way for you to get your responses.

**Senator CROSSIN**—Everything needs to be funnelled through the department to you and back up again. Is that correct?

**Mr Moroney**—No, the department has indicated that it has responded or is responding to your questions.

**Senator Abetz**—The witness has said, chair, that his organisation is contracted. Therefore, it may well stand to reason that that is the path that would need to be taken. Nevertheless, if there is some concern, I can imagine that the question Senator Crossin has just asked can also be taken on notice here to make sure that Senator Crossin does not miss the opportunity to ask the question on notice. Then either one will be able to provide an answer.

**Senator CROSSIN**—Why has this tenancy agreement, then, been signed by the IBA and the tenants, and not FaCSIA and the tenants?

**Mr Moroney**—I am under contract to provide that service. The agency that is paying the bills and has me under contract is the department of family and community services.

**Senator CROSSIN**—Can you answer this question, then? One of the conditions of this lease agreement is that the house must be kept locked at all times. Why is it then that, of the 13 occupants, only two keys have been provided?

**Mr Moroney**—I have the same answer: I understand that the department is providing an answer to that issue for you.

**Senator ABETZ**—Chair, also in relation to that, if a family of five or six people lease a house, usually the landlord would only hand over a couple of keys. It would be an interesting question if all 13 people were signatories to the lease. Without the document in front of us it makes it difficult.

**Senator CROSSIN**—That is exactly right: you should have the document in front of you.

**Senator Abetz**—If you can provide us with a lease and tell us—

**Senator CROSSIN**—So I am just wondering where—

**Senator Abetz**—No, no, you have the document in front of you. Tell us whether the 13 occupants are all signatories to the lease. You are unable to tell us that, Senator?

**Senator CROSSIN**—I can tell you that. Mr Moroney will know the answer to that.

**Senator Abetz**—Are they?

**Senator CROSSIN**—The way the lease is structured, yes, all 13 are responsible under this agreement.

**Senator Abetz**—No, no—are they signatories?

**Senator CROSSIN**—There are actually no signatories to this lease. That is why I asked whether it complied with the tenancy agreement.

**Senator ABETZ**—Right. There we go.

**Senator CROSSIN**—Is IBA actually responsible for negotiating the budget with the family and coming to a budget with each of these families?

**Mr Moroney**—The department provided support and advice to the groups. Again, I understand that that issue is the subject of information being tabled in the other committee room.

**Senator CROSSIN**—When I asked Mr Harmer yesterday he was not entirely sure how that had happened on the ground and had suggested I ask you the question. Can you tell me what happened on the ground? Did someone from IBA actually go through this budget with the families or was it actually someone from FaCSIA?

**Mr Moroney**—Just before I walked in I was informed that the department intended to respond to those questions that you raised last night. Therefore, it is not appropriate for me to be speculating about those matters.

**Senator CROSSIN**—If I leave here at 6.30 and I go in there and they tell me, ‘It is IBA that negotiated the budget,’ what capacity do I have to ask you about the process of this document?

**Mr Moroney**—What I am saying to you is that I am under contract—

**Senator Abetz**—They are the service providers.

**Mr Moroney**—and we are the service providers.

**Senator Abetz**—IBA is the service provider. I supposed to a certain extent it is like Job Network. The department answers questions on behalf of Job Network, albeit there are a whole host of service providers that are contracted.

**Senator CROSSIN**—Something must have happened overnight, because I was actually asked to wait and come here and ask you the questions. Many, many times people said to me last night: ‘We cannot answer that question. You will have to wait and ask that to IBA tomorrow.’

**Senator CROSSIN**—I think you need to sort it out.

**Senator Abetz**—All right, then let us take it on notice here as well. Then either way it will be answered.

**Senator CROSSIN**—If these are going to be the first four houses of many, I think the public accountability needs to get sorted out. This has been such a huge debacle. I am not surprised there is a massive cover-up here while I am trying to get answers to questions.

**Senator Abetz**—That is just outrageous.

**Senator CROSSIN**—So does part of your contract also include providing budget advice to the families in those communities?

**Mr Dalzell**—No, it does not.

**Senator CROSSIN**—You are simply contracted to build the houses, sign the agreement with the people and that is the end of the matter.

**Mr Moroney**—The responsibility for the provision of that advice, as we understand it, is with the department. That information is about to be provided to the committee.

**Senator CROSSIN**—If there is a lease arrangement or the arrangement with the land is sorted, and if it comes to the purchasing stage, who will value the property?

**Mr Dalzell**—The Australian Valuation Office will assist us with a valuation on the property at that time.

**Senator CROSSIN**—Will you be responsible for that?

**Mr Dalzell**—Yes, we will.

**Senator CROSSIN**—How will you do it if there is no property market at Wudapuli? In fact, I think it is probably the only house there.

**Senator Abetz**—That is going to be for the Australian Valuation Office to determine.

**Senator CROSSIN**—Has how it would be done not yet been determined?

**Mr Moroney**—Once we have been able to negotiate the tenure arrangements, we will need to have discussions with the Valuation Office because this will not be the first community. It will be an application that will apply potentially to a number of others as well, so there will have to be a resolution as to how fair market value is determined.

**Senator CROSSIN**—My understanding is that people are paying rent in these houses. Is this for two years or indefinitely, or at the end of two years do they have an option of purchasing?

**Mr Moroney**—We have been promoting the concept of homeownership on Aboriginal land. We certainly, in discussions with the department, have encouraged that concept. It is still a matter to be resolved between us and the department. At the moment there is an agreement, a licence with the tenants. Once the tenure arrangements are sorted, we can start to discuss a raft of options for the tenants.

**Senator CROSSIN**—What financial advice will be available to people who would want to purchase their homes? Will you be responsible for that?

**Mr Moroney**—Under our Home Ownership on Indigenous Land Program, the responsibility lies with the department of families and community services, but we also have a fairly extensive role in it as well.

**Senator CROSSIN**—Even though no-one has taken up a loan offer yet?

**Mr Moroney**—We have a capacity to provide it. I think the question you asked was: can we provide that service? If you would like that information, we can provide it.

**Senator CROSSIN**—What financial advice will be given to people, and who will give it?

**Ms Woods**—The homeownership on Indigenous land initiative comprises a number of elements. IBA is responsible for delivering the loans and other financial assistance. FaCSIA delivers some other elements, including money management and a matched savings program.

It is probably through that particular program that people develop the right skills and an understanding of their financial and budgetary needs.

**Senator CROSSIN**—FaCSIA do that through their money management program. Is that correct?

**Ms Woods**—That is right.

**Senator CROSSIN**—There are implications in buying a home—that is, the regular fortnightly payments and the fact that you will now need to maintain the property yourself. What happens if you fail to pay the instalments?

**Ms Woods**—An important part of this program is an education campaign.

**Senator CROSSIN**—Is that done by FaCSIA?

**Ms Woods**—No. The education campaign is conducted jointly. We are in the process of developing a joint program that works with their money management program. We are also developing the essential education which we think is important, covering things like the rights and responsibilities of homeownership, because for many people this will be their first experience of homeownership.

**Senator CROSSIN**—Has that been developed yet?

**Ms Woods**—It is under development at the moment, but we have not had an opportunity to develop it fully. In the community which I mentioned earlier the money management program is not being delivered. We are running on the original announcement and delivering just a loan program. We are making sure that the education program is being run to ensure that people are aware of the rights and responsibilities of homeownership before they enter into a mortgage arrangement.

**Senator CROSSIN**—So they would be taken through this education program before they signed up to a loan?

**Ms Woods**—Precisely.

**Senator CROSSIN**—Is that the plan for people at Nguiu?

**Ms Woods**—The plan for Nguiu is to develop a program in conjunction with the money management program, which is in operation at Nguiu. That would be the joint program with FaCSIA.

**Senator CROSSIN**—So how long will IBA's lease be over the land where these houses are?

**Mr Moroney**—That is still to be negotiated. As you are aware, there are a number of discussions occurring in relation to two sections of the land rights act and a lot will depend on those negotiations.

**Senator CROSSIN**—It is possible for a community member with a Centrelink debt to purchase a house?

**Mr Moroney**—We go through a process of consultation and discussion with prospective lenders and the one thing that we will not be doing is lending money to people who are not in a position to meet repayments or who will have difficulty doing so. In terms of past credit

histories, that will be a factor that will be considered when looking at a person's application for a loan.

**Senator CROSSIN**—In relation to the four houses that have been built out at Wadeye, is there an option to buy at two years or must they buy at the end of two years?

**Mr Moroney**—The decision is tied up in the land tenure issue and once that tenure issue is resolved then we can look at that. There have certainly been discussions with the minister about purchase. But at the moment the impediment to passing on that land or those buildings to anyone is the tenure issue.

**Senator CROSSIN**—What are the default arrangements in the tenancy agreement?

**Mr Moroney**—I would need to take that on notice. We do not have a copy of the tenancy agreement here with us that I am aware of.

**Senator CROSSIN**—If people get two months behind in their rent do you evict them?

**Mr Dalzell**—We have someone visit them. The person on site out at Wadeye has a direct personal relationship with the families in those homes. If they default, there would be contact made with them almost immediately to find out what the reasons are and to enter into an arrangement to recover that situation.

**Senator CROSSIN**—Is there a capacity for IBA to evict if needed?

**Mr Moroney**—There have been a number of discussions in the department in this initial phase, discussions with traditional owners and discussions with the renters. There is a clear understanding of roles and responsibilities. I understand that there have been discussions about default arrangements and that the leadership would help us to resolve those matters. We are a lender with some patience and some capacity to sit down and work through issues and support people. We see eviction as the last option, so we attempt to assist people through any problems. There are other scenarios, too: people may wish to move on, for example. That is when we would step in and look to replace the current renter with someone else. If the current renter refuses to pay for one reason or another there will come a point when we will need to step in.

**Senator CROSSIN**—So what is the current status of the land on which these houses are built?

**Mr Moroney**—They are on Aboriginal land.

**Senator CROSSIN**—What is the current status of it, though?

**Mr Moroney**—It is Aboriginal land.

**Senator CROSSIN**—Is it held by a land trust or is it—

**Mr Moroney**—It is held by a land trust.

**Senator CROSSIN**—Therefore, the actual tenants in these houses are licensees; is that correct?

**Mr Dalzell**—That is correct.

**Senator CROSSIN**—Until such time as the land is actually leased to IBA from the Daly River land trust. Is that right?

**Mr Moroney**—That is correct.

**Senator CROSSIN**—How long are you anticipating that any lease or lease purchase scheme would will take to negotiate?

**Mr Moroney**—That is tied up with the issues of the broader end-lease discussions and those negotiations are being undertaken by the Department of Families, Community Services and Indigenous Affairs and not by IBA at this stage.

**Senator CROSSIN**—If a tenant or occupant in one of these houses needs to report any damage to the furniture or fittings, how do they do this?

**Mr Moroney**—We have a staff member there at Wadey. If that person is not readily available or if for some reason there are problems, then we have staff in Darwin and we react as quickly as we can.

**Senator CROSSIN**—Does your person on site go out to these homes once a week or something?

**Mr Moroney**—At the moment, her job is to look after those tenants in those four houses, so she has quite a bit of time to devote to assisting those people.

**Senator CROSSIN**—In this family budget that I was given, there is no allocation for mobile phones, telephones, petrol or even for a drivers licence, so I figure that this family has no phone or no car. Is your IBA person going to them?

**Mr Dalzell**—Our representative goes out to visit those homes.

**Senator CROSSIN**—Would they need to wait for a visit from her before they can complain about anything that is broken or needs fixing?

**Mr Moroney**—I understand that the person is in regular contact with the lessees.

**Senator Abetz**—How else is it supposed to happen?

**Senator CROSSIN**—If you could answer that question, that would be very useful.

**Mr Dalzell**—I am sure they have to come into Wadey to go shopping occasionally.

**Senator CROSSIN**—Can you tell me if insulation was provided in the ceiling of the living quarters in these homes?

**Mr Moroney**—I would need to take that on notice.

**Senator CROSSIN**—You don't know?

**Mr Moroney**—We had a contract with a contractor. I would really need to take that on notice.

**Senator CROSSIN**—What are the arrangements with water or electricity for these homes?

**Mr Moroney**—Sorry?

**Senator CROSSIN**—Water and electricity to these homes?

**Mr Moroney**—What was the question?

**Senator CROSSIN**—What are the arrangements for water and electricity to these homes?

**Mr Dalzell**—The tenant pays for those costs.



**Senator CROSSIN**—Sorry?

**Mr Dalzell**—The tenant pays for those costs according to the agreement you have in front of you.

**Senator CROSSIN**—According to the budget planner, and no-one seems to know who negotiated it with them, there is actually no monetary allocation against electricity, power or water. I am wondering whether it is a generator, or who is paying for the water, or is it free?

**Mr Dalzell**—Sorry, my answer was that the water and electricity is paid for by the tenant. As to what is in that budget planner, IBA was not involved in it. Mr Moroney has already said that there is an answer for you in the other committee room that addresses the content of that.

**Senator CROSSIN**—If I am telling you that there is a zero dollar amount next to the electricity line here and you have built the house, is the electricity to the house provided by a generator? And how is the water supplied to the house?

**Mr Dalzell**—There is community water and electricity to those townships that is provided by the local council.

**Senator CROSSIN**—I got an answer back from FaCSIA in relation to the building of these houses and, I think, Mr Moroney, in your opening statement you said ‘construction of new homes, new methods and the employment or training of local people’. Are you aware that in the answer to the question they told me that three local Indigenous people worked on the construction of the houses?

**Mr Moroney**—That is correct—full-time.

**Senator CROSSIN**—They were on CDEP and top-up. The top-up was paid by the contractor?

**Mr Moroney**—No. There were three full-time Indigenous employees engaged by the contractor and there were some five part-time employees engaged at various times during the course of the contract.

**Senator CROSSIN**—So the answer to this question is wrong. This simply tells me there were only three people, and those three people were on CDEP plus top-up.

**Senator Abetz**—What was the question?

**Senator CROSSIN**—The question was: how many local Indigenous people have been working on the construction of the houses?

**Mr Moroney**—As far as I am aware, there were three full-time employees engaged by the contractor. I would need to take on notice the question of whether they were locals.

**Senator CROSSIN**—Yes, please.

**Mr Moroney**—And there were five locals that were engaged in the contract on a part-time basis.

**Senator CROSSIN**—On top of those three?

**Mr Moroney**—Yes.

**Senator CROSSIN**—This answer says there were three local people and that those three people were paid on CDEP and top-up. So you think they were paid full-time by the contractor?

**Mr Moroney**—I would need to take that on notice.

**Senator CROSSIN**—Could you take that on notice and clarify it for me, because the last thing I want to ask you is—

**CHAIR**—You had the last question, Senator.

**Senator CROSSIN**—The question is connected to this.

**CHAIR**—I think the minister has an answer that he wants to read out. Is that correct, Minister?

**Senator CROSSIN**—I need to ask one more question that is connected to this.

**CHAIR**—I am sorry, Senator Crossin, you cannot ask it. I said that was to be the last question and it is. You have had nearly five hours of questioning and that is enough.

**Senator CROSSIN**—I have had only one hour with IBA, I have to remind you.

**CHAIR**—Minister.

**Senator Abetz**—Thank you, Chair. I have a bit of extra information on non-campaign material in relation to the fairness test. Evidence was given to the committee that that campaign had ceased. However, two advertisements will be appearing on 1 June in the *Holiday Coast Pictorial* and the *Hub Newspaper*. The reason for that—and these will be the smaller advertisements—is that these papers have a three-week lead-in time. Therefore they will be published on 1 June, but they have already been printed and therefore the advertisements cannot be cancelled. That is just to provide a full answer.

**Senator MARSHALL**—Where is the *Hub Newspaper*?

**Senator Abetz**—The *Hub Newspaper*, I am told, covers the north-west and west coast of Tasmania—

**Senator MARSHALL**—Ah!

**Senator Abetz**—which I confess was news to me, but don't tell my constituents that.

**Senator BARNETT**—A very good paper.

**CHAIR**—Thank you, Minister, and thank you, Mr Moroney and your staff. When the committee reconvenes we will go to other questions, so thank you for appearing before us today.

#### **Proceedings suspended from 6.33 pm to 7.36 pm**

**CHAIR**—The committee will reconvene. We are still on outcomes 1 and 3.

**Senator WONG**—Can I start by being clear about the DSP appropriation in the current budget, please? Can you remind me what is included in the DSP line item which is at, I think, page 33 of the PBS. From recollection there were a number of ancillary payments which were included.

**Ms Golightly**—The line item is called 'Employment assistance and other services'.

**Senator WONG**—I am sorry, I am at page 33 of the PBS for this year. If I am not supposed to be there, please tell me.

**Ms Golightly**—DSP, yes. Are you wondering what other payments come out of that line item?

**Senator WONG**—Yes—if you can just refresh my memory on that.

**Ms Golightly**—There are a couple of items.

**Senator WONG**—My recollection, for example, is that on one occasion you indicated to me that, if there were specific payments such as the Pensioner Education Supplement, it would appear in that line item.

**Ms Golightly**—Yes, it is mainly those small supplements. I can get you the list. It is those education and employment supplements, from memory, but we will check.

**Senator WONG**—Do you want to come back to that?

**Ms Golightly**—Yes.

**Senator WONG**—There has been a bit of movement in this appropriation as between the estimated expenses for 2006-07 and the budget estimate. There was also some movement in additional estimates for this—revised down from \$8.7 million to \$8.556 million; that is page 22 of the additional estimates portfolio statement. I am trying to get some sense of why that movement has occurred.

**Ms Golightly**—I think, as we discussed at last estimates, a lot of the movement is driven by parameters, but there is also, I think, an increase in a rate. I understand that there was also an increased rate due to an increase in MTAW and CPI.

**Senator WONG**—From when was that effective?

**Ms Kruse**—The disability support pension is indexed on 20 September and 20 March each year when it raises according to CPI or 25 per cent of the male total average wage, depending on which is higher.

**Senator WONG**—Can you tell me the proportion of the increase between the two budget estimates that is attributable to that increase?

**Ms Kruse**—We do not have the exact figures for the next financial year because it will be dependent on CPI or the total average wage. You want it for this financial year, do you?

**Senator WONG**—I am just getting some sort of sense of how much is attributable.

**Ms Kruse**—On 20 September it was an approximately \$13 increase per fortnight, so you multiply that across, but I would have to check those figures and come back to you on that.

**Senator WONG**—As at 20 September you can give me an indication of the recipient numbers at that time?

**Ms Kruse**—Yes, I can.

**Senator WONG**—You do not have those here?

**Ms Kruse**—I have the numbers.

**Ms Golightly**—I am not sure that we can give you that breakdown because it will go to the parameters.

**Senator WONG**—Ms Kruse was going to give it to me, but Dr Boxall does not want to.

**Dr Boxall**—No, the department does not do that.

**Senator WONG**—No, you do not do that, Dr Boxall.

**Dr Boxall**—No, the department does not do that.

**Senator WONG**—Ms Kruse, what were the recipient numbers as at 20 September, please?

**Ms Kruse**—I cannot give it to you as at 20 September—

**Senator WONG**—What can you give me; what form is your data in?

**Ms Kruse**—The recipient numbers for 30 March 2007.

**Senator WONG**—Dr Boxall, these are figures that, when these payments were administered by FaCSIA, were regularly and publicly updated. As I recall, you previously indicated to me that you intended to continue to publish the recipient numbers.

**Dr Boxall**—We will be adopting the position which is consistent with government policy on these matters about budget estimates, parameters and what have you, and what FaCS might or might not have done in the past is not relevant.

**Senator WONG**—No, but you have previously indicated to me that DEWR would continue to provide information as to the numbers of income support recipients. It is a different issue to other parameters, and that is what I am asking.

**Dr Boxall**—Yes, that is right, and Ms Golightly is prepared to do that.

**Senator WONG**—Thank you. Ms Golightly, do you have it on a quarterly basis?

**Ms Golightly**—I think we have the number of recipients as at 30 March.

**Senator WONG**—What is the number of recipients as at 30 March?

**Ms Kruse**—It is 713,688.

**Senator WONG**—What is the historical data? Is it quarterly or annually, or how does it work?

**Ms Kruse**—It is annually. The recipients for 2005-06 were 712,163.

**Senator WONG**—The first figure of 713,688 was for 30 March 2007?

**Ms Kruse**—That is correct.

**Senator WONG**—And the year before was 712,163 for 30 March 2006—is that right?

**Ms Kruse**—For 30 June 2006.

**Senator WONG**—Sorry—30 June or 30 March?

**Ms Kruse**—It was 30 June.

**Ms Golightly**—We usually do it on an annual basis, but we did an extract for 30 March so you could have some year to date figures.

**Senator WONG**—Thank you very much. That is very kind of you. Can you give me the figure for 30 June 2005?

**Ms Kruse**—I do not have that with me, I am sorry.

**Senator WONG**—Can you give that to me on notice?

**Ms Kruse**—Yes.

**Senator WONG**—Can we do the same while I am here for Newstart Allowance too?

**Ms Kruse**—For 30 June 2006?

**Senator WONG**—Do you have the 30 March figure?

**Ms Kruse**—The 30 March figure is 431,646.

**Senator WONG**—Is that the most recent figure?

**Ms Kruse**—That is right.

**Senator WONG**—For 30 June 2006?

**Ms Kruse**—It was 438,560.

**Senator WONG**—Again, on notice, could you give me the figure for 30 June 2005?

**Ms Kruse**—Yes.

**Senator WONG**—PPP?

**Ms Kruse**—For 30 March 2007?

**Senator WONG**—Yes.

**Ms Kruse**—It was 151,085.

**Senator WONG**—For 30 June?

**Ms Kruse**—It was 163,975.

**Senator WONG**—PPS?

**Ms Kruse**—It was 405,692.

**Senator WONG**—June?

**Ms Kruse**—It was 435,817.

**Senator WONG**—I would like to do the remainder of those payments on page 33. Do you want to scroll through the ones we have not done? There is mature age allowance.

**Ms Kruse**—Mature age allowance for 30 March 2007 was 6,516; for 30 June 2006 it was 12,038.

**Senator WONG**—Ms Golightly, there is a very substantial reduction, and I realise this is a payment that has been closed.

**Ms Golightly**—Yes.

**Senator WONG**—But it is less than a third of the expenditure estimate. Can you just explain to me why that would be?

**Ms Golightly**—It is because it is a closed payment—I think it was closed around 2003—and we have seen each year an equivalent drop of this size as people move, I think, on to age pension funding.

**Senator WONG**—Ms Kruse, could you give me the figure for mobility allowance?

**Ms Kruse**—For 30 March 2007, it was 52,216 and for 30 June 2006 it was 51,669.

**Senator WONG**—In relation to this one, can you tell me about the increase? Is that a result of the budget measures?

**Ms Golightly**—That would definitely be part of it. I think there were also some increases built into the Welfare to Work initiatives announced a couple of budgets ago.

**Senator WONG**—But they would have been in place for the 2006-07 budget?

**Ms Golightly**—Yes, and they would have potentially had outgoing years as well. So each year there would be more people.

**Senator WONG**—Yes, but the 2006-07 budget should already have had an increase resulting from the Welfare to Work changes—correct?

**Ms Golightly**—Yes, that is right. I will have to check this, but there may also be a flow-on effect in 2007-08.

**Senator WONG**—What sort of data could you give me about those two effects?

**Ms Golightly**—I will have to check. This is one of our smaller payments. I am advised that we do not have that with us. We would have to take that on notice.

**Senator WONG**—What are you taking on notice, so we are clear?

**Ms Golightly**—I believe the question was what was the make-up of the increase in the mobility allowance from last year to this year.

**Senator WONG**—That is correct. Thank you. Ms Kruse, we have done Newstart, parenting payment and PPS. Can we do the partner allowance benefit and pension.

**Ms Kruse**—I am sorry; I do not have partner allowance benefit with me.

**Senator WONG**—How about pension?

**Ms Kruse**—Partner allowance pension for 30 March 2007 was 49,276; for 30 June 2006, it was 60,489.

**Senator WONG**—PES, pensioner education supplement?

**Ms Kruse**—For 30 March 2007, it was 46,856. For 16 June 2006—it is not 30 June, unfortunately—it was 53,646.

**Senator WONG**—I will come back to the PES shortly. Sickness allowance?

**Ms Kruse**—For 30 March 2007, it was 7,859; for 30 June 2006, it was 7,510.

**Senator WONG**—Utilities, widow and youth?

**Ms Kruse**—The utilities allowance for March 2007 was 90,351; for June 2006, it was 108,563. The widow allowance for March 2007 was 41,354; for June 2006, it was 44,603.

**Senator WONG**—Youth allowance, other?

**Ms Kruse**—For March 2007, it was 70,613; for June 2006, it was 75,186.

**Senator WONG**—In relation to all of those where I have not specifically asked, I am seeking also the equivalent figure as at June 2005. When did you take over administration of these payments, Ms Golightly—post the 2005 budget?

**Ms Golightly**—No. It was October 2004.

**Senator WONG**—I had some questions in relation to PES. Was there something you were coming back to me on, Ms Golightly?

**Ms Golightly**—Yes. We are just trying to check the DSP question that you had. The allowances we were talking about may have been in another payment, but I am just checking the *Hansard* so I can get the right context.

**Senator WONG**—Pensioner education supplement: my recollection is that there is a full-time and a part-time rate, isn't there?

**Mr Waslin**—Yes. The part-time rate is \$31.20; the full-time rate for other students is \$62.40 per fortnight.

**Senator WONG**—Can you tell me the numbers of people on DSP who are on the full-time rate and the numbers on the part-time rate?

**Ms Golightly**—The number on PES?

**Senator WONG**—Yes.

**Mr Waslin**—No, we do not have that information.

**Senator WONG**—You do not track it or you do not have it with you?

**Mr Waslin**—We do not track it.

**Senator WONG**—How do you cost it if you do not track it?

**Mr Waslin**—It is based on applications. People present at Centrelink, they put their information across and it is granted along with their income support arrangements.

**Senator WONG**—Yes, I understand that, but you have costings—

**Ms Golightly**—This helps me remember the answer to the DSP question. I am pretty sure that this is where we said that the DSP parameters would help us estimate the pair supplement.

**Senator WONG**—I am trying to work this out. You have a line item in the PBS in relation to the pensioner education supplement. What is that? I presume that is all income support recipients who are going to be estimated to receive PES in that year.

**Ms Golightly**—That is correct.

**Senator WONG**—I am trying to get some sense of the historic data of that. So, in terms of point in time, you must be able to tell me how many people, particularly on income support payments, are receiving the PES.

**Ms Golightly**—I understand—and I will double-check this—that when Centrelink assesses the application and records the application for PES, they do not necessarily record at the same

time which income support payment that person is on. I think that is our difficulty. I can check, but I am pretty sure that is the case. I will double-check.

**Senator WONG**—Are we coming back to that too?

**Ms Golightly**—Yes.

**Senator WONG**—If you do not have the income support type, can you at least tell me numbers in terms of point in time on part-time and full-time PES?

**Ms Golightly**—We should be able to do that for you. We can pull out figures on the part-time and full-time rates, but we do not have them with us, so we might need to take that on notice. In terms of the other question about whether we track which income support payment they are on, the answer is no. I can confirm that.

**Senator WONG**—Therefore, has there been an increase in the PES?

**Ms Golightly**—In the rate?

**Senator WONG**—Is there an increase assumed in the 2007-08 estimate, or is that an assumed increased take-up rate? I apologise—it is going down; it is a reduction. Is there an increase in the rate?

**Mr Waslin**—No, there is not.

**Senator WONG**—I do not recall one. This takes into account the amendments to the Welfare to Work bill that we passed which altered the—

**Senator Abetz**—You did not exactly pass it.

**Senator WONG**—The Senate passed it and, yes, we did oppose it, I think. But you do have the numbers, as I recall.

**Senator Abetz**—My memory was that you had opposed it, so when you said ‘we passed’ I thought you were getting on the bandwagon at last, but that was not to be.

**Senator WONG**—I am asking if this takes into account the passage of that legislation.

**Ms Golightly**—Yes, it does.

**Senator WONG**—DSP can be a partial payment or only a full-time payment? It can be partial too?

**Ms Golightly**—Yes.

**Senator WONG**—Are you able to break down the numbers you have given me in terms of partial payment and full-time payment?

**Ms Golightly**—For DSP?

**Senator WONG**—Yes.

**Ms Golightly**—Again, we do not have it with us, but we can take that on notice.

**Senator WONG**—Are you able to give me some indication of the patterns of exit from the payment? How many, for example, do you track; how many transit to another payment?

**Mr Waslin**—Yes, we have that information but we do not have it with us tonight. We would have to provide it to you.



**Senator WONG**—So I can make sure I phrase my question on notice correctly, what do you track? What do you have in terms of exit data?

**Mr Waslin**—You are asking about people who leave the disability support pension payment arrangements and whether they leave completely or whether they move on to another payment type?

**Senator WONG**—Yes.

**Mr Waslin**—We can do that.

**Senator WONG**—I may have other questions, so I am trying to work out what you have so I can ask the right questions. So can you tell me what data you have in relation to exit from DSP? Presumably, on the basis of your answer, you have a partial, a reduction and a complete exit?

**Mr Waslin**—Yes.

**Senator WONG**—You have the destination in terms of other income support payments?

**Mr Waslin**—Yes.

**Senator WONG**—Do you have work?

**Mr Waslin**—Yes.

**Ms Golightly**—Work and also off benefit.

**Mr Waslin**—Not always work. People might just lapse and they just go off benefit and we may not know why. People may just leave the benefit and do not disclose to us why they are taking themselves off income support, so we may not know the reason for closure.

**Senator WONG**—How often is this data collated?

**Mr Waslin**—We do it by the month.

**Senator WONG**—Monthly?

**Mr Waslin**—Yes.

**Senator WONG**—Do you also collect the data as to whether that exit relates to a job capacity assessment?

**Ms Golightly**—Indeed, it would depend on which category of Mr Deputy Speaker—whether they were grandfathered or—

**Senator WONG**—I know that, but I am asking—

**Ms Golightly**—For some of them we will know the result of the JCA, if they have had one, and whether that resulted in a change of payment, but it might not explain all.

**Senator WONG**—Clearly not. I do not know that you provided this on notice yet—have I asked about the exit figures before?

**Ms Golightly**—I do not recall.

**Senator WONG**—I do not think so. All these things I never knew you had!

**Mr Waslin**—We did not have any questions from you last time on DSP, so there is nothing on notice.

**Senator WONG**—You have one now. From 1 July 2006, could I have the monthly data around exit from the DSP, including destination—that is, other income support payment; whether it is to work; whether they move on to a part-time DSP payment; and whether it was as a result of job capacity assessment. Basically, I want as much information as you can tell me about what you know of those people exiting the payment.

**Senator SIEWERT**—Senator Wong, are you asking for the different categories?

**Senator WONG**—I was just asking for DSP.

**Senator SIEWERT**—Yes, but for the grandfathered—

**Senator WONG**—Actually, that is a good point.

**Senator SIEWERT**—The grandfathered people and the people who—

**Ms Golightly**—I understand the question. I am not sure that we break it up that way, but we can check.

**Mr Waslin**—We would have to check that we have the capacity to do that.

**Senator SIEWERT**—While you are there, could you also give us the updated figures on how many of the grandfathered people have been reviewed and transferred out of DSP? I have actually asked you that before, so I would like the figures from 1 July to now.

**Ms Golightly**—Sure, we can get that.

**Senator WONG**—Do I take that as an amendment to my request for information on notice?

**Mr Waslin**—Yes.

**Senator WONG**—Do we have the average duration on the DSP?

**Mr Waslin**—We do. The average duration on income support is 11 years and one month.

**Senator WONG**—As at when?

**Mr Waslin**—The end of March.

**Senator WONG**—As at 30 March 2007. Do you do that annually?

**Mr Waslin**—Yes.

**Senator WONG**—Can you give me the equivalent figure for 2006, which I presume is June 2006?

**Mr Waslin**—I think we can do that; we will have to check. The reason I am hesitant is because it is an active database and looking at averages going backwards might prove to be a problem, but we will check.

**Senator WONG**—I just want some sort of time frame to indicate the average duration.

**Ms Golightly**—We will have to do a point in time figure for you.

**Senator WONG**—I assume it is a point in time figure.

**Ms Golightly**—Going back is difficult.

**Senator WONG**—I am assuming you did a point in time figure previously at some point in a year.

**Ms Golightly**—If we were asked a question we might have done it that way.

**Senator WONG**—I am sure I have seen statements previously about it. I would be interested perhaps in June 2005 and June 2006 point in time figures. I assume that you conflate in terms of this March figure the different categories of people on DSP, as per Senator Siewert's question.

**Mr Waslin**—Yes, I think we should be able to do that. We do not have it with us, but we could extract it.

**Senator WONG**—You have given me an average figure. Is that across the populations?

**Mr Waslin**—That is correct.

**Senator WONG**—But you can give us a point in time figure for each of the categories?

**Mr Waslin**—I think that would be possible, but again we would need to check because we are going backwards.

**Senator WONG**—I would appreciate that; thank you. Do you have figures as to how many applications for the DSP have been lodged since 1 July 2006 and how many new grants have occurred?

**Mr Carters**—Yes, I have data for the first three quarters, up until the end of March. The number of applications was 70,765.

**Senator WONG**—Which date is this?

**Mr Carters**—This is for the first nine months of the year—from 1 July 2006 through until the end of March.

**Senator WONG**—How many were lodged between 1 July 2005 and 30 July 2006?

**Mr Carters**—I do not have that, but I have it for the same nine-month period.

**Senator WONG**—That is fine.

**Ms Caldwell**—There were 67,471.

**Senator WONG**—So that was from 1 July 2005 until 30 March 2006?

**Mr Carters**—To be precise, it was until 23 March 2007.

**Senator WONG**—Was the previous figure of 70,765 until the 30th or the 23rd?

**Mr Carters**—Until the 23rd.

**Senator WONG**—Can I ask why you do it until 23 March?

**Mr Carters**—It is just the date that we do the payments; they are per fortnight.

**Senator WONG**—So it is for 1 July 2006 to 23 March 2007.

**Mr Carters**—Yes.

**Senator WONG**—Do you have it for the previous year?

**Mr Carters**—I gave you the 2005-06 figure; that was the 67,471.

**Senator WONG**—Do you have it for 2004-05?

**Mr Carters**—No.

**Senator WONG**—How many of the 70,765 remain undetermined as at the 23rd, or currently?

**Mr Carters**—Again, I do not know that. That is why we give the information for two months ago—most of them will have been determined in that period.

**Senator WONG**—This is application data, isn't it?

**Mr Carters**—This is for applications, yes.

**Senator WONG**—Are you able to, at least on notice, give me an indication of how many of them have been determined?

**Mr Carters**—I can tell you how many have been granted, yes.

**Senator WONG**—Can you do that now?

**Mr Carters**—Yes. For 2006-07—those nine months—it was 44,329. For the same period last year, it was 44,113.

**Ms Golightly**—We have an answer to Senator Wong's question on what is in DSP.

**Mr Waslin**—The other allowance types which are covered under the DSP are rent assistance, pharmaceutical allowance, education entry payment, employment entry payment, the language, literacy and numeracy supplement, the CDP supplement and remote area allowance.

**Senator WONG**—Are you able to tell me how much each of those is for that estimate?

**Mr Waslin**—No, we do not have that data.

**Senator WONG**—You do not have it here or you do not have it?

**Mr Waslin**—We do not have it.

**Senator WONG**—Going back to the mobility allowance, that was a budget measure change, as we discussed. I am at page 137 of budget paper No 2. I am also going to be referring to page 42 of the PBS. Firstly, in relation to the budget measure, the appropriation is described as including \$0.9 million for Centrelink in 2007-08 and \$0.2 million over the following three years. I assume that is included in the line item under the budget measure?

**Ms Golightly**—That is correct.

**Senator WONG**—Can you tell me what that is for?

**Ms Golightly**—I would imagine it is for Centrelink processing type costs—normal transactional costs.

**Senator WONG**—Does the remainder of the measure, then, entirely relate to the decreased costs as a consequence of the expanded eligibility criteria, other than the two amounts in relation to Centrelink?

**Ms Golightly**—I believe so. I do not think there is anything else in there. If there is, it is very minor. It is the expansion of the eligibility.

**Senator WONG**—Do you have figures on the numbers of people on mobility allowance on the part-time rate—the standard rate—and the high rate?

**Mr Waslin**—I think we provided the number of people who were on that allowance at the end of March. It was 52,216. I know that 94 per cent of those people are on the low rate and six per cent are on the high rate.

**Senator WONG**—Are you able to give me, for that same point in time, the break-up for the 30 June 2006 figure of 51,669? Is it a similar percentage or does it differ?

**Ms Golightly**—We could get that for you; we do not have it here.

**Senator WONG**—If you could, please provide that for me. Is it anticipated that the proportions of those on the lower and higher figures will alter as a result of the eligibility measure, the extension of the eligibility?

**Ms Golightly**—I do not think there are any expectations. We do not have any information to that effect here.

**Senator WONG**—But presumably there is an increase—

**Ms Golightly**—I am sorry; there is actually some information on page 137.

**Senator WONG**—That was my point.

**Ms Golightly**—We are expecting, obviously from that, a higher number of people on the higher rate. I do not know the change in the percentage figure.

**Senator WONG**—So you cannot tell me how many additional people the government sees will get the higher rate as a result of their budget measure?

**Mr Sandison**—In relation to the mobility allowance, we do not have the specific numbers here of the forecast of the increase in numbers that would access it.

**Senator WONG**—Are you able to tell me, at least on notice, how many people the government sees will benefit from this measure?

**Mr Sandison**—We can take that on notice.

**Senator WONG**—Can you tell me how many people will benefit by virtue of obtaining a higher rate from the budget measure of expanding the eligibility criteria for the mobility allowance?

**Mr Sandison**—I do not have the specific numbers, but I know that over 3,000 are receiving the high rate of mobility allowance based on the previous one.

**Senator WONG**—Let's do it that way, then. Is that included in the 52, 216, the 94 per cent figure?

**Mr Sandison**—There were approximately 51,000 receiving the standard rate and a bit over 3,000 receiving the higher rate.

**Senator WONG**—That is exactly what I asked previously and I was told that you did not have that data here.

**Mr Sandison**—It was approximately 51,000 at the standard rate and over 3,000 at the higher rate.

**Senator WONG**—What is the change? Is this measure now in place or not?

**Mr Sandison**—Not yet.

**Senator WONG**—Is 1 July when it commences?

**Mr Sandison**—It is later in the year that it actually comes in—8 December 2007—and some of it actually makes adjustments to allow small numbers of extra people. To some extent it is actually picking up smaller groups. So it is the not quantum shift that came with the people getting the higher rate; it is actually providing some additional people access to the mobility allowance in small numbers that were left out of the previous decision.

**Senator WONG**—How many people would you say will now receive it as a result of what happened?

**Mr Sandison**—That is the one I would have to take on notice, in terms of the numbers that will benefit.

**Senator WONG**—There are two categories of benefit, aren't there? There are those who would not otherwise have received it at all and there are those who will receive a higher rate.

**Mr Sandison**—Yes.

**Senator WONG**—I want both of those.

**Mr Sandison**—Two answers.

**Senator WONG**—What is the average duration of receipt of mobility allowance?

**Mr Sandison**—I do not have a duration figure. I would have to take that on notice, if we can get it.

**Senator WONG**—If you can get it and if you are able to get it, I would like some historical data, if possible, pertaining to the 2005 and 2006 years, as well as your to date figures in the 2007 year.

**Mr Sandison**—Yes.

**Senator WONG**—Could I go back to Newstart Allowance? Mr Sandison, maybe the easier way to do this is to refer you to W112207 where you actually did, on notice, provide to me the higher rate figures. You provided me a monthly figure of those signing up to the higher rate of mobility allowance. I do not know if it is your area: 1.1.1.

**Ms Golightly**—That is our area.

**Senator WONG**—You guys might need to talk, because it would be useful to get that. Yours is a projection into the future actually, isn't it? Yours is a budget measure analysis.

**Mr Sandison**—There would be a comment about the number that were thought to benefit in terms of looking at where they change.

**Senator WONG**—I will leave my question on notice with you. Ms Golightly, what I might place on notice with your area is whether you could update 112207? Could you also include the lower rate?

**Ms Golightly**—Certainly.

**Senator WONG**—I cannot find the question on notice, but I generally ask, on notice, for figures for Newstart recipients—numbers for less than a year, one to two years, two to three years, three to four years and five-plus years, state by state if possible.

**Ms Golightly**—You would like an update on those?

**Senator WONG**—Yes, please. Also, do you have average duration?

**Ms Golightly**—We will have to take that update on notice.

**Senator WONG**—Thank you. Continuing with the Newstart appropriation, you might recall that on the last occasion, Ms Golightly, I was querying the revisions in the additional estimates to the Newstart and other income support payments. There is quite a significant reduction over the forward estimate period.

**Ms Golightly**—Yes.

**Senator WONG**—We now have a reasonably substantial increase between the estimated actuals for 2006-07 and the estimate for 2007-08.

**Ms Golightly**—Yes, that is correct.

**Senator WONG**—Can you explain to me why that occurs?

**Ms Golightly**—It is a direct result of the Welfare to Work measures, particularly with parents.

**Senator WONG**—So increased numbers of parents going onto Newstart?

**Ms Golightly**—Yes.

**Senator WONG**—Can you tell me the numbers?

**Ms Golightly**—It is not just parents; it is from DSP as well. I do not have the numbers.

**Senator WONG**—I think Mr Carters has given me the numbers of people moving from DSP to Newstart and also from parenting payment to Newstart.

**Mr Carters**—Yes, although they do not actually move from DSP; They are eligible for Newstart allowance with partial capacity to work. The number of those who have been granted principal care or parents who have been granted Newstart allowance, again, for the three quarters up to 23 March is 19,200. The number of people with partial capacity to work—with capacity to work 15-29 hours—is 7,915.

**Senator WONG**—And that is for the period you gave me before, 30 June 2006 to 23 March 2007?

**Mr Carters**—Yes.

**Senator WONG**—Have you previously given me the equivalent figure for the previous financial year?

**Mr Carters**—With these groups, that was not relevant to the previous financial year.

**Senator WONG**—No, 1 June; you are right. Ms Golightly, I am advised that I may not asked, when asking you to update that answer in relation to Newstart, for the numbers of those on Newstart for four to five years.

**Ms Golightly**—Right.

**Senator WONG**—But I assume you understand what I mean.

**Ms Golightly**—Yes.

**Senator WONG**—Less than one year, one to two, two to three, three to four, four to five—which does not appear on my notes—and five-plus.

**Ms Golightly**—Certainly.

**Senator WONG**—Is there any other explanation for the increase in the Newstart appropriation for 2007-08?

**Ms Golightly**—No. It is the Welfare to Work—

**Senator WONG**—I am a little confused as to why we had such substantial revisions downwards over the forward estimates for income support payments and now we have one upwards.

**Dr Boxall**—We discussed that last time.

**Senator WONG**—No, because the upward revision only occurred in this budget.

**Dr Boxall**—We discussed why we had downward revisions last time.

**Senator WONG**—Does that mean you do not want to discuss it again?

**Dr Boxall**—We can discuss it again if you like. We can discuss anything you would like.

**Senator WONG**—Why is it that we have, in February, a very substantial downward revision for the 2007-08 financial year of \$27,401—that is across a number of income support payment categories; I cannot recall if you gave me any disaggregated data on that—and then you have a substantial increase in the Newstart appropriation of \$700-odd thousand?

**Ms Golightly**—The changes that occurred early in the year were taking into account the numbers of people flowing in, as per the rules of eligibility at that time. Obviously, there are rules that are only kicking in as of 1 July this year. It was always intended that this group would come on on 1 July 2007. That is that increase.

**Senator WONG**—Therefore I assume that would have been taken into account in the additional estimates statements, where there was a downward revision of the income support payments of in excess of \$600,000.

**Ms Golightly**—As we explained last time, the downward revision was a result of a parameters adjustment, which affects the base.

**Senator WONG**—The base of what?

**Ms Golightly**—The underlying Newstart numbers. This increase is the new numbers coming on on top of that.

**Senator WONG**—Mr Carters, you have given me 19,200 and 7,915 for the period 30 June to 23 March.

**Mr Carters**—Yes.



**Senator WONG**—Do you have your projected figures for 2007-08 in each of those categories?

**Mr Carters**—When you say projected figures, do you mean projected actuals or what we may have projected in the past?

**Senator WONG**—Either.

**Mr Carters**—We do not have a projected for the actuals, but the earlier budget estimate for principal carer parents being granted Newstart was 22,700 for the full year of 2006-07, and for people with partial capacity to work for 15 to 21 hours it was about 20,000 for the full year.

**Senator WONG**—For 2006-07?

**Mr Carters**—Yes.

**Senator WONG**—So you are tracking reasonably. What is the monthly entry like in relation to each of those categories? You have got nine months; do I just divide 19,200 by approximately nine months?

**Mr Carters**—Yes.

**Senator WONG**—Can you give me monthly inflows on notice?

**Mr Carters**—On notice, yes.

**Senator WONG**—That would be good. So you are tracking reasonably close, I presume, in relation to the first category.

**Mr Carters**—Yes.

**Senator WONG**—But there is quite a substantial variation in relation to the second. I think we might have discussed this on the last occasion.

**Mr Carters**—Yes.

**Senator WONG**—Can you tell me why that is occurring?

**Mr Carters**—No, that is just something that occurs. It is the difference between an estimate and reality. We are not sure why it is lower than what we estimated, but quite often you estimate things to the best of your ability at the time and what turns out to be reality can be quite different.

**Senator WONG**—It is likely to be less than half?

**Mr Carters**—Probably about half.

**Senator WONG**—Where are the others? Still on DSP?

**Mr Carters**—They would not have been on DSP, so it is just a matter of—

**Senator WONG**—They have not disappeared in terms of the cohort though.

**Mr Carters**—But it was an estimate, so we are not talking about real people; we are just talking about an estimate of what might happen.

**Senator WONG**—Has there been a consequent reduction in the DSP numbers?

**Mr Carters**—There has actually been a slight increase in the DSP numbers, which I gave you.

**Senator WONG**—That is right.

**Mr Carters**—Perhaps that partly explains why these are lower. Maybe some people are just under the 15 hours.

**Senator WONG**—Yes, which was actually what I was going to put to you. It would make sense if you looked at the DSP figures is that there are slightly more people on DSP than was assumed and fewer people entering the partial capacity stream on Newstart.

**Mr Carters**—That is quite possible.

**Senator WONG**—Chair, I know Senator Siewert had some questions.

**CHAIR**—Senator Siewert?

**Senator SIEWERT**—I wanted to first go to parenting payment single and ask some questions about single parents on unemployment benefits. Today the Minister for Workforce Participation claimed that 35 per cent of the 2,500 single parents who went onto unemployment benefits between July and September last year were off welfare within six months. Can you explain how this figure was arrived at?

**Mr Carters**—Yes. As part of our monitoring and evaluation strategy we have tracked the new Welfare to Work groups that come on stream from 1 July. Because of the considerable lag to give people time to get employment outcomes, we are only able to give outcomes for the people who entered the new Welfare to Work categories between 1 July and 30 September. Our evaluations have revealed that six months later 35 per cent of those single parents are off income support, compared to 14 per cent over previous years.

**Senator SIEWERT**—So you have tracked them and they have stayed off, or they were off for a period of time?

**Mr Carters**—We looked at whether they were off six months later, and this is the group who were off six months later.

**Senator SIEWERT**—So they are still off now?

**Mr Carters**—Yes, they are off as of the end of March.

**Senator SIEWERT**—How many have gone back on to income support? All of the 2,500 are off—

**Mr Carters**—No, the 2,500 is the total group; 35 per cent of the group are off.

**Senator SIEWERT**—I beg your pardon. So it is 35 per cent of the total group.

**Mr Carters**—Yes.

**Senator SIEWERT**—And the others have gone back on?

**Mr Carters**—Or stayed on. But, again, about 40 per cent of those who are still on income support are declaring earnings.

**Senator SIEWERT**—How does that compare with last year or previous years?

**Mr Carters**—In previous years it was a comparative group. Fourteen per cent were on single parenting payments at the time and went off income support six months later, and just over 40 per cent were declaring earnings.

**Senator SIEWERT**—How many are declaring earnings out this cohort for this year?

**Mr Carters**—It is 38 per cent this year and 42 per cent last year.

**Senator SIEWERT**—I thought you just said 40 per cent.

**Mr Carters**—I said just over 40 per cent; I was just rounding.

**Senator SIEWERT**—Are you looking at what types of jobs people are getting?

**Mr Carters**—We will be. We do not have that data yet; it is too early. As part of the evaluation strategy we will be examining the sustainability of the employment and what type of employment they are in, and we will be conducting longitudinal surveys to help us track those people. But it is way too early to do that.

**Senator SIEWERT**—So you do not know yet.

**Mr Carters**—We do not know yet.

**Senator SIEWERT**—Are the 35 per cent who came off income support still in employment, or did they just not come back on to income support?

**Mr Carters**—We do not know whether they are still in employment or what they are doing. What we do know from previous surveys is that the vast majority would be in employment, but until we actually do more longitudinal work we cannot absolutely validate that.

**Senator SIEWERT**—Can I move on to JET? Does that come under this section?

**Mr Carters**—The program is run by FaCSIA. It depends on what you want to ask. It relates to sole parents.

**Senator Abetz**—If you have questions, I am sure they can be taken on notice.

**Senator SIEWERT**—As I understand it, the 12-month rule does not apply to secondary students. Could you confirm that? I have heard two conflicting bits of advice.

**Mr Carters**—Sorry; we cannot answer that sort of question. It is not our portfolio.

**Senator SIEWERT**—That was actually a Welfare to Work policy, wasn't it—the limitation to JET for 12 months?

**Mr Sandison**—Any adjustments to the JET childcare package and JET support were done through FaCSIA. Any further discussion around the program guidelines and how they are making arrangements with the program is really for FaCSIA.

**Senator Abetz**—It may have been discussed or announced at the same time. We are a wholly coordinated government sometimes, so other areas may have been dealing with these issues as well, but this is in another area.

**Senator SIEWERT**—So you do not do anything with JET any more?

**Mr Carters**—No, we do not run that program at all. Our job seekers, if you like, receive the JET childcare fee assistance as an important component of them being able to participate in the labour force.

**Senator SIEWERT**—I appreciate that they would administer the program, but you do not do policy any more?

**Mr Carters**—No, we do not.

**Senator SIEWERT**—Can I move on to principle carers. You know that I have raised this issue a number of times, and I last raised it in the Senate, where I was told that you were going to be having a review of the policy.

**Senator WONG**—I hope the department knows about it because I think you said something about this in the Senate, Senator Abetz.

**Senator SIEWERT**—I am sure the department was following that debate.

**Senator Abetz**—I had better listen very carefully.

**Mr Carters**—Are you referring to the shared care issue, particularly with people with between 45 and 55 per cent shared care ownership?

**Senator SIEWERT**—Yes.

**Mr Carters**—Senator Abetz referred that to our minister.

**Senator Abetz**—Is that all I said?

**Senator SIEWERT**—No, you made some further commitments beyond that!

**Senator Abetz**—Remind me.

**Senator SIEWERT**—I am just going to bore you to death with this until you look at it!

**Senator Abetz**—During the legislation?

**Senator SIEWERT**—Yes, the committee stage.

**Senator Abetz**—Yes, that is right. I agreed to refer it. There were no commitments.

**Senator WONG**—This is your time to cough up for Senator Siewert.

**Senator SIEWERT**—This is the time to say you have been looking into it and you are going to be doing something about it. Has the department been looking into it any further?

**Mr Carters**—The department is considering that, but it is still progressing.

**Senator WONG**—It is considering looking into it?

**Senator Abetz**—No, it is looking into it and considering it.

**Mr Carters**—There is no outcome as yet to report.

**Senator SIEWERT**—What is the time frame for looking at it?

**Mr Carters**—I do not know.

**Senator SIEWERT**—You do not know or—

**Mr Carters**—Again, it is up to us to provide advice to the minister and the response is the minister's call.

**Senator WONG**—Have you provided advice to the minister?

**Mr Carters**—No.

**Senator WONG**—It has not even got to that stage.

**Mr Carters**—We are looking at it.

**Senator WONG**—When was it referred to the department for consideration?

**Mr Carters**—I do not have a date.

**Senator SIEWERT**—Could you find that out for us, please?

**Mr Carters**—It may be very difficult for a discrete date to be identified.

**Senator SIEWERT**—When we talked about this in the Senate, I was given fairly low numbers of people that you anticipated would be affected by this. I subsequently pointed out that, due to the changes in family law, you can expect a lot more. Has there been any evaluation by the department of people that will potentially be affected by this specific provision?

**Mr Sandison**—We do not have specific numbers.

**Senator SIEWERT**—You have not been asked to do any specific work, or you have not undertaken any?

**Mr Sandison**—Within the department, we are aware of the reforms, obviously, and we are aware of the commitment made by Senator Abetz. It is just part of the process of us looking at the information and providing advice to the ministers.

**Senator SIEWERT**—Thank you.

**Senator Abetz**—I think you conned me on that day!

**Senator SIEWERT**—No. It is a serious issue.

**Senator WONG**—This is an anomaly which really could be fixed very easily.

**Senator SIEWERT**—Yes.

**Senator WONG**—It is about caring for kids. I do not understand why it is such a problem for you to do anything about it.

**Senator SIEWERT**—You can guarantee that I will keep asking this question and that it will keep coming up, because we are starting to get specific case examples of where this is disadvantaging kids. I want to clarify an issue around DSP—if a person on DSP volunteers to look for work, they go through job capacity assessment.

**Mr Sandison**—They would first go to Centrelink, where they would be given advice on the implications of volunteering, the fact that they would need to have an assessment and that, because the assessment is comprehensive, it would take into account all issues relating to their eligibility. If they then sign a statement acknowledging that, they will go and get a JCA and be streamed to an appropriate service.

**Senator SIEWERT**—Are they able to go back onto DSP after that?

**Mr Sandison**—If they are on DSP and they find a job, they are allowed to go back onto DSP if they make a decision not to stay in employment, as long as it is within a two-year period. If, as a result of the JSA, they find that the eligibility is such that they should not be on DSP, as has been the case for many years, they will be taken off DSP and put onto Newstart. Depending on whether the volunteer comes from the 15-hour-plus group or the 30-hour-plus group, they would obviously be assessed against those rules.

**Senator SIEWERT**—Can I ask about single mothers reporting to Centrelink, or is that a question I should specifically ask of Centrelink? Is that a policy issue, or is it a question I should ask Centrelink?

**Mr Sandison**—It depends. What is your question?

**Senator SIEWERT**—Are single mothers who have participation requirements required to report fortnightly to Centrelink to put in their activity and participation forms?

**Mr Sandison**—It depends basically if they have earnings.

**Senator SIEWERT**—If they have earnings?

**Mr Sandison**—If somebody is meeting their participation requirements, they would have a different contact requirement compared to a person who is unemployed with a requirement to look for work, and there the normal requirement would be fortnightly.

**Senator SIEWERT**—If they are meeting their earning requirements, do they have to report?

**Mr Sandison**—Our expectation would be that it would be a fortnightly report because they have to declare their earnings and report their earnings to make sure there is no debt build-up, but the actual contact with Centrelink could be on a quarterly basis. There are two different things—

**Senator SIEWERT**—They are reporting but they do not have to report via a direct contact.

**Mr Sandison**—Yes, that is right. The report could be via—

**Senator SIEWERT**—But, if they are not earning, then they have to fulfil their contact requirements?

**Mr Sandison**—That is correct.

**Senator WONG**—Can I follow up on that, Senator?

**Senator SIEWERT**—Yes.

**Senator WONG**—There was some public reporting of a change in policy in respect of the amount of reporting a sole parent had to undertake. I presume you are aware of that, Mr Carters?

**Mr Carters**—I am assuming you are talking about the transition period from 1 July 2007, when the grandfathered—

**Senator WONG**—I am referring to the *Weekend Australian* of 7 April, in which it was reported that Mr Hockey intervened last month to prevent government embarrassment over complaints that DEWR was wasting the limited time of job seekers.

*Dr Boxall interjecting—*

**Senator WONG**—I am just reading; I am not asserting, Dr Boxall. The report states:

The Department of Workplace Relations has been insisting that single parents come into Centrelink offices personally, even if they were already working part-time.

**Dr Boxall**—It is obviously not accurate reporting.

**Senator WONG**—You should pass your views on to Ms Karvelas at the *Australian*, Dr Boxall, but can you tell me about that?

**Mr Carters**—The requirement for the parents is as described by Mr Sandison, which is that if they are meeting their requirements in earning then they do not have to report regularly in person. If they are not, they are treated like any other job seeker and are expected to report.

**Senator WONG**—Has there been any change in position in terms of the instruction DEWR had been giving Centrelink?

**Mr Carters**—No, there has only been clarification.

**Senator WONG**—When was the clarification?

**Mr Carters**—I do not know a precise date or time.

**Dr Boxall**—We have had discussions with Centrelink about the process for the reporting of people on parenting payment.

**Ms Golightly**—Just generally people on Newstart but not parents.

**Senator WONG**—Everybody is jumping in now. Was it the position of DEWR that sole parents come into Centrelink offices to report even if they were working part time?

**Dr Boxall**—No.

**Senator WONG**—That has never been your position?

**Dr Boxall**—No.

**Senator SIEWERT**—I have actually had single parents tell me that they have been required to go into Centrelink.

**Dr Boxall**—The question, Senator Siewert, was: was it the position of DEWR that parents come in every two weeks even if they are working.

**Senator WONG**—No, I do not think I gave you a time frame.

**Dr Boxall**—Do you want to repeat the question, Senator Wong?

**Senator WONG**—Was it DEWR's instruction or policy—however you tell Centrelink what to do—that sole parents come into Centrelink offices personally even if they are already working part time?

**Dr Boxall**—Sorry, can you repeat that again please?

**Senator WONG**—Are we right now?

**Dr Boxall**—I have been right all along. Could you repeat it again please?

**Senator WONG**—This is the third time I have asked the question, so I just wondered if there was an issue. Do you want to finish talking?

**Dr Boxall**—No, there is no issue. Somebody spoke to me in the middle of your conversation; it is nothing to do with me.

**Senator WONG**—Dr Boxall, all I am saying is that, if you need to take some advice before I ask the question again for the third time, I am happy for you to do that.

**Dr Boxall**—I do not need advice.

**Senator WONG**—Was it the position of DEWR, or did DEWR issue an instruction or policy requirement—or however it is that you instruct Centrelink—that sole parents come into Centrelink offices personally even if they are already working part time?

**Dr Boxall**—No.

**Senator WONG**—Were you aware at any point of any position that Centrelink was putting to these parents that they would be required to report fortnightly to Centrelink even if they were working part-time?

**Dr Boxall**—What Centrelink might have done is—

**Senator WONG**—You are the policy department. Were you aware of what Centrelink was doing?

**Dr Boxall**—No. It was never DEWR's position that that was to be done. Maybe some Centrelink officer said that to a parent, and maybe not, but it is not DEWR's position.

**Senator WONG**—Was DEWR ever aware of that position being put to customers by Centrelink?

**Dr Boxall**—Not that I know of.

**Senator WONG**—Does anyone else know?

**Dr Boxall**—Not that the department knows of.

**Senator WONG**—The department had no knowledge of this?

**Dr Boxall**—I have just answered your question. The department is not aware that Centrelink was putting that position to parenting payment customers. It was never the department's position.

**Senator WONG**—Did you, as a result of either the events leading up to or of this *Weekend Australian* article, make inquiries as to (a) what instruction DEWR had given Centrelink in relation to these matters and (b) whether or not DEWR was aware of Centrelink giving that advice to customers?

**Dr Boxall**—We did not make inquiries because we knew it was not our position.

**Senator WONG**—I asked if you as the secretary, as a result of the publicity around this, made those inquiries.

**Dr Boxall**—You asked me if the department made inquiries following that article in the *Weekend Australian*, and the answer is no, because it was never our position that parents who were working part time should have to front up every fortnight.



**Senator WONG**—I suppose I am asking, then: if you never made inquiries, how can you assert to this committee that DEWR was not aware of Centrelink ever putting that to customers?

**Dr Boxall**—Because we were not aware of it.

**Senator WONG**—If you did not make inquiries to find out whether you were aware of it or not, how do you know?

**Dr Boxall**—This is tautological. If we do not make an inquiry then we are not aware of it because we have not inquired about it.

**Senator SIEWERT**—But did you see the article in the *Weekend Australian*?

**Dr Boxall**—I did.

**Senator SIEWERT**—When you saw it, why didn't make inquiries of your department?

**Dr Boxall**—Because I knew that the article was not accurate, so we did not even bother following up on it.

**Senator SIEWERT**—But it is accurate because it is happening.

**Dr Boxall**—It is not accurate. It says that it was DEWR's position; it was not DEWR's position.

**Senator WONG**—What I actually asked you was not what DEWR's position was; I asked if DEWR was aware of Centrelink providing such advice to customers.

**Dr Boxall**—That was one thing you asked.

**Senator WONG**—That is what I am asking. Why don't we try that question?

**Dr Boxall**—The department has answered that. The department was not aware.

**Senator WONG**—Either leading up to or after you saw that article, did you ever make inquiries to determine if any of your officers were aware of Centrelink providing such advice to customers?

**Dr Boxall**—Not that I know of.

**Senator WONG**—That is the point. You do not know if your officers were aware because you did not ask them if they were aware. You are supposed to be the policy department.

**Dr Boxall**—There is no point in asking an agency whether they are doing something which is not your policy. It is not our policy.

**Senator SIEWERT**—So, when an agency is carrying out something that is not policy, does that mean you do not act? I have a whole lot of other questions about this as well.

**Senator Abetz**—That may be—let's hear them.

**Senator SIEWERT**—Is that the answer that we are going to get the whole time—that it is not our policy? The fact is that it is happening.

**Dr Boxall**—Centrelink knows what our policy is. If there are a few officers in Centrelink who have been advising parents incorrectly and we know about it, we take it up with them. We meet with Centrelink four or five times a month, even at my level.

**Senator SIEWERT**—Did you take that up with them?

**Dr Boxall**—We did not take that up with them.

**Senator WONG**—Is it your evidence to this committee that you or your officers had no discussions with Centrelink in relation to the issues reported in the *Weekend Australian* on 7 April?

**Dr Boxall**—The department's testimony is there were some discussions at officer level to Centrelink saying that, if they are doing that, they should not be because it is not DEWR policy.

**Senator WONG**—Thank you, Dr Boxall. When did those discussions occur?

**Ms Golightly**—We do not have a date here. It was probably part of our normal discussions. We are in discussions with Centrelink every day.

**Senator WONG**—Ms Morehead, is it your area?

**Ms Morehead**—I have discussions with Centrelink about that type of issue.

**Senator WONG**—I am just trying to clarify if those discussions did occur, did they occur prior to or subsequent to the article?

**Ms Morehead**—What date was the article?

**Senator WONG**—It was 7 April.

**Ms Morehead**—We can check from records of conversations that I have had with Centrelink as to the exact date when this was discussed, but the policy intention was that parents already meeting their requirements would not be required to report face to face, and Centrelink is aware of that.

**Senator WONG**—Yes, I understood from Dr Boxall's evidence that is the position of the department. Did you have those discussions as a result of contact by the minister's office?

**Ms Morehead**—I meet with Centrelink very regularly about this type of issue, and we talk about everything that is going on and happening, so this is just part of the regular discussions with Centrelink.

**Senator WONG**—Was the issue which was discussed in the article—that is, the suggestion that DEWR was requiring Centrelink to require working parents to report—the subject of contact by the minister's office to the department?

**Ms Morehead**—I think that I alerted the minister's office to it and said that I had told Centrelink that that was not the policy, but I am not 100 per cent clear on that.

**Senator WONG**—Was your contact with the minister's was after or before this article?

**Ms Morehead**—As I said earlier, I am not quite sure. I would have to check the records of my conversations.

**Senator WONG**—I appreciate you might not recall the date; I am just trying to work out what triggered you contacting the minister's office.

**Ms Morehead**—I cannot recall what triggered that particular contact that I made with the minister's office. Once again, that happens very regularly, so I would have to check notes.

**Senator WONG**—Your evidence is you did alert the minister's office to this possibility—is that right? I want to be clear about what your evidence is.

**Ms Morehead**—Yes.

**Senator WONG**—What you do not recall is what triggered that and whether it preceded or postdated that article.

**Ms Morehead**—That is correct.

**Senator WONG**—See, Dr Boxall, apparently some of your officers were aware.

**Dr Boxall**—Aware of what, Senator Wong?

**Senator WONG**—The allegation that Centrelink—

**Senator Abetz**—All of them are very aware, I am sure.

**Senator WONG**—Actually they are—I agree with that. But the point is that Dr Boxall's evidence was that he did not inquire as to whether any of his officers were aware, in fact, of Centrelink putting what appears to be, on his evidence, a position that was inconsistent with the DEWR policy position. My point is you could have just asked Ms Morehead.

**Dr Boxall**—No, that is not correct.

**Senator WONG**—We will read the transcript. I really cannot be bothered.

**CHAIR**—Senator Siewert?

**Senator SIEWERT**—I would like to touch what the process is for somebody who has an illness—let us use breast cancer because there is an example that I am aware of. What is the process when somebody has breast cancer? How are they handled through the process?

**Mr Sandison**—That is in relation to having a job capacity assessment?

**Senator SIEWERT**—Yes.

**Mr Sandison**—It is primarily a Department of Human Services issue about the nature of the service. In our policy settings it would depend on what their income support status was—whether they were applying for a particular income support payment.

**Senator SIEWERT**—If they were on Newstart, what would be the process?

**Mr Sandison**—With Newstart, if they were applying for an incapacity exemption and it resulted in a requirement for a job capacity assessment, they would go for an assessment and a decision would be made about their incapacity. If it was their first application for an exemption and they had a treating doctor's report that had medical evidence, they would get an exemption straight away—up to 13 weeks for an incapacity exemption if it was deemed that the cancer stopped them from being able to look for work or undertake another appropriate activity. In some cases it might be that another appropriate activity is still something that a person would be required to undertake. It would depend at what stage the cancer might be. There are cases where people have been treated for a particular illness, and it might stop them being able to undertake work or look for work but they can still undertake other activities, and it might be light rehabilitation.

**Proceedings suspended from 9.00 pm to 9.16 pm**

**CHAIR**—We will resume. Senator Siewert was asking questions. I think she had just asked one.

**Senator SIEWERT**—Thank you.

**Ms Golightly**—I need to correct some evidence I gave. I think Senator Wong asked a question about whether we could break up PES by payment type. I did not think Centrelink collected that information. I am told we can break it up, but I would need to take it on notice, so we will do that.

**Senator WONG**—That is fine. Are you able to give it at some point-in-time intervals?

**Ms Golightly**—I think we have it current, so we would be able to go back in time as well.

**Senator WONG**—I do not need every month, but if you can give it to me, for example, perhaps quarterly since the introduction of the Welfare to Work changes.

**Ms Golightly**—Certainly.

**Senator WONG**—Thank you.

**Senator SIEWERT**—Can we go back to this issue about illness and specifically using breast cancer as an example. You said that each assessment is to 13 weeks.

**Mr Sandison**—The length of an incapacity exemption can be for up to 13 weeks, yes.

**Senator SIEWERT**—So after that time they have to go through another incapacity assessment?

**Mr Sandison**—They have to apply again for an exemption, yes, that is correct.

**Senator SIEWERT**—Can I ask; sorry, it is getting late in the day—

**Mr Sandison**—I was trying to come up with a question for you.

**Senator SIEWERT**—I am channelling. I am channelling.

**Senator Abetz**—We do have a few questions, now you mention it.

**Mr Sandison**—It is about my turn.

**Senator SIEWERT**—What status do medical certificates have?

**Mr Sandison**—Basically they are used as the starting point for a lot of our systems, so they are a treating doctor's report. Primarily if they are looking for an exemption there might be a medical certificate. But the request can be made for a full treating doctor's report. Obviously, if there is sufficient information on that, that is used by an assessor. Job capacity assessors, under the human service rules, do have some capacity to actually ask for a specialist assessment to give additional information.

**Senator SIEWERT**—So if somebody has a medical certificate saying this person needs this much time for recuperation or whatever it happens to say, is that what is used as the basis for the incapacity assessment or does an officer have the capacity to say, 'No, we're not going to go with that. We're going to halve it,' or whatever?

**Mr Sandison**—My understanding—and this is getting into how Centrelink actually operate, because normally it would be a Centrelink officer as the first point in relation to an incapacity exemption and it would be up to a Centrelink officer how they would interpret the

information—is that it would depend on the level of detail that sits with the medical certificate. So they would then have to make the call if there is sufficient information there to actually make a decision about the exemption.

**Senator SIEWERT**—So, in other words, an officer does have the capacity to override a medical certificate from a doctor?

**Mr Sandison**—They can question it, yes, and then can seek specialist advice or go and get a full treating doctor's report.

**Senator SIEWERT**—My assumption on that is that they cannot override it unilaterally. They would have to use that as the basis to get further advice.

**Mr Sandison**—I would have to check with Centrelink because that would be their operational decision. But in the instance you are talking about, if somebody had breast cancer, there would be an expectation that they would probably be able to bring sufficient evidence—more than just a medical certificate—that would actually identify the state of the cancer and the capacity of the individual. So it would be probably more than just a medical certificate.

**Senator SIEWERT**—Thank you for that. The 13 weeks is the absolute maximum?

**Mr Sandison**—Per exemption. They would then have to look for a renewal. If somebody seeks a renewal, that is when they would normally get referred to a job capacity assessor.

**Senator SIEWERT**—Thank you very much. Can I go back to the questions I was asking earlier about the statistics that came out today. You could not provide me with information on the types of jobs that people were going into, but you are doing some further longitudinal study. Can you tell me what you are looking for in that longitudinal study? Are you looking for types of jobs—part-time and full-time—income levels and those sorts of things?

**Mr Carters**—Yes. All of those things.

**Senator SIEWERT**—So that will all be taken into account in the study?

**Mr Carters**—Yes. It is part of the longitudinal study. That will not be every person. It will be a sample.

**Senator SIEWERT**—Point taken. Do you know whether that includes the number of single parents who have had to give up study?

**Mr Carters**—It will ask questions about study, so in that context it may pick that up. They do not have to give up study.

**Senator SIEWERT**—We could get into a real debate here.

**Mr Carters**—If a single parent is studying and they need to go on to Newstart allowance, they are eligible to continue that study until they complete the course. They are also—

**Senator SIEWERT**—They are not eligible for JET until they complete the course, and that is the point I am trying to ask about.

**Mr Carters**—They are eligible for the pensioner education supplement until they complete the course.

**Senator SIEWERT**—But they are not eligible for JET. That is why I was trying to ask about JET and why I am going to go next door and ask there. There are lots of mothers in particular that are having to give up study because they cannot afford child care.

**Mr Carters**—We do not know about that policy issue.

**Senator SIEWERT**—You do not measure that at all?

**Mr Carters**—That is FaCSIA. We do not measure that, no.

**Senator SIEWERT**—So in the statistics that you are gathering in the work that you are doing, can you ask that question about if they have had to give up study in order to take a job?

**Mr Carters**—No. That would not be picked up.

**Senator SIEWERT**—Either in the work you are doing or in Centrelink?

**Mr Carters**—It would not be picked up in our longitudinal survey is what I am saying. FaCSIA may well have an evaluation methodology for their payment because it is their payment. You would need to ask them that.

**Senator SIEWERT**—I will follow that up with them. I am aware that I might be crossing over the Centrelink boundary again. Are breaches of people on income support reported to you? I know Centrelink is the one that gathers the information. The number of Aboriginal people on income support being breached had increased the last time I saw the figures. Is DEWR paying attention to that and reviewing that?

**Mr Carters**—We do collect that data.

**Senator SIEWERT**—Maybe you could provide some for me now. Could you tell me how many Aboriginal and Torres Strait Islander people have been breached since 1 July 2006?

**Mr Carters**—This data is actually on our website for the first quarter of Welfare to Work. For the quarter ending September 2006—

**Senator SIEWERT**—I have seen the first quarter.

**Mr Carters**—You want more recently?

**Senator SIEWERT**—I want from 1 July 2006 to now.

**Mr Carters**—I do not have that.

**Senator SIEWERT**—You do not have that?

**Mr Carters**—No. It is quite detailed data which is provided on the website. So there is a lag in terms of being able to process that information and a lot of participation failures take some time to be assessed on appeal and so on. So there needs to be a sufficient time lag.

**Senator SIEWERT**—You are talking about the first quarter. So that is from 1 July to September?

**Mr Carters**—Yes.

**Senator SIEWERT**—That data for last year. Yes, I have that. I am asking whether that has been updated because it is now May.

**Mr Carters**—No. But we are expecting to put the next quarter up on the system fairly soon, so it is only a matter of weeks away.

**Senator SIEWERT**—How soon is fairly soon?

**Mr Carters**—Weeks.

**Senator SIEWERT**—Weeks?

**Mr Carters**—Yes. As early in June as we can.

**Senator SIEWERT**—Early in June. I suppose it is useless to ask for a trend there?

**Mr Carters**—Sorry?

**Senator SIEWERT**—A trend. From July to September there was a trend where an increased number of Aboriginal people had been breached. Is that continuing?

**Ms Golightly**—I do not think the minister has released that information yet. We would have to have the next lot of data to see if there is a trend. We only have the first quarter data, which is the data that Mr Carters has read out.

**Senator SIEWERT**—I have worked out for myself the trends in the first quarter.

**Mr Carters**—This is only the first quarter's data.

**Senator SIEWERT**—Thank you. Is it okay if I ask a Job Network provider question here?

**Ms Golightly**—Yes.

**Senator SIEWERT**—I want to clarify the conversation we had earlier. If you are referred to a job, you do get to be able to pick your service provider?

**Ms Golightly**—If you go to Centrelink and apply for income support, yes, that is correct. There are other ways of getting to the Job Network. You can directly register yourself. I would have to check the arrangements—perhaps CDEPs, for example—for who might have been referring. Certainly if you go to Centrelink to apply for income support you get a choice of Job Network member.

**Senator SIEWERT**—If you are not happy with the service provider, can you change?

**Ms Golightly**—Yes, you can. There are a couple of things that you can do. First of all, we suggest to job seekers that they try to sort that difference or unhappiness out with the Job Network member. If they are not satisfied with that, they can ring our customer service line and we can intervene for them. But if the situation is—I cannot say the word.

**Senator SIEWERT**—I have trouble as well.

**Ms Golightly**—That word—yes, can you change your Job Network member. The other way you can change is if you move location, yes.

**Senator SIEWERT**—Senator Wong, I want to follow up a couple of things. Do you want to take over?

**Senator WONG**—Yes. I have a bit more to do. I am going to go through a number of questions on notice and ask for updates et cetera. They relate to outcomes 1 and 3, obviously. I am doing these essentially in numerical order. For 1065-07, are you able to give me updated

figures in relation to the questions asked there? I am happy for it to be taken on notice if it is not able to be responded to.

**Ms Golightly**—Yes. We will take that on notice.

**Senator WONG**—The same with 1066-07, which may have been partially answered by Mr Carters earlier. Can that be updated?

**Ms Golightly**—Yes.

**Senator WONG**—Thank you. The same with 67-07 and 69-07. You might have those, Mr Carters. This is referrals from JCA to capped and uncapped DEN places. This is to 2 March 2007. I do not know if you have figures beyond that.

**Ms Golightly**—I am not sure that we have any with us, but we can update those figures.

**Senator WONG**—The same with 1070-07 as well. Can you give me the date for the figures?

**Ms Golightly**—Most of those other questions were up until 29 December.

**Senator WONG**—This one is for February 2007. If you can just add from February 2007 onwards in 1070-07.

**Ms Golightly**—Certainly.

**Senator WONG**—Thank you. Can you let me know if there is any alteration to 1071-07. I think that was received later.

**Mr Sandison**—On that matter, I do not have the original figure, but the figure we are using now is 223,000.

**Senator WONG**—That is 223,000?

**Mr Sandison**—Yes. You asked how many parenting payment recipients would face the activity test. We would expect that to be slightly lower by the time we get to June 30.

**Senator WONG**—Presumably you can give me updated figures in relation to the state breakdown that comprises the 223,000.

**Mr Sandison**—Yes.

**Senator WONG**—And the figures in the subsequent paragraph in that answer. Can you update them to take into account the change to the 223,000.

**Mr Sandison**—Yes.

**Senator WONG**—I do not think we received, but we could be wrong, an answer to 1089-07.

**Mr Carters**—No. That one has not been provided.

**Senator WONG**—Is that going to be provided? What is the issue there?

**Mr Carters**—We will see what can be done to provide that information.

**Senator WONG**—My recollection is I actually got original figures associated with this issue from Treasury or Finance in the budget estimates post the Welfare to Work



announcement because this is how they actually estimated the increased demand for service. So what I am interested in is whether there has been any alteration to that modelling.

**Mr Carters**—There has been no alteration to the modelling. I thought what you wanted was to look at the actuals tracked against the estimate.

**Senator WONG**—We may not have another estimates for some time, so am I actually going to get an answer to that, or should I try and get it from you now?

**Mr Carters**—I can give you some figures now, which may help.

**Senator WONG**—Thank you.

**Mr Carters**—Part of the problem is that we cannot give you precise figures. There is some difficulty in terms of tracking different client groups. For example, with the principal carer parents, we can tell you that 12,500 were in the Job Network and there were 3,493 job placements. There were 530 13-week outcomes. Obviously that will increase over time. With the partial capacity to work for the 15 to 29 hours, the only figure we can give you there is from a base of about 15,000 people in that category, which is bigger than the number I gave you earlier because this includes people who were already on Newstart prior to 1 July and subsequently had a reassessment which brought them down to 15 to 29 hours. So it is not strictly the Welfare to Work group, but we cannot split those two off.

**Senator WONG**—So that category is the difference between 15,000 and the number you gave me before?

**Mr Carters**—7,915, yes. So of that 15,000, 1,600 have been placed in jobs and 316 so far have had 13-week outcomes.

**Senator WONG**—Who is this 7,000-odd people? Who they are?

**Mr Carters**—They are people who were already on Newstart on 1 July, so they are not new grants. But they are people who have been reassessed through a job capacity assessment. That has determined that they only have a capacity of 15 to 29 hours rather than 30 plus hours, which would normally apply.

**Senator WONG**—And that cohort is actually bigger than the Welfare to Work category?

**Mr Carters**—Yes.

**Senator WONG**—And their mutual obligation participation requirements have actually been reduced?

**Mr Carters**—Yes.

**Senator WONG**—Those figures you just gave me are as at which date, Mr Carters?

**Mr Carters**—They are as of the end of March 2007.

**Senator WONG**—The 23 March number?

**Mr Carters**—I think these ones are 30 March.

**Senator WONG**—These are 30 March.

**Mr Carters**—They come from different sources.

**Senator WONG**—Ms Golightly, can you give me in the last six months how many job seekers achieved only a 13-week outcome?

**Ms Golightly**—I think we have answered that, but I can give you an update.

**Senator WONG**—Yes. So you gave it to me as at 31 January 2007?

**Ms Golightly**—Yes.

**Senator WONG**—And how many achieved a 26-week outcome?

**Ms Golightly**—Again, it would be only those that achieved because as time moves on, people go on to achieve more weeks. So we have to be careful about what we are measuring there. But I can update that answer for you.

**Senator WONG**—In 1087-07, I asked for a point-in-time caseload figure for the end of the last financial year. This is taken from *Hansard*. I think the context was for all pages or the Job Network?

**Ms Golightly**—Job Network.

**Senator WONG**—Are you able to give me a point-in-time figure now?

**Ms Golightly**—It will be roughly the same. The trend has been either just under 800 or just over 800. It is roughly the same.

**Senator WONG**—Are you taking that on notice, or do you have a figure?

**Ms Golightly**—I do not have the exact figure with me.

**Senator WONG**—Does anyone have the most recent point-in-time figure?

**Ms Caldwell**—At the end of March, it was 814,000.

**Senator WONG**—Thank you.

**Ms Golightly**—In relation to your previous questions about only a 13-week and only a 26-week, we can give you those people who achieved those, particularly the 13-week outcomes, but not necessarily whether they have only achieved that because they could go on to achieve 26.

**Senator WONG**—I assume it is a point in time.

**Ms Golightly**—Yes. We can give that to you. I just wanted to be clear.

**Senator WONG**—Do you have figures for those who have achieved a 13-week outcome and then lost employment—exited employment?

**Ms Caldwell**—What we count is the number of people who achieve 13 weeks on a cumulative basis, so between the start of the financial year and a particular date how many people passed the 13-week point. We would then next track them when they got to the 26-week point and thereafter through our post program monitoring. So we do not say this person dropped out at 14 weeks and this person has been there for 10 years.

**Senator WONG**—The difficulty is that if you give me just figures of 13- and 26-week outcomes, what I cannot see is—because they are different populations; I think you and I have had this conversation at some point—of those who have achieved a 13-week outcome, how many of them go on to achieve 26. I would like point-in-time figures as well, but presumably

you do track that. How many of the 13-week outcomes in a particular cohort then go on to achieve 26? Do you have numbers or a proportion?

**Ms Golightly**—We do do longitudinal studies.

**Senator WONG**—That is the phrase—a longitudinal study. Have you got percentages of longitudinal studies?

**Ms Golightly**—Yes. Not specifically of those cohorts in a particular six months. But Mr Carters will have more detail.

**Senator WONG**—What is the best way to ask? What sort of data do you have, Mr Carters?

**Mr Carters**—For people who reach each of those particular gates—they are placed in a job, then off for the 13-week mark and the 26-week mark—we do analysis that gives a percentage of those who continue on income support. But I do not have the specific data for those periods—for the 13 and 26 weeks—here.

**Senator WONG**—In terms of taking the question on notice, what do you have?

**Mr Carters**—It depends what you want.

**Senator WONG**—I want to be able to look at some data which gives some sense of how many people who achieve 13 weeks then either go back on to payments or then achieve the 26 weeks. I want the proportions around that.

**Mr Carters**—Yes. We can provide that.

**Senator WONG**—Are you able to give that over a number of timeframes?

**Mr Carters**—We could give it over specific timeframes where we do a study for that period.

**Senator WONG**—I appreciate that.

**Mr Carters**—So hopefully, yes.

**Senator WONG**—In 1088-07, you were not able to answer some of the question but you did give me an active caseload by phase, income support type and period of unemployment at attachment A.

**Ms Golightly**—Yes.

**Senator WONG**—That was a point in time, I assume, as at 9 March. This must have been a reasonably late provision. I do not know if this is one of the 280 we got in the last few days. So these are the most recent figures?

**Ms Golightly**—I think we would be able to get probably another month's data.

**Senator WONG**—I would appreciate it. If we could update tables 1, 2 and 3 with the most recent figures.

**Ms Golightly**—Certainly.

**Senator WONG**—Thank you. For 1108-07 you gave me an interim response. Is there a final response on that?

**Ms Caldwell**—Yes. There was one piece of data that was not available on the second table. The number of job seekers should be 3,443.

**Senator WONG**—Have you updated your response to the committee?

**Ms Caldwell**—We have not.

**Senator WONG**—Have you not?

**Ms Caldwell**—The minister has not tabled the response.

**Senator WONG**—What is the update?

**Ms Caldwell**—The update is that 3,443 job seekers had entry into job search support.

**Senator WONG**—I am having trouble hearing you. We have had trouble with our microphone. So 3,443 job seekers—

**Ms Golightly**—Had entry into job search support where the job seeker is identified as locally disadvantaged. It was the first row on the second page.

**Senator WONG**—I see. Is that what we were talking about today when we had the fairly lengthy discussion about indigenous employment as well?

**Ms Caldwell**—That is one element of the supplements that are available to the locally disadvantaged.

**Senator WONG**—This is very useful, this answer. Can we update it?

**Ms Golightly**—Again, I think we might have another month's worth of data.

**Senator WONG**—This is only 2005 to 2006.

**Ms Golightly**—The second table is to March.

**Senator WONG**—The second table is to March 2007. So you can give me that. 1151115 was my question in relation to whether the Workplace Modification Scheme was actually available to public sector employment.

**Ms Golightly**—Yes.

**Senator WONG**—Your answer is that it is?

**Ms Golightly**—Yes.

**Senator WONG**—Are you able to tell me how much of the WMS has been provided or has been expended in respect of those employed by the Australian government?

**Ms Golightly**—I think we track the employers that get it. I will have to see if we then track that in terms of the private and public sectors.

**Mr Waslin**—Yes, we can track it, but we do not have that information with us here tonight.

**Senator WONG**—From when has this scheme been available? Was this Welfare to Work or it pre-existed it, didn't it?

**Ms Golightly**—It pre-existed Welfare to Work.

**Senator WONG**—Has it always been available to public sector employers?

**Ms Durbin**—This is one of the programs that transferred over from FaCSIA with the machinery of government changes in October 2004. As far as I am aware, there have been no policy changes or it would have always been available.

**Senator WONG**—How far does your data go back in relation to its use by particular employers in different sectors?

**Ms Durbin**—My understanding is probably only this financial year. The way that employers and providers access the Workplace Modification Scheme changed on 1 July 2006. Before that, I do not believe we would have that sort of information coded, but I could certainly check that.

**Senator WONG**—If you have the information, I would like to go back for the last few financial years, perhaps at least to 2004. If you are unable to provide it, historically at least if you could provide me with what you do have over a financial year period and to date in the current financial year. I am interested in how much for Commonwealth employment and how much for the private sector.

**Ms Durbin**—I think we could probably tell you by industry group. I think it would probably be by government and defence—that is normally the industry classification we use—and then by other, which would be largely the private sector.

**Senator WONG**—Does government defence include state government?

**Ms Durbin**—I believe it would.

**Senator WONG**—You do not have any breakdown of what proportion of government-defence would comprise state governments?

**Ms Durbin**—No.

**CHAIR**—Senator Barnett has a question.

**Senator BARNETT**—Earlier tonight we were talking about the Job Network service fees and outcome payment fees. You indicated that they would be tabled later this afternoon. I was wondering whether that has occurred. You also took on notice how much money was to be recovered from WorkDirections following the *Age* newspaper inquiry. I was just wondering if you have those with you today.

**Ms Golightly**—We did table the schedule of fees.

**Senator BARNETT**—You have tabled that?

**Ms Golightly**—We tabled them, I think at about 5.30 pm.

**Senator BARNETT**—Our secretary has not received them yet. Anyway, we can double-check that.

**Ms Golightly**—I tabled quite a bit of information all at once, but we can check that. I do not have the answer to the second question.

**Senator BARNETT**—You are taking that on notice?

**Ms Golightly**—Yes.

**Senator BARNETT**—That is fine. Thank you. I am sure we will see if we can follow up that other document.

**Senator WONG**—My recollection is that it was attached to the document that dealt with the locational disadvantage issues. That was my recollection. I got a package in the break.

**Ms Golightly**—Yes. There was a package of three or four documents.

**Senator WONG**—The top document related to the answers for—

**Ms Golightly**—For Senator Crossin and yourself. And then there was the attachment, which related to Senator Barnett's question.

**Senator WONG**—In terms of moneys recovered, we had a very lengthy discussion, I think previously, when it was made public that a number of providers, including the Salvation Army—and that was on the public record—had paid back I think a total of \$14 million; that is what was on the public record. Have you ever come back to me and told me exactly how much was paid back through that process in relation to the less than five providers that Dr Boxall described in the hearing?

**Ms Golightly**—I would have to check the record, but I do not think we have updated those figures.

**Senator WONG**—I do not think you gave me those figures. In fact, I think you refused to. That was my recollection—you refused to at the time.

**Ms Golightly**—I think what we did give you was the total recoveries. It was not in relation to particular providers or particular investigations.

**Senator WONG**—I am asking for that now. Are you able to give me the providers' names—less than five, I think, was the evidence given by Dr Boxall—and the amount that was recovered?

**Ms Golightly**—I will take that on notice.

**Senator WONG**—I take you to W1117. The questions I asked earlier in the evening cover the dataset that is captured there. Insofar as it does not, I would like an up-to-date revision of that table.

**Ms Golightly**—Certainly, yes.

**Senator WONG**—And similarly with 1118 and 1119. Can you give that to me now, Mr Carters? That is the transition for still receiving the PES.

**Mr Sandison**—Sorry, that was?

**Senator WONG**—1119, the numbers of people in the transition group still receiving the PES.

**Mr Sandison**—I will have to do a check on that. I will take that on notice.

**Senator WONG**—Are you able to update 1121-07 for the period 1 January 2007 to date?

**Ms Golightly**—Yes. We should be able to do that.

**Senator WONG**—You cannot do that now?

**Ms Golightly**—No.

**Senator WONG**—1123 relates to the Personal Support Program. Is there any alteration to the utilisation target? What is the current utilisation rate?

**Ms Golightly**—While Mr Waslin is getting his papers, I can say that I am pretty sure we will be able to update the utilisation rate. This was at 31 December.

**Senator WONG**—Yes.

**Ms Golightly**—We will be able to give you a later figure for that.

**Mr Waslin**—There is no change for the target—

**Senator WONG**—Clearly.

**Mr Waslin**—for the Personal Support Program. But the current utilisation is 62,046 who have been through the program at the end of March 2007.

**Senator WONG**—So you are actually in excess of your utilisation target?

**Mr Waslin**—That is correct.

**Senator WONG**—And in excess of the number of capped places, although I recollect this is commencements?

**Ms Golightly**—There is a difference between places and people.

**Senator WONG**—I remember this.

**Mr Waslin**—This is people.

**Mr Carters**—I can give you an update to W1119-07, the question on the PES transition group. At 30 March, there were 3,213 people in the DSP transition group receiving the pensioner education supplement.

**Senator WONG**—On notice, can someone update W1124-07 insofar as it is required? I think this goes to December 2006, so whatever your more recent data on that is.

**Ms Golightly**—We will be able to check that and get it together for you, Senator.

**Senator WONG**—Can you tell me in relation to PSP—I thought we asked this on notice, but you might have given it to me in the hearing—the number of social and economic outcomes?

**Ms Golightly**—Did you say PSP, not PSB?

**Senator WONG**—Yes, Personal Support Program.

**Ms Golightly**—I think we did give that as evidence in the hearing last time.

**Senator WONG**—Are you able to give that to me now?

**Ms Golightly**—I will just check for you.

**Mr Waslin**—The number of social outcomes—that is, until the end of March—is 7,118. For economic it is 4,358. That number is an interim outcome, so it is an outcome that is achieved at the 13-week position.

**Senator WONG**—Sorry?

**Mr Waslin**—After 13 weeks. So it is an interim outcome. It is an outcome which has sustained itself for 13 weeks.

**Senator WONG**—Have you previously explained to me on notice the different payments applicable? You have, haven't you? They have not altered?

**Ms Golightly**—No. They are part of the contract.

**Senator WONG**—That is right.

**Ms Golightly**—I will just double-check that we have not varied the contract. Not for the PSP.

**Senator WONG**—Just so I am clear about the range of disability employment programs in the Public Service, we know that workplace modifications can be used for Public Service employment for people with a disability. Can someone give me a brief rundown of what programs are available for the Commonwealth employment of people with a disability?

**Ms Golightly**—I will just clarify it. Are you looking for what programs the Commonwealth Public Service can access?

**Senator WONG**—That and what particular programs you have in place to lift disability employment in the Public Service.

**Ms Golightly**—While we are getting the answer to the first part of your question, the second part of your question is really one for the Australian Public Service Commission.

**Senator WONG**—That is fine.

**Ms Golightly**—I understand that the full range of employment programs for people with a disability is available to the public sector as well as the private sector.

**Senator WONG**—Thank you. So that would be workplace modifications and DEN. Is it DEN?

**Ms Golightly**—The public sector can take job seekers through DEN just like they can take job seekers through the Job Network.

**Senator WONG**—What else?

**Ms Golightly**—I think the supported wage system.

**Senator WONG**—Supported wage.

**Mr Waslin**—Supported wage. The whole suite of elements which sit under it.

**Senator WONG**—The whole suite. Can you remind me what they are?

**Ms Durbin**—It would be specifically for people with a disability. The disability employment network, the wage subsidy scheme, the supported wage scheme and workplace modifications. They are certainly the primary ones.

**Senator WONG**—You have already told me about WMS. In relation to those other categories, are you able to tell me the take-up rate and what proportion of those programs are currently being expended in relation to Commonwealth public sector employment?

**Ms Durbin**—I would have to take that on notice. I think in some instances that could be difficult. But I will take it on notice.



**Senator WONG**—Whatever you are able to provide I would appreciate.

**Ms Durbin**—I can give you information about the workplace modifications take-up. As I said, this covers government administration and defence, so it would cover Commonwealth, state and local government. All up, for workplace modifications there have been 751 applications approved, of which around 50 fall into that government administration and defence category.

**Senator WONG**—And 751 is for what time period?

**Ms Durbin**—This financial year to the end of March.

**Senator WONG**—Just remind me what the budgeted amount is. How many applications?

**Ms Durbin**—For workplace modifications, so far we have received 751 applications this year. This financial year we have spent around \$2.8 million.

**Senator WONG**—And what is the budget?

**Ms Durbin**—It is rolled up into the employment assistance and other services appropriation, so it does not have a specific line item.

**Senator WONG**—What component is attributable to workplace modifications?

**Ms Durbin**—In that question on notice, we indicated it was around \$7.5 million.

**Senator WONG**—For the financial year?

**Ms Durbin**—Yes.

**Senator WONG**—So it is about 50 applications in the \$2.8 million, but of course each application may be a different amount?

**Ms Durbin**—That is right.

**Senator WONG**—It is whatever percentage 50 is of 750, approximately. Thank you. Can you provide the numbers of job seekers who have received a wage subsidy paid from the job seeker account for the current financial year?

**Ms Golightly**—We can try. I am pretty sure we had dollars spent on wage subsidies. I will have to check whether we have the number of job seekers.

**Ms Caldwell**—I have that information. For the period 1 July 2006 to 31 March 2007, the number of job seekers assisted by employer incentives, which includes of course wage subsidies, is 18,998 persons.

**Senator WONG**—In answer to a previous question on notice, Ms Caldwell, you indicated that DEWR did not categorise wage subsidies as a proportion of wages and to collect and assess this would be an unreasonable diversion of resources. As I understand it, Job Network providers are in fact required to declare to the department what proportion of the job seeker's wage is being paid through such a subsidy. Does DEWR not analyse or collect that data despite the fact they require that information to be provided by providers?

**Dr Boxall**—Do you have the question number?

**Senator WONG**—W61-07, I think. It is a previous hearing.

**Ms Golightly**—Not February but the one before?

**Senator WONG**—Yes. I actually only have an extract of it. I do not have it. If the secretary can give it to me, I would be very grateful.

**Ms Golightly**—While we are looking for that question, if I have understood, at least in general terms, your question now, we do not actually require Job Network members to report to us the percentage. What we require Job Network members to do is if they are intending to pay a wage subsidy which is equivalent to 100 per cent of the wage, they are to seek approval from us first.

**Senator WONG**—I asked whether you could provide me with the number of wage subsidies in various categories—25 per cent or less, 25 to 50, 50 to 75, 75 per cent and in excess of 100. Is it your evidence that the first four of those categories are unavailable to the department?

**Ms Golightly**—Yes.

**Senator WONG**—Can you provide the amount from the job seeker account spent on wage subsidies since 1 June both in dollar terms and as a proportion of all money paid from the job seeker account over the same period?

**Ms Caldwell**—Since 1 July of last year for this financial year, we have those. Wage subsidies expenditure during that period was \$36,564,124.

**Senator WONG**—So \$36 million—

**Ms Caldwell**—And \$564,124.

**Senator WONG**—And the total moneys paid from the job seeker account over the same period?

**Ms Caldwell**—The total amount drawn down was \$103,695,390.

**Senator WONG**—This was 1 July to 30 March?

**Ms Caldwell**—31 March this year.

**Senator WONG**—31 March. Mr Carters, in relation to one of the questions I asked you, you indicated to me there was a 30 March end date. Can you just check whether it should be the 31<sup>st</sup>. You might want to check the *Hansard* on that.

**Mr Carters**—Yes.

**Senator WONG**—What was the notional crediting to the Job Network for the same period? What is the notional balance?

**Ms Golightly**—That is two separate figures.

**Senator WONG**—Yes, they are. It is that longitudinal thing we were talking about.

**Ms Golightly**—Yes. That is correct. I think we have the number here but I just want to double-check the relevant paper.

**Senator WONG**—That is fine.

**Ms Golightly**—It might take a couple of minutes if you want to go on to your next question.

**Mr Carters**—Senator, 31 March is a Saturday. That is why I reported to 30 March.

**Senator WONG**—Ms Caldwell has the 31<sup>st</sup>.

**Mr Carters**—There is probably no spend on the Saturday, so it is probably okay.

**Senator WONG**—It does not matter. Are you checking, Ms Golightly?

**Ms Golightly**—Yes, we are. It is going to take a few minutes.

**Senator WONG**—I can probably ask some questions about DEN quickly. I will ask some questions about DEN while we are waiting for the figure.

**Ms Golightly**—Yes.

**Senator WONG**—I think back in February you indicated to me there were 20,050 referrals to DEN capped, 12,020 commencements in the capped stream and, in uncapped, 5,876 referrals and 513 commencements. Can you update those figures?

**Mr Waslin**—Yes. Do you want them capped and uncapped?

**Senator WONG**—Yes, please. Referrals and commencement.

**Mr Waslin**—The number of referrals in the capped stream is 26,901. For uncapped, it is 7,745. The number of commencements in the capped stream is 15,384. For uncapped, it is 6,428.

**Senator WONG**—In relation to DEN capped, I think you have provided me with data as to the proportion of people funded in each of the DPI levels and DMI levels. Is that right?

**Mr Waslin**—Yes.

**Senator WONG**—Are you able to do that again?

**Ms Durbin**—It was provided in a question on notice, 1107-07—

**Senator WONG**—Yes.

**Ms Durbin**—as at 9 February. We can certainly update that. But the trends across both the DPI funding levels and the DMI funding levels remain very constant.

**Senator WONG**—So reasonably consistent. So you would just update it with more recent data. Thank you. How are we going, Ms Golightly?

**Ms Golightly**—We are nearly there.

**Senator WONG**—I will go to PSP. I am not sure if I asked for 1124-07 to be updated. If I have, I have dealt with this issue. That was wait lists on the SAs.

**Ms Golightly**—Yes, you did.

**Senator WONG**—I have dealt with that. Do you do analysis of the wait list as in who is on it and their characteristics?

**Ms Golightly**—We do an analysis as to the priority groups—priority one, two, three and four.

**Senator WONG**—Which is I think in table A, isn't it?

**Ms Golightly**—It is.

**Senator WONG**—Other than that, you do not?

**Ms Golightly**—That is our analysis.

**Senator WONG**—What about the median length of time between assessment and referral?

**Ms Golightly**—Assessment as in a JCA assessment?

**Senator WONG**—Yes.

**Ms Golightly**—And referral to a program?

**Senator WONG**—Yes. To PSP.

**Ms Golightly**—To PSP.

**Mr Jalayer**—At the moment, JCAs, when they do an assessment, cannot make a direct referral to a PSP provider. Therefore, it has to go to Centrelink for coding. This will change from 1 July, when they will be able to make direct referrals. The average—

**Senator WONG**—The JCA will be able to make a direct referral to PSPs?

**Mr Jalayer**—Correct. But at the moment it is between four and six weeks that it takes Centrelink to do the coding.

**Senator WONG**—And how many people on the current waiting list for PSP meet Centrelink's definition of homeless?

**Mr Jalayer**—Sorry, can you repeat that?

**Senator WONG**—How many people on the current wait list for PSP meet Centrelink's definition of homeless?

**Mr Jalayer**—I do not think we collect that information. In terms of the actual client group, about 12 per cent of the SP clients are categorised as homeless.

**Senator WONG**—So that is 12 per cent of the numbers that are outlined in appendix A to that?

**Mr Jalayer**—You can extrapolate that. But it is 12 per cent of the people that are actually on PSP.

**Ms Golightly**—Yes. Whereas attachment A is just the wait list.

**Mr Jalayer**—We can only assume that the same percentage would be on the wait list as would be on the actual program.

At turn 7, Wong engages with the witnesses over several dates, all expressed in numerical form—eg. 10-06-07. Confusion arises over them, partly because of the form they're expressed in. As such, it seemed necessary to preserve the numerical form rather than render them in ordinal form—eg. 10 June 2007. The latest copy of the style guide I have (Nov 2006) has no way of allowing dates to be rendered in this form, so I used hyphens instead of slashes, for example. Similarly, I'm not aware of Hansard's approach to rendering questions on notice. I've used the format provided in the pdf list of questions on notice from the committee website—ie. 1234-07 when it's spoken as '123407'. Some guidance on this would be helpful.

**Senator WONG**—Thank you. I can go to something else.

**Ms Caldwell**—In terms of the Job Network job seeker account, the amount of notional credits from 1 July 2006 to 31 March 2007 was \$223 million.

**Senator WONG**—Thank you.

**Ms Caldwell**—I also have the notional bank balance. At the end of March, the current amount available in the notional bank balance was an amount of \$296 million.

**Senator WONG**—I may have asked for it previously, but are you able to give me the notional balance as at 30 June 2006?

**Ms Caldwell**—No. The information I have with me tonight does not have a notional balance as at 30 June.

**Senator WONG**—Does it have it for a date other than 31 March?

**Ms Caldwell**—I have it for the end of July but not for the start of July.

**Senator WONG**—That will do.

**Ms Caldwell**—At the end of July 2006, there was \$246 million available in the notional job seeker account bank balance.

**Senator WONG**—What was the expenditure for the period from 31 July 2006 to the conclusion of that financial year?

**Ms Golightly**—31 July 2006 is this financial year.

**Senator WONG**—The next one. What you give me is 01-07-07 to 31-03-07. You give me the credits and the notional balance. I am trying to get the period 21-07-07 from 31-07-06. Did you do it from 1 August? How does it work?

**Ms Caldwell**—I gave you the balance as at the end of July this financial year.

**Senator WONG**—This financial year?

**Ms Caldwell**—This financial year.

**Ms Golightly**—31 July is this financial year. So this financial year is 1 July.

**Senator WONG**—I appreciate that. You have given me the credit and the notional balance for the period 01-07 to 31-03-07?

**Ms Caldwell**—No. 31-07-07.

**Senator WONG**—I have written that down differently.

**Ms Caldwell**—No, sorry. It is 31-07-06.

**Senator WONG**—That was previously. The first question was answered in relation to credits for the period 1 July 2007—this is what I wrote down so I may have got it wrong—to 31 March 2007. The answer was there was a notional credit of \$223 million. Correct?

**Ms Caldwell**—Correct.

**Ms Golightly**—It is actually 1 July 2006 to 31 March 2007.

**Senator WONG**—Of course. Otherwise you are going backwards. You gave me wage subsidy proportions of that. You then gave me the notional balance as at 31 March 2007, which was \$296 million. Yes?

**Ms Golightly**—Yes.

**Senator WONG**—And a notional credit for the period from July 2006? Is that correct?

**Ms Golightly**—It was a point in time.

**Senator WONG**—You gave me a point-in-time figure?

**Ms Golightly**—Yes. So we gave you a point-in-time figure for 31 July 2006 and a point-in-time figure for 31 March 2007.

**Senator WONG**—So you have given me a notional balance for March 2007. Have you given me a notional balance for the point in time in 2006?

**Ms Caldwell**—I gave you a notional balance for 31 July 2006.

**Ms Golightly**—In the information we have here, that is the earliest we go back.

**Senator WONG**—Thank you. Does the department engage probity advisers in relation to the allocation of business within the Job Network?

**Ms Golightly**—Yes.

**Senator WONG**—Have you previously engaged Blake Dawson Waldron?

**Ms Golightly**—We have.

**Senator WONG**—Are they still engaged?

**Ms Golightly**—We do not have them engaged at this moment for anything. I should clarify that their engagement before was for a tendering process.

**Senator WONG**—Has the department ever engaged probity advisers for the purposes of the reallocation of work following a staff ratings process?

**Ms Golightly**—Yes.

**Senator WONG**—So generally would you have a probity adviser for such processes?

**Ms Golightly**—We have probity advisers present and looking at either of our processes, either tendering or business reallocation.

**Senator WONG**—An external probity adviser?

**Ms Golightly**—For tendering we have external probity advisers.

**Senator WONG**—What about for reallocation?

**Ms Golightly**—For reallocations we have internal probity advisers.

**Senator WONG**—Have you ever had external probity advisers for reallocation?

**Ms Golightly**—No, because it is more an internal discretion that we have under the contract.

**Senator WONG**—So no external probity adviser has been involved in business reallocation over the period of the Job Network?

**Ms Golightly**—Not to my knowledge, no.

**Senator WONG**—So it is entirely an internal process?

**Ms Golightly**—Yes.

**Senator WONG**—And where are those internal probity advisers located?

**Dr Boxall**—Corporate legal.

**Senator WONG**—How many of them are there?

**Dr Boxall**—There was one in the last exercise.

**Senator WONG**—Is that normal to have one, or do you generally have more than that?

**Ms Golightly**—Normally there is one probity adviser. Whether they consult with others is entirely up to them.

**Senator WONG**—You may or may not have attended a conference at the Gold Coast of the employment service providers, Ms Golightly.

**Ms Golightly**—I did.

**Senator WONG**—Is it the case that the minister advised JPOs at that event that no external probity adviser had been appointed to the recent reallocation of business process?

**Ms Golightly**—It was a meeting of providers, not just JPOs. From memory, the minister would have provided advice similar to what I have just given—that it was a business reallocation, not a purchasing exercise. There were probity advisers who were internal probity advisers.

**Senator WONG**—Finally, there is the issue at Port Pirie. There was a business reallocation there, I think, and a direct offer of 100 per cent of the business share in that area to another Job Network service provider.

**Ms Golightly**—We will just check that. I will have to check what sort of process there was there.

**Senator WONG**—I suppose what I am asking is this: I understand—and the minister did give an interview on Adelaide radio on this—that an employment provider there had their entire business taken from them and 100 per cent of the business share in Port Pirie was offered directly to another Job Network service provider. Can you confirm whether or not a tender process was undertaken in respect of that?

**Ms Golightly**—I do not believe that that business was put to tender, but we are just checking the RFT. That is currently out at the market. No, that was not put to tender. It was a business reallocation.

**Senator WONG**—Of 100 per cent?

**Ms Golightly**—Yes.

**Senator WONG**—Is it appropriate that it not even go to tender?

**Ms Golightly**—Sorry, we just have to be careful about what percentages relate to what. It is not 100 per cent of the business in that ESA.

**Senator WONG**—No. But in Port Pirie.

**Ms Golightly**—There are a number of providers in Port Pirie, which is why I am being careful. One hundred per cent of the business of one provider was reallocated.

**Senator WONG**—To another provider?

**Ms Golightly**—To two other providers.

**Senator WONG**—Are they also located in Pirie?

**Ms Golightly**—Yes.

**Senator WONG**—That is effectively ending the operational arrangements for a business in that area within Port Pirie. On what basis did the department say it is appropriate that that not even go to tender?

**Ms Golightly**—There are a number of criteria we look at in terms of whether something is reallocated or tendered. We take into account what other providers already operate in the area, the performance of those providers and how much business is represented by that particular business share. It has to be viable.

**Senator WONG**—Can you provide that criteria on notice?

**Ms Golightly**—I will take that on notice.

**Senator WONG**—I assumed you would. Finally, are you able on notice to provide me with a process description of the decision making around the business reallocation process?

**Ms Golightly**—Yes. I can on notice.

**Senator WONG**—Who makes this decision? Where does the probity adviser come in? Which aspects of the department? When is the minister advised? That kind of thing.

**Dr Boxall**—We will take that on notice.

**Senator WONG**—Thank you, Chair. Thank you, Dr Boxall.

**Senator MARSHALL**—I have some questions on the TCF structural adjustment package.

**CHAIR**—This is Senator Marshall's topic—TCF—and that is the last topic. If Senator Siewert does not return by the time Senator Marshall finishes, we will close. I am unaware what she intends to ask about, so I am sorry I cannot send people home. But it is only half an hour, long though that may be.

**Senator MARSHALL**—During the last estimates we discussed outcomes for the TCF structural adjustment package for TCF workers. Can you give me an update on the number of retrenched TCF workers who have accessed the SAP program?

**Mr Manthorpe**—Yes, I can do that. We took one question on notice about that. As of 9 March, 258 workers had accessed the program this financial year. I can provide an update of that. That is to say, as of 11 May, 340 workers had accessed the program this financial year.

**Senator MARSHALL**—I thought you gave me a figure of 563.

**Mr Manthorpe**—That would have been the total for the program over the two financial years.

**Senator MARSHALL**—I thought you told me on notice that as of 9 March 143 workers had an employment outcome which resulted in them being employed for at least 26 weeks. Going back 26 weeks from 9 March takes us to early September. These figures could only relate to people who accessed the program before that. If we look at the figures for the previous financial year of 2005-06, there were 337 people who accessed the program. If we



take these two figures and ignore the period from July to September 2006, my calculations would have that less than half of the redundant workers who are accessing the scheme have had 26-week employment outcomes. Is that right?

**Mr Manthorpe**—I have not got the breakdown of the figures in the way that you have just described them. Perhaps the best way I can respond to that is to give you an update on the number of 26-week outcomes there are against the number of workers. We now have 220 26-week outcomes as at 11 May. That is up from 82 as at the middle of January. That 220 is from a total of 687. I think I would argue that the number of 13- and 26-week outcomes is growing more quickly than the inflow, if you like.

**CHAIR**—Just before you ask another question, Senator Siewert is placing her questions on notice, so that means that everyone except those involved with the TCF may leave.

**Dr Boxall**—Thank you very much, Chair.

**CHAIR**—Thank you very much, everyone.

**Senator MARSHALL**—It is still less than half, isn't it? Well, it is one-third?

**Mr Manthorpe**—Yes, but growing.

**Senator MARSHALL**—It is one-third but growing. How does that compare with other programs delivered through the Job Network in terms of employment outcomes for people?

**Mr Manthorpe**—I would have to take that on notice. I would have to take that on notice to try to give you an apples with apples comparison. This is an exercise that commenced at a given point in time. People have flowed into it over a period of time. We are now seeing the cohort move through and many of them get employment outcomes. We do not have the same pattern of ins and outs in the Job Network generally. I would just have to take on notice that question to try to give you a sensible response.

**Senator MARSHALL**—Last time around I think you told me that there had been an encouraging pick-up in 13-week outcomes. You are telling me that the 26-week outcomes are increasing. But it does not seem to be increasing very much to me. Are you concerned about that? I am wondering what action is being taken to improve the situation.

**Mr Manthorpe**—Sure. I think the level of increase is perhaps best illustrated by these figures. But the exercise has been running now for the best part of two financial years. In the first financial year, there were 60 13-week outcomes. So far, in the second financial year, there have been 263 13-week outcomes for a total of 323. In terms of 26-week outcomes, in the first financial year, 2005-06, there were 18 26-week outcomes. In the second financial year, there have been 220, which is 11 times as many, 26-week outcomes for a total of 238. That to me says that as the workers are accessing the assistance, receiving the assistance over time, more of them are getting a result from that. The other point to make is that whilst that still represents less than half of those who are registered, some of those are still registering, if you like. They did not all register at the beginning, so there is still a flow coming in of those registering.

**Senator MARSHALL**—There has been an increased take-up of the program too, so how does that compare in percentages of outcomes compared to the increased numbers?

**Mr Manthorpe**—I think you would find that the proportion getting outcomes is increasing as a proportion of the total number.

**Senator MARSHALL**—If you could give me those figures, I would appreciate that. You can take that on notice.

**Mr Manthorpe**—Sure. I will take that on notice.

**Senator MARSHALL**—In response to another question on notice, the department advised that as of 9 March there were only two education outcomes achieved for retrenched workers. Can you explain to me why there have not been any more educational outcomes, given that TCF workers tend to be fairly low-skilled to begin with so it is a low base?

**Mr Manthorpe**—It would depend on the assessment that the worker and the Job Network member make of how they might best progress. I cannot be more specific than that. Many of them are receiving training of some sort, but that does not necessarily mean they get an education outcome. The training might be prevocational in nature and that does not generate an education outcome.

**Senator MARSHALL**—Why wouldn't it?

**Mr Manthorpe**—I think some hours ago we tabled the material on Job Network outcome payments and how that all works. To get an education outcome, you need to do a sustained period of study—from memory, six or 12 months of study full time. That is the kind of body of study that justifies or earns an education outcome.

**Senator MARSHALL**—Are you able to, again on notice, give me some information about the levels of training being achieved that support the position you are putting to me—that there is training taking place that may not produce a formal educational outcome.

**Mr Manthorpe**—Yes. We could look at what information we can extract from our systems about the sort of training that is being provided.

**Senator MARSHALL**—I understand the position of the department. I am not disputing that getting someone into work is a first priority. But I am concerned, given some of the low 26-week results, even though I accept what you say—they are improving. It may be worth considering, for better long-term outcomes, achieving training and further education first to equip people for better workplaces.

**Ms Golightly**—In terms of giving you more information on training, what we can give you is a breakdown of how much of the job seeker account has been spent on training for these people. That would give you some idea of just how much training they are getting, which may have led to a job outcome rather than an education outcome.

**Senator MARSHALL**—Thank you, if you could do that. We have previously discussed the TCFUA's recommendations for changes to the program. Last time we spoke, the department advised that it would be formally responding to the TCFUA and that you expected this to be within the next month or so. Has that response been provided?

**Mr Manthorpe**—I think we have responded, but, no, it has not yet, as I understand it, been provided to the TCFUA.

**Senator MARSHALL**—Okay. When will it be provided?

**Mr Manthorpe**—I am a little reluctant, given it has not been provided yet, to put another date on it. But hopefully very soon. We have completed a response.

**Senator MARSHALL**—Has the department provided any advice to the minister about the TCFUA's recommendations or how to respond to the report?

**Mr Manthorpe**—Yes, we have.

**Senator MARSHALL**—Is it the minister who is going to respond, or is it the department?

**Senator Abetz**—Which minister are we talking about here?

**Senator MARSHALL**—Your minister.

**Mr Manthorpe**—The way I can come at this is to describe the process. As I indicated last time, we were working on a response to the TCFUA. We developed that response. We then considered that it was appropriate to take it through, in effect, two ministers in order to get it back to the TCFUA. We put the response to Minister Hockey, who cleared the material. He forwarded it to Minister Macfarlane, the industry portfolio minister, noting that it was to Minister Macfarlane that the TCFUA wrote with its report in the first place. So the TCFUA never gave DEWR its report about the Job Network performance in this area. They gave it to Minister Macfarlane. So we thought it appropriate that it be forwarded to him, as he sees fit, to respond.

**Senator MARSHALL**—So it will be Minister Macfarlane who will respond?

**Mr Manthorpe**—Well, that would be my expectation, but of course that is a matter for him.

**Senator Abetz**—Hence my question.

**Senator MARSHALL**—Thank you, Minister. That was very helpful. I understand that the OTR indicated to Senator Carr yesterday that you have made some changes to the way information about TCF SAP is distributed. This is increasing the information in languages other than English and the like. In February you said you had already started placing ads in community and language newspapers. Can you tell me what else you have done to respond to the issues raised by the TCFUA?

**Mr Manthorpe**—Yes. We have done a number of things. Some of them I did cover last time. So all the things I described we were doing last time we continue to do. They include the placement of information about the availability of the scheme in community non-English newspapers in relevant areas. We will be doing that on a quarterly basis. In addition, we are again in the process of preparing some material to go to our Job Network providers to ensure that their staff on the ground are alert to the availability of the package. That will include some publicity material that they can put up in their offices, that kind of thing, to make sure both their staff and indeed their clients are aware. We have also put material on the Centrelink system. I am not quite sure of the description for it, but there is a place on the Centrelink system where Centrelink staff can be alerted to the availability of different packages and schemes. So we have alerted Centrelink staff through that mechanism. They are some of the things we have done around ensuring awareness is raised as well as, as we touched on last time, running presentations for groups of workers at places like Blundstone and Feltex as redundancies have been announced and taken forward.

**Senator MARSHALL**—All right. We will go to the Blundstone package now. I assume you are aware that the package put together to support Blundstone workers under the regional partnerships element of the TCF SAP was knocked back on 15 May.

**Mr Manthorpe**—I am aware of that, yes.

**Senator MARSHALL**—I understand that DEWR and DOTARS officials were consulted a number of times in developing the proposal. Is that correct?

**Mr Manthorpe**—Yes. I think that is true.

**Senator MARSHALL**—One of the stated reasons the application was rejected was that it did not demonstrate that the project did not substantially duplicate services provided by Australian government agencies, primarily the Job Network. I understand that DEWR officials were involved in the development of the proposal and specifically stated that they did not consider there was an issue with duplication. Can you confirm that?

**Mr Manthorpe**—No. I do not believe that is the case.

**Senator MARSHALL**—Are you aware of a meeting on 13 February at Blundstone at which the DOTARS official present explicitly raised the question of duplication with DEWR services and Ms Hartigan, on behalf of DEWR, did not raise any concerns?

**Mr Manthorpe**—Ms Hartigan. You might be referring to our state manager in Tasmania.

**Senator MARSHALL**—Is it something like that?

**Mr Manthorpe**—I believe our state manager, who has a similar surname, was involved in some discussions. But perhaps to cut to the chase, I was aware, as of yesterday afternoon, of the assertion that was made in the industry portfolio estimates committee about what DEWR's position may have been on the RPP application. The only person who had been involved in discussions in Tasmania on that, as far as I am aware, from DEWR was our state manager. I am assured that that position was not accurately represented.

**Senator MARSHALL**—So what is your position? Was your view that there was duplication?

**Mr Manthorpe**—That goes to the question of advice to government. We were consulted and we provided some advice to DOTARS which went to the way in which the relevant DOTARS minister decided on the application. That is all I think I can say.

**Senator MARSHALL**—It just brings me to a practical question. I do not want to go to the advice. If government agencies were involved in the development of the proposal and then failed the test of policy, I want someone to explain to me how that would happen.

**Senator Abetz**—The proposal, as I understand it, was put forward by Colony 47. Would that be right?

**Senator MARSHALL**—Yes.

**Senator Abetz**—As I understand it, officials from DOTARS may from time to time—I do not know about DEWR—assist people with their application without prejudice, whether such an application may or may not be successful. But they try to facilitate as much as possible and then it is analysed.

**Senator MARSHALL**—I understand the application was lodged on 3 April. Can you tell me on what date DOTARS formally sought advice from DEWR regarding the application?

**Mr Manthorpe**—I would have to take that on notice.

**Senator MARSHALL**—I understand that by agreement this application was being fast-tracked because of the need to provide timely support to the redundant workers. Can you tell me when DEWR responded to DOTARS's request for advice?

**Mr Manthorpe**—Again, I would have to take that on notice. I was not aware of it being fast-tracked.

**Senator MARSHALL**—If you could check up on that.

**Mr Manthorpe**—I will put it a slightly different way. I was aware of assertions that it had been fast-tracked when I saw the industry portfolio's estimates yesterday afternoon. But prior to that, we were not aware of it being fast-tracked. But the point I think that should be made about this is that the debate about the RPP application in the end is not a decision for DEWR. It lives in a different portfolio. But in terms of our portfolio's interests, we are already actively administering the labour adjustment package in the Blundstone case. Even though the redundancies have not yet occurred, the Job Network is already working with a number of the employees. Some of them have found alternative employment. In fact, the Job Network has been placing people on a temporary basis with Blundstone, as I understand it, to fill some gaps that they now have as a result of people leaving the plant in advance of it closing. I just want to put on the record that we are actively engaged with Blundstone to make work the Commonwealth package that has been agreed.

**Senator MARSHALL**—Well, if there were concerns about what you are doing in that respect, I would probably be asking you questions about it. I do not have any questions about that, so you can take something away from that, I guess. I wonder whether Minister Hockey was advised or consulted before advice was given to DOTARS about the application?

**Mr Manthorpe**—I think that would go to questions about the way in which government deliberations occur. I am not sure whether I can answer that question.

**Senator MARSHALL**—Take it on notice and answer it if you are able to. Who from DEWR, then, was involved in the process of considering the application after it was formally lodged?

**Mr Manthorpe**—Can you just repeat that question.

**Senator MARSHALL**—Who was involved from DEWR in the process of considering the application after it was lodged?

**Mr Manthorpe**—We did not consider the application in a formal sense. We may have provided a view about it, but we did not—

**Senator MARSHALL**—Who would have provided the input from DEWR in terms of the consideration?

**Mr Manthorpe**—I can think of two officers who were involved in that. One was our state manager in Tasmania and the other was me.

**Senator MARSHALL**—Who is the state manager in Tasmania?

**Mr Manthorpe**—It is Von Harrington.

**Senator MARSHALL**—That is not even close to what I had. We will go back a step. Who was involved in assisting Colony 47 to develop the application?

**Dr Boxall**—Colony 47 developed the proposal, as I understand it. We did not develop it. We might have been asked questions or consulted in the process of developing it.

**Senator MARSHALL**—Who from DEWR was consulted in the development of the proposal?

**Dr Boxall**—Most likely somebody from the state office in Tasmania.

**Senator MARSHALL**—Can you tell me who it was?

**Mr Manthorpe**—The state manager was at a meeting on 14 February.

**Senator MARSHALL**—And just one meeting?

**Mr Manthorpe**—As I understand it, yes.

**Senator MARSHALL**—Are you aware that concerns were raised about the duplication issue on behalf of DEWR at that meeting?

**Mr Manthorpe**—As I perhaps did not make adequately clear a few minutes ago, the position that was put, as I understand it, by our state manager was not consistent with the description of the position put in the estimates hearing in the industry portfolio yesterday. That is to say, I think by the time the story had got to the industry portfolio estimates discussion yesterday, by whatever means, some misunderstandings may have emerged about what DEWR's views might have been.

**Senator MARSHALL**—I am very happy for you to clarify that here. Following the rejection of the regional partnerships application, have you provided any advice or has any advice been sought by the minister for options for providing enhanced support for Blundstone redundant workers?

**Mr Manthorpe**—No.

**Senator MARSHALL**—Is there any plan for your department and, if you know, DOTARS to meet and discuss the process following the first application for assistance?

**Mr Manthorpe**—I think that is a question for DOTARS.

**Senator MARSHALL**—So you are not aware of any second attempt to develop an application?

**Mr Manthorpe**—No.

**Senator MARSHALL**—I want a view. You might have to think about this and take it on notice. But given the failure of this application—I understand advice was given without prejudice but nonetheless the process failed the test—is there a problem with the way the information was—

**Senator Abetz**—The application failed?

**Senator MARSHALL**—Yes. The application failed. Is there a problem with the information in preparing the successful application? Was there a problem with that information?

**Dr Boxall**—The department does not have a view on that. This is an application to a program run by DOTARS. If they want to give advice or feedback to the people who made the application, that is their prerogative. We do not go around giving advice and feedback to people who make applications to other departments' programs.

**Senator Abetz**—I think DOTARS does have a debriefing session for applicants that do not succeed.

**Senator MARSHALL**—But DEWR was involved in providing some advice.

**Dr Boxall**—We were not involved with it. That is the whole point. We were consulted along the way and were asked for advice on certain aspects. We gave that. But the question is that this is—

**Senator MARSHALL**—You did give advice, then?

**Dr Boxall**—No. The question is that this process is run by DOTARS. It is their program and they are responsible for it.

**Senator MARSHALL**—I am not arguing with you about that. But do not tell me that you did not provide any advice when you just told me that some advice was provided.

**Dr Boxall**—I did not tell you that we did not provide advice. I said that we provided advice upon request but it is not our responsibility to debrief other ones. You said we were involved. We were not involved. We only gave advice on request.

**Senator Abetz**—Your question was in the context of the success or otherwise of the application.

**Senator MARSHALL**—If you say giving advice does not mean that you are involved, again, we are talking at cross-purposes. But the question stands: DEWR was asked for advice; that is right? And advice was provided; is that right?

**Dr Boxall**—That is correct.

**Senator MARSHALL**—So there was advice provided yet the application still failed. If your position is that it has nothing to do with you, that is all I was asking.

**Senator Abetz**—That is right.

**Dr Boxall**—That is our position. That is the position that Mr Manthorpe has been making on behalf of the department.

**Senator Abetz**—We are in heated agreement, Senator Marshall.

**Senator MARSHALL**—I do not know what your problem is, Dr Boxall, apart from trying to tell me there was no advice, no involvement provided by DEWR.

**Senator Abetz**—Except that we are three minutes early.

**Senator MARSHALL**—We have a couple more minutes. It would be a shame to finish early.

**Senator SIEWERT**—Yes, it would.

**Senator MARSHALL**—You are back.

**CHAIR**—Yes. But the officers have gone home. I consider you have no more questions of note?

**Senator MARSHALL**—I am finished my questions.

**CHAIR**—In that case, Dr Boxall, I thank you very much and the department for the two days of estimates.

**Dr Boxall**—Thank you very much.

**Senator Abetz**—We thank you, Chair, and Hansard and everybody else.

**Committee adjourned at 10.57 pm**